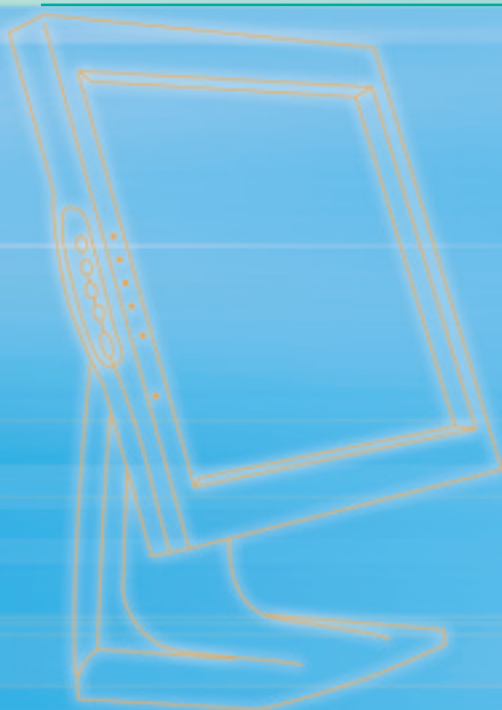


Chairman's Statement

On behalf of the Board of Directors of Proview International Holdings Limited (the "Company") and its subsidiaries (the "Group"),

I am pleased to present the annual report and the audited consolidated results of the Group for the year ended 30 June 2001.





OVERVIEW AND PROSPECT

► This has been a difficult year for IT and computer industry. The slowing global economy not only causes a drop in PC shipments, it also impacts adversely every IT company around the world, which undermines the profit margin of every industry player, with the Group being no exception.

As a global player in the computer monitor sector, the Group's performance during the year has also been affected, with its turnover and profit attributable to shareholders amounted to HK\$3.7 billion and HK\$2.6 million, respectively, for the financial year ended 30 June 2001. The increase in sales in Asia Pacific region of 14% was not matched by sales to North America and Western Europe which actually recorded a reduction. The purchasing power in North America has been adversely affected by the burst of the IT stock bubble and the



Chairman's Statement

subsequent slowing down of the US economy. The weak Euro dollars has also continued to dampen the European demand for IT products. The Group expects the North American and European markets to remain moderate in the coming year.

Though the world economy is clouded with uncertainties, the Group has reacted proactively to ride above this difficult time.

CHINA STRATEGY

► Today, the PRC market is one of the few markets where there is still remarkable growth in the IT and computer industry. The growth in demand of IT products will be further fuelled by the entry of the PRC into the World Trade Organization. The Group's own brand "EMC" has become one of the most famous brand names in the Mainland. Against this background, we have increased significantly the marketing and sales efforts in the PRC and succeed in clinching orders from several reputable IT companies. All these serve to cement our Group's prominent position in the PRC market.

At the same time, the Group has been putting more effort to strengthen our presence there. Targeting at the domestic market, a joint venture in which the Group had a 51% interest was set up in Wuhan for the production of computer monitor and information appliances. This joint venture can help to improve our distribution network and further penetrate the PRC market. The Group's ability to adopt flexibility in its strategic planning should enable us to maintain our growth potential in this depressing international market.

PRODUCTION

► LCD monitor's traditional higher price in comparison to that of the CRT monitor has kept its demand below that of the CRT monitor. However, with the cost of the LCD panel having been



Chairman's Statement



significantly reduced starting from the second quarter of 2001, the LCD monitor becomes one of the most fast-growing products in the computer monitor industry. By effective deployment of resources to the production of LCD monitor, the Group has emerged as one of the important players in the LCD monitor market. The production of LCD monitor is now making up about 28% of the total production volume of the Group. The Group is optimistic about the development of this product and believes that the profit contribution of LCD monitor to the Group in the coming year will increase.

RESEARCH AND DEVELOPMENT

► The Group firmly believes that it can increase its competitiveness through technology development. To this end, the Group's research and development expenditure has been increased by 72% compared to that of last year, despite of the sluggish market environment. The Group has developed a few new series of CRT and LCD monitors in this period. Not only the flat screen CRT monitor series reinforced the Group's competitive advantage significantly, the new LCD monitor series has also enabled the Group to outperform its other competitors in the wake of demand surge for this product. In addition to our introduction of the iPad (Internet Personal Access Devices) to the global market, we also continue to develop new series of information appliance leveraging on our display technology, believing that these Internet appliances will be well received in the information era.

Looking ahead, the Group will endeavour to strive for steady growth and explore new opportunities in the computer monitor industry. Besides placing equal emphasis on the PRC market and on maintaining its share in the global market, the Group will continue to form strategic alliance with major suppliers to achieve optimum synergy effect. Last but not the least, the Group will commit itself to continuous research and development activities for constant improvements and launching of new products to the markets that can bring higher return to its shareholders.

APPRECIATION

► Finally, on behalf of the Board of Directors, I would like to extend my gratitude and sincere appreciation to all the staff of the Group for their dedicated and unceasing efforts and to our shareholders for their continued support in these difficult times.

Yang Long-san, Rowell
Chairman and Managing Director
Hong Kong, 23 October 2001