While the global economy remains lackluster, the economy of the PRC maintains a steady growth. The active fiscal and monetary policy implemented by the Chinese government has not only led to a strong economic growth, but also effectively stimulated the domestic demand. According to an authoritative forecast, the economy of the PRC will continue to maintain a stable growth during the second half of 2001. The PRC's imminent entry to the World Trade Organization ("WTO") and the hosting of 2008 Olympic Games in Beijing will provide new driving forces for the development of the PRC economy. This will also provide a solid foundation for the Company to pursue investment in new high technology projects.

The Company considers the new high technology industries are characterized by fast changing and evolving. To survive and establish its market position in this highly competitive environment, the Company will cautiously seek for opportunities of profitable investments in order to add value to our shareholders. In particular, with the PRC's imminent entry into WTO, the Company needs to strengthen its mentality to enter into the global market by broadening its scope to an international level and enhancing its risk awareness. We strongly believe that, with the recovering global macroeconomy, the Company will have more investment opportunities and provide satisfactory returns to our shareholders.