



On behalf of the Board of Directors of the Company, I take pleasure in presenting the Annual Results of the Group for the year ended 30 June 2004.

RESULTS

For the year ended 30 June 2004, the Group's turnover decreased to HK\$54,494,000 representing a decrease of 39% over that of last year's HK\$88,864,000. The subsidiaries responsible for the manufacturing and trading of electrical equipment and the provision of electrical engineering and contracting services continued to be profitable. However, fierce price competition and the increase in the provision of HK\$6,922,000 for the diminution in value of the investment in a joint venture and provision of HK\$9,196,000 for the diminution in value of investments in securities resulted in a net loss of HK\$25,875,000 for the year (2003: net loss of HK\$45,279,000). The net asset value of the Group as at 30 June 2004 increased to HK\$123,221,000 (2003: HK\$60,777,000). The Board of Directors has resolved not to pay a dividend for the year.

BUSINESS REVIEW AND LOOKING AHEAD

The year under review continued to be extremely difficult for business. The conflicts in the Middle-east and the actions against the Terrorist continued to pose uncertainties on the world economy. Hong Kong's economy is still finding its bottom, thus making the Hong Kong economy an unclear future. However, the continued excellent economic performance of the People's Republic of China (the "PRC") should help cushion Hong Kong from the full effects of both Hong Kong and global downturn. Meanwhile, doing business has become that much riskier, indicating that caution should be the watchword.

The present investment climate, although making the raising of funds difficult, does offer a range of sound business opportunities. The Group will continue to explore ways and means of developing the Group's investments, which with prudent management can be expected to show real growth in the years ahead. And at the same time, the Group will exercise restraint in expenditure in order to conserve its resources.

APPRECIATION

On behalf of the Board of Directors, I should like to thank our customers, our bankers, our auditors, the staff of the Group for their diligence, and our many shareholders, particularly those who have exercised patience during such a difficult year. I look forward to better years ahead.

Chen Chak Man

Chairman of the Board

Hong Kong, 20 October 2004