

CHAIRMAN'S STATEMENT

On behalf of eForce Holdings Limited (the "Company") and its subsidiaries (the "Group"), I would like to present the 2004 Annual Report for the year ended 31 December 2004.

BUSINESS OVERVIEW AND PROSPECT

During 2004, our Group remained focused on restructuring the organization and strengthening the core business.

Our Group has over the last two years ceased and divested all Information Technology related businesses. No turnover was recorded for this unit as the restructuring has concluded during the year under review. The operating losses and share of losses from an associate for this unit was HK\$1 million and HK\$8 million respectively.

The manufacturing business has maintained a healthy growth during the year under review. The turnover for 2004 was HK\$170 million compared to HK\$94 million in 2003. Operating profit for the unit was HK\$7.0 million compared to a loss of HK\$0.5 million in 2003. This positive contribution shows that the various measures undertaken in the last two years by the management were successful despite the surge in material costs

The outlook for 2005 is challenging. The high costs of oil and commodity materials and the increasing labor costs in the Guangdong province remain to be our biggest concern. In order to be competitive, the management will continue to consolidate the manufacturing unit by focusing on R&D, extending the customer's base and reducing production costs. At the same time, we will continue to search for new opportunities that will enhance our value to our shareholders.

APPRECIATION

On behalf of the Board, I would like to thank the management and staff for their hard work and devotion to overcome the challenges we have faced in the past year. To my fellow Directors, I wish to express my appreciation for your support, assistance and contributions made to the Group. Last but not the least, I would like to thank our shareholders and business partners for their continued support to our Group.