

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board"), I have pleasure in presenting the annual report and the audited consolidated results of GR Investment International Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2001.

BUSINESS REVIEW AND PROSPECTS

Year 2001 was the first year of the new century. It was also the beginning year of the implementation of the "Tenth Five-Year Plan" of the People's Republic of China ("PRC"). During the year, the Chinese government continued to deepen the economic reform and to open up its market wider. It also persisted with the policy to further expand its domestic demand. Despite an obvious slowdown in the global economy, the national economy of the PRC has maintained its developing momentum of rapid growth, high efficiency and low inflation. The level of investment and consumption surged steadily. The economic structural problems have mostly been resolved. The "Go-West" campaign has made important progress. The economic reform programs gained further development. The "Open Door Policy" has stridden forward a new step. Income of the government increased and the financial sector was operating smoothly. The living standard of the people improved continuously. All these factors will facilitate a steady development in the investments of the Group in both the PRC and Hong Kong.

During the year the Group has taken active measures to strengthen the management of the investment projects. We emphasized on the cooperation with the Chinese partners and collaborated jointly with them to stimulate production, quality, marketing, operation and management. The management of the Group will continue to seek investment projects with high rate of return and capital appreciation potential. We shall also introduce new technology, new product development, new market exploration and new business opportunities to any suitable investment projects.

Year 2001 also witnessed the transformation of GR Investment Holdings Limited ("GR Holdings") and the group of subsidiaries under it ("GR Holdings Group") as it underwent a reorganization scheme to rationalize the structure of the Group by way of a scheme of arrangement ("the Scheme"). As announced in public, GR Holdings has become a wholly owned subsidiary of the Company upon the completion of the Scheme. I believe that GR Holdings Group under the new name and substance of the Group will continue to evaluate potential investment opportunities in order to achieve a high growth investment portfolio that can generate satisfactory investment returns and yields for our shareholders.

APPRECIATION

I would like to express my sincere thanks to all the directors and staff of the Group for their dedication and contribution in the past year.

On behalf of the Board
LAM Sai Ho, Anthony
Chairman

Hong Kong, 18 April 2002