

CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

During 2004, Start Technology Company Limited (the "Company") and its subsidiaries (the "Group") experienced growth in different business segments. Among its various business operations, software development and systems integration, the Group's core business that has been continuously developing over the years, showed satisfactory performance. The Group also secured several development plans with clients. Together with the notable improvement in the operating environment, this business segment recorded satisfactory overall growth compared with last year. The sale of integrated circuits and computer software also provided a stable revenue stream to the Group during the year. All these factors contributed to the turnaround of the Group's performance in 2004, with turnover increased by approximately 88%.

Nevertheless, thorough analysis by the management revealed that allocating more resources in industries with higher return and greater development potential would enable the Group to better realise its strength. Having extensive operating experience in the People's Republic of China ("PRC") market which it accumulated over the years, the Group recognises the immense potential of e-payment services in China and believes this is the best time to restructure its existing businesses. The Group acquired 30% interest in Loten Technology Co., Ltd. ("Loten") in March 2005 to facilitate its involvement in Automatic Teller Machine ("ATM") business, an essential stepping stone into the e-payment service sector. The acquisition laid the foundation for the Group to enter the promising new service sector.

On average, in the PRC, 50 ATMs serve every 1,000,000 citizens, a ratio much lower than the 1,300 units in the U.S. and the approximately 400-800 units in developed areas and countries such as Japan, Hong Kong and Taiwan. The big gaps show that ATM business has enormous development potential in the PRC. The rapidly growing demand for ATMs and related financial payment services has several stimuli including the PRC's accession to the World Trade Organisation boosting the country's economic activities and the continuously rising income and spending power of Chinese citizens.

Looking ahead, since the ATM business has tremendous potential for further developments, we believe this business segment will help generate a steady and satisfactory income stream for the Group. It will also present an important stepping stone for the Group to establish its leading position in the e-payment services sector. We will strive to stand out in the market and bring satisfactory return to our shareholders.

APPRECIATION

On behalf of the Board of Directors, I would like take this opportunity to express our sincere appreciation to all our clients, bankers, investors and business partners for their continued confidence and support. I would also like to thank our management and staff for their continuing commitment and contribution to our business operations. Looking to the future, we will seize every business opportunity to further strengthen our competitiveness and market position to create promising returns for our valued shareholders.

Sze Wai, Marco
Chairman

Hong Kong, April 25, 2005