

BUSINESS REVIEW

Turnover of the Group was HK\$832,782,000 for the year ended 31st March, 2001 which represents an increase of 17.96% over HK\$705,971,000 for the previous fiscal year ended 31st March, 2000. Operating profit for the year was HK\$21,528,000, a decrease of 47.64% from last year's result. This was primarily due to an increase in the general and administrative expenses of the Group following commencement of new business in broadband connectivity and karaoke on demand systems. The Group's traditional business in building services and related trading activities remained steady and profitable.

There have been substantial changes in market conditions and business fundamentals for telecommunications industries during the year under review, thus producing negative effects on the Group's investment profile on hi-tech related business. The loss for the year attributable to shareholders included a total amount of HK\$62,394,000 as impairment in value for such hi-tech investments.

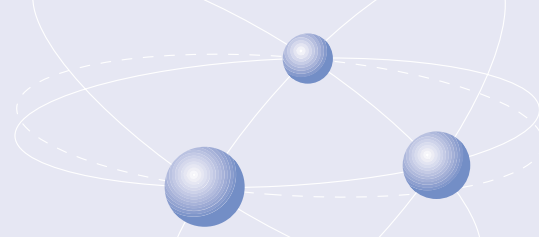
Building Services Engineering

During the year under review, there was a marked slow down in housing developments in both private and public sectors. The decrease in the availability of building services projects resulted once again in fierce competition amongst eligible contractors. At the same time, the construction industry was subject to continuing tightening demands and regulations imposed by the Government on safety, environment, labour and quality related issues. To cope with such changing requirements, additional expenses had been incurred which reduced the margins for profit. However, the Group continues to streamline its operation with view to consolidate and reinforce its competitive edge in the market place.

As at 31st March, 2001, the Group's uncompleted contracts on hand were approximately HK\$435 million substantially lower than that of HK\$824 million a year ago.

Broadband Connectivity

The Group through its subsidiary, Speedlink Limited, commenced the business of broadband connectivity during the year under review. Due to price competition and dominance by certain principal facilities providers, the performance of Speedlink Limited had been poor and is unlikely to improve in the near future. The Board had already taken some short term measures to reduce the operating loss and actively explored any opportunities to realize its investment in Speedlink Limited.



Broadband Application – Karaoke on Demand

The Group on 25th April, 2000 through a series of discloseable transactions together with other independent third parties via Investrade International Limited ("Investrade") acquired a 57.2% interest in Binary KOD Limited. Binary KOD Limited together with its subsidiaries engages in design, supplying, installing and maintaining karaoke hardware and control systems to karaoke in Hong Kong. A detailed circular concerning the discloseable transactions was despatched to all shareholders on 12th May, 2000. On 27th March, 2001, the Group announced an acquisition of a further 25% equity interest in, and a shareholder's loan of HK\$7,500,000 to, Investrade from a connected party at a consideration of HK\$7,500,000. The acquisition enabled the Group to further consolidate its investment position in and control over Investrade from equity of 55% to 80% so as to strengthen the Group's broadband applications business.

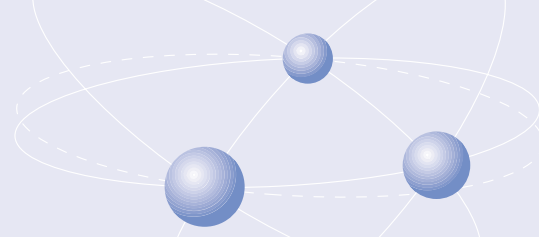
As at 31st March, 2001, there were approximately 25 sizeable karaoke boxes covering 1,400 rooms having installed the Karaoke-on-Demand System. In addition to providing an efficient song selection and audio/video system, the Karaoke-on-Demand system also provides a multimedia platform for advertisement and infotainment.

Investment in an Associated Company

The Group announced on 7th February, 2001 that the Group through its wholly owned subsidiary, Premier.com Limited, proposed to increase its equity interest in Dyxnet Holdings Limited from approximately 7.48% to approximately 23.91% by way of the rights shares subscription and preference shares subscription. A detailed circular concerning the transactions was despatched to all shareholders on 26th February, 2001. The transactions were completed on 29th March, 2001. Dyxnet Holdings Limited together with its subsidiaries engages in the provision of a full array of Internet solutions (including, but not limit to, Internet access, virtual private network, server co-location, hosting, content distribution, traffic management and security) to Internet content providers, online traders, multimedia web content users and corporate intranet/extranet users in Greater China.

PROSPECT

As the Group's business is mainly concentrated within Hong Kong, the poor outlook of the local economy will definitely have an adverse impact to the Group's performance. The Board, however, remains optimistic that the Group will continue to trade profitably in the coming year.



ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank Mr. Barry John BUTTIFANT, resigned from the Board in the year, for his valuable contribution to the Group during the period of his services. At the same time, I would like to welcome Messrs. YU Shek Kee, Stephen and OU Ka Chi to the Board.

Finally, I would like to take this opportunity to extend our gratitude to our staff for their dedication and contribution over the past year.

Wong Sai Wing, James
Chairman

Hong Kong SAR, 24th August, 2001