

CHAIRMAN'S STATEMENT

In May 2000 i-Onyx Limited was formed with well known strategic partners to participate in the rapidly expanding technology sector, with the traditional business of the Arnhold Group continuing operations as a separate subsidiary.

Since May there has been a significant setback to the valuation of technology companies. In such a climate I am pleased to advise that we have made no further investments since our last announcement. We saw many good companies, but at too high a price.

Looking ahead I am confident of a bright investment future for two reasons.

Firstly, I see a vastly different market:

- Many market sectors, not just technology, are beginning to provide opportunities to invest in companies with a good long-term potential and a clear profit model, and at a valuation that offers investors an excellent return.
- Companies are now turning to strategic private equity investors rather than to initial public offerings to raise additional finance, whilst some large entities are selling subsidiaries that are non-strategic to their core business activity.

Secondly i-Onyx has what it takes to capitalise on this changed market environment.

- As a consequence of our cautious investment strategy we have maintained a healthy balance sheet.

主席報告書

i-Onyx Limited於二零零零年五月由知名策略性夥伴成立，以加入迅速發展的科技界別，而安利集團的傳統業務則於個別附屬公司繼續經營。

五月以還，科技公司的價值風雲變色。在此市場氣候下，本人欣然宣佈，我們自上一份業績公佈以來，並無進行任何其他投資。我們看到很多良好的公司，只是價錢太高。

舉目前望，本人有信心投資前途一片光明，原因有兩個。

首先，市場情況已然不同：

- 不單是科技行業，很多市場界別正呈現一些投資機會，對象為一些具長期潛力及具明確盈利模式的公司，而且價格正處於可為投資者帶來豐厚回報的水平。
- 一般而言，公司多傾向透過策略性私人股本投資者，而非藉首次公開招股來籌集額外資金；另有一些大型公司正出售一些對其核心業務而言不具策略性的附屬公司。

其次，i-Onyx具備在變化莫測的市場環境中致勝的條件。

- 由於投資策略審慎，我們得以維持健康的資產負債狀況。

- We will continue to leverage the resources and relationships of our Strategic Investors to gain access to good opportunities in technology and other targeted sectors; and then add real value if an investment is made.

We will continue to be opportunistic in our investment approach. But given the prevailing fragile market environment and continued uncertainty over global economic conditions, we remain highly cautious and will be looking for increased visibility in the months ahead before we make any significant commitment. At the same time, we will have a renewed focus on operational efficiency to ensure that our resources are consistent with the current state of our business.

The traditional Arnhold business continues to manufacture and distribute building materials and engineering equipment for the construction industry. This sector is directly correlated with the fortunes of the Hong Kong economy, and our financial results illustrate the effects of an economic downturn that has now been sustained for a number of years.

However from a consolidated perspective i-Onyx Ltd has remained in profitability, and through sound management, that has focused on margin improvement and operational efficiency, the Arnhold business remains in a leading industry position.

With Arnhold remaining in a solid position, and with improving investment fundamentals, I am confident that i-Onyx is well placed to benefit from the opportunities that will arise in the current economic environment.

Simon Murray
Chairman

Hong Kong, 15 March 2001

- 我們將繼續利用策略性投資者的資源和關係，在科技業及其他目標的界別中把握良機，使到我們的投資增值。

我們對本身的投資取向仍表樂觀。然而，鑑於現行市場環境疲軟不振及全球經濟情況持續瀰漫不明朗因素，我們會保持非常審慎的態度，並將會靜待市場情況在未來數月變得更清晰後，才會作出重大投資。與此同時，我們將重訂營運效率為重點，確保我們的資源與業務的現行情況符合一致。

安利的傳統業務仍為製造和分銷建造業所需的建材和工程設備。這界別與香港經濟息息相關，而我們的財務業績亦反映了連續幾年經濟低迷的影響。

然而，從綜合的角度來看，i-Onyx Ltd 仍能錄得盈利，加上務實的管理層繼續專注改善邊際利潤及經營效率，故安利業務將仍穩佔業內領先地位。

憑著穩固基礎及投資的基本因素不斷改善，本人堅信，i-Onyx已準備就緒，因應現經濟環境帶來的機會而得益。

馬世民
主席

香港，二零零一年三月十五日