

FUTURE PROSPECTS

In line with the ever-changing environment in the stock market, the Group strives to develop more innovative and diverse financial services in addition to our reinforcement in traditional stock and futures brokerage business. Further to the collaboration with reputable international partners, the Group will further explore overseas market and introduce more successful business models with proven track records.

With China's admission to WTO, more foreign investment funds will be attracted into the Hong Kong market which acts as their stepping-stone to the mainland. The capital influx is expected to accelerate Hong Kong's economic recovery while at the same time stimulating investors' activities in equity investments. The Group is optimistic that the overall financial environment will substantially improve by mid 2002. The Group will be well prepared to capture these business opportunities when chances arise.

The minimum commission charge of 0.25% is expected to be scrapped by April 2002. It will trigger off cut throat price competition in the industry and squeeze out numerous marginal operators. However, the Group believes that competition will be short-term and will be released when the industry was aligned through further consolidation. Being a medium-size financial service provider pursuing flexible management and effective cost control, the Group is in a better position to streamline overall operations and to consolidate our existing business. In addition, the Group will also compliment the alleviation of brokerage charges with higher quality services to enhance its competitive niche.

In the future, the Group will take advantage of burgeoning opportunities arising while at the same time adopting a prudent policy in pursuing profit maximization and ensuring a strong financial position.