

Chairman's Statement

During the year ended 31 December 2001, the Company and its subsidiaries (the "Group") recorded a profit attributable to shareholders of HK\$32.6 million (2000: HK\$9.0 million). Earnings per share was HK\$1.11 (2000: HK\$0.31). Further details of the Group's past performance are explained under the "Management Discussion and Analysis" section.

Increasing uncertainty and concerns about further deterioration in the economic conditions are affecting business activities and investment incentive. It is of great importance that the Group remains financially strong and preserves its resources when the economy may continue to worsen in the near future. After due and careful consideration, the Board of Directors has resolved not to recommend any dividends for the year ended 31 December 2001.

I would like to take this opportunity to express my appreciation to all members of the Board for their contribution during the past year.

Chiu Tao

Chairman

Hong Kong, 12 April 2002