

# Chairman's Statement

Dear Shareholders,

I am honored to act as Chairman and General Manager of CATIC Shenzhen Holdings Limited ("the Company") in the year 2003. On behalf of the Board, I am pleased to present the annual results of the Company for the year ended 31st December 2003 to our shareholders, partners and supporters who are concerned about the Company and its subsidiaries (collectively, "the Group") .

During the year of 2003, the global economy began to recover, and China also registered a record growth in recent years upon overcoming negative impacts brought on by the Iraq War and sudden outbreak of the Severe Acute Respiratory Syndrome ("SARS") epidemic. Thanks to the rapid growth of the domestic economy and the Group's commitment to business readjustment and market expansion, each of its core businesses has broken free from the difficulties encountered in recent years, and gained an impressive growth.

Riding on the back of economic globalization especially China's accession to WTO, China will witness a rapid economic growth both in the mid and long term driven by its solid foundation and comparative advantages, as a result, relevant domestic industries will be exposed to significant growth opportunities as well as direct and fierce international competition. I believe that the Group can only obtain its possibly largest slice from China's fast growth through its aspiration, insight and commitment to excellence. Fully committed to a philosophy of "Exceed Mediocrity and Generate Excellence" as its objective, the Group will continue to forge ahead.

Thanks to the continuous endeavors of all our staff members for many years, our core businesses such as LCD, PCB and timepieces have established a good brand and reputation through their quality and service, and been enjoying leading roles nationwide. This has established a good foundation for its future development. I believe, the Group will achieve a greater growth in the future and bring more rewards to the society, shareholders, partners and all the staff of the Company.

Finally, on behalf of the Board, I would like to extend my sincere thanks to our diligent and devoted staff, and shareholders and clients for their strong support for the Group.

**Wu Guang Quan**

*Chairman*

Shenzhen, PRC  
7th April 2004