



SINOTRONICS HOLDINGS LIMITED

(華 翔 電 路 控 股 有 限 公 司) *

(Incorporated in the Cayman Islands with limited liability)

RESULTS ANNOUNCEMENT

For the six months ended 31st December, 2001

Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the “Directors”) of Sinotronics Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

** For identification purposes only*

CHAIRMAN'S STATEMENT

The board (the "Board") of directors (the "Directors") of Sinotronics Holdings Limited ("Sinotronics" or the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31st December, 2001, as follows:

BUSINESS REVIEW

The year 2001 was a difficult year for the global electronic industry. The recession of the U.S. and Japanese economy, together with the fallout of the "911" event, have depressed the world economic industry seriously. The performance of many multi-national economic companies declined and China's export of electronic products dropped significantly. Due to the Group's early anticipation of such decline in the overseas market and its timely adjustment to focus its marketing efforts to the Mainland China market which has been enjoying a strong economic growth, the Group was able to maintain its expansion in the half year from 1st July, 2001 to 31st December, 2001.

● Expedition of the expansion of sales network

The Company has been devoting its resources for the establishment of its own sales network all along to match up with the rapid growth of the Group. On the one hand, the Group increased the number of its engineering staff in Shanghai and Shenzhen and the existent key sales points to enhance the engineering support and service capacity of the Group's sales branches with an aim to raise the Company's competitiveness. On the other hand, the Group actively expanded the coverage of its sales points to other regions in the PRC. The Group established temporary offices in Wuhan of the Central China and Xi'an of the Western China to promote the Company's brand name. After securing orders, the Group further sent sales staff to Tianjin and Shandong Province of the Northern China and initiated contact with some renowned companies including the Tianjin Branch of Samsung Electronics and Hisense Electronics of Shandong. As a result of the Group's marketing efforts, the sales network of the Group has covered the whole China.

● Expansion and promotion of the Group's capacity and scope in engineering support services

Among all the electronic manufacturing services (EMS), engineering support and design services have been the core sectors of high value-added services provided by the Group to its customers. Active expansion and enhancement of the Group's engineering support and its service capacity and scope have been the key factors of the Group's rapid growth. After setting up an engineering design centre in Fuzhou, the Group increased its engineering staff in Shanghai and Shenzhen and established auxiliary services capacity including the provision of original drawing design and wiring design to customers. Accordingly, the Group laid a solid foundation for its competitive advantage in market competition in the Eastern China including Shanghai.

● **Constant improvement in services to become a “one-stop shop”**

To become an essential strategic partner in customers' rapid growth, to constantly improve its services offered for customers' convenience and to become a “one-stop-shop” of its customers are the Company's targets. Utilising the Group's advantages in the accessibility of information and sources of supplies through its headquarters in Hong Kong, together with the close cooperation between the Group and each of its two strategic partners, Start Network and Newland, the Group provided services including procurement, installation and testing to its customers, which allow the Group to further approach its development targets.

FINANCIAL REVIEW

Six months ended 31st December, 2001

The unaudited consolidated turnover of the Group for the six months ended 31st December, 2001 was approximately RMB97,737,000, representing an increase of about 24.4% over the unaudited combined turnover of the Group of RMB78,542,000 for the corresponding six months ended 31st December, 2000. The unaudited consolidated profit of the Group for the six months ended 31st December, 2001 was approximately RMB31,478,000, representing an increase of about 14.7% as compared to the unaudited combined profit of the Group of RMB27,439,000 for the corresponding six months ended 31st December, 2000. The unaudited gross profit margin of the Group for the six months ended 31st December, 2001 was approximately 50.1%, which was about 0.1% higher than the unaudited gross profit margin of the Group of approximately 50.0% for the corresponding six months ended 31st December, 2000.

Three months ended 31st December, 2001

The unaudited consolidated turnover of the Group for the three months ended 31st December, 2001 was approximately RMB47,238,000, representing an increase of about 19.3% over the unaudited combined turnover of the Group of RMB39,590,000 for the corresponding three months ended 31st December, 2000. The unaudited consolidated profit of the Group for the three months ended 31st December, 2001 was approximately RMB15,195,000, representing an increase of the about 10.19% as compared to the unaudited combined profit of the Group of RMB13,790,000 for the corresponding three months ended 31st December, 2000. The unaudited gross profit margin of the Group for the three months ended 31st December, 2001 was approximately 50.9%, which was about 1.0% lower than the unaudited gross profit margin of the Group of approximately 51.9% for the corresponding three months ended 31st December, 2000.

BUSINESS PROSPECTS

Economic slowdown in the three major economic powers including the U.S., Japan and the European Union occurred simultaneously in 2001 and the world economics was in the hardest time of the past two decades. At the same time, despite the significant drop in China's export growth rate in the second half of 2001, its aggressive financial policies distinguished China from the rest of the world and its economy underwent a strong and steady growth. With China's accession to the WTO, its economy will expand at an even a faster rate. Leveraging on its geographic advantage, the Group had established its sales network in China in a relatively advanced time and introduced various EMS business modes, thereby establishing a stable foundation for the Group's rapid development.

- The Group successfully expanded its engineering support and design services to cover its major sales points, improved its customer relationship management (CRM) and managed the provision of engineering support and design services offered as part of the Group's EMS business mode. All of these have enabled the Group to participate in the initial stage of the customers' research on new products and to complement customers' designs with the Group's manufacturing techniques and experience. As a result, the customers' R & D cycle for new products can be shortened and the Group can assist its customers to obtain competitive edges in the market, making the Group as the customers' close strategic partners. With this, the Group has been successful in actively establishing and expanding its own sales network. While constantly sending engineering staff to its major sales points with an aim to provide the related services to the customers, the Group also put emphasis on the development of the two sales points in Shanghai and Shenzhen and pursue in setting up an engineering design centre in Shanghai to enhance the services provided to customers in the Eastern China. The Group believes that the above initiatives can bring positive effects to the future market stability and production expansion of the Group.

- **Constant R & D of new technology and know-how, and widen the market horizons**

New technologies have become the driving force for the development of new economy. To ensure the Group's continuous and rapid development in the future, it has devoted extensive human and other resources to carry out R & D on new technologies and know-how and technological renovation. After the successful completion of the Group's trial production on thick copper large power supply boards and metallic multilayer boards, the Group continue to devote human, material and financial and other resources to carry out the R & D on diffraction board and steel diffraction composite board and commenced trial sample production. With China's accession to the WTO, automobile electronics and notebook computers will be two of the fastest growing sectors in China's electronic industry. Diffraction board and steel diffraction composite board are essential in these two sectors and they are expected to bring significant rewards to the Group in the future.

- **Expansion of production scale to reduce costs**

While actively expanding its sales network, the Group is also actively expanding its own production scale and improving its own management. In addition, the Group has adjusted its production with the market and effectively improved the utilisation rate of its equipment and reduced its costs. With the introduction of new production equipment including horizontal browning and etching equipment which the Group newly acquired, its production scale in multilayer boards will increase to 18,000 sq.m. per month. This will provide strong support to the Group's demand arising from its improved market competitiveness.

LIQUIDITY AND FINANCIAL RESOURCES

Basically the Group's working capital requirement has been financed by its internal resources and banking facilities. As at 31st December, 2001, the Group had loan facilities of approximately RMB42,000,000 (*30th June, 2001: RMB42,000,000*) from several banks which were fully utilized as at the same date. The loan facilities were secured by guarantees provided by Fujian Furi Electronics Co. Ltd., a minority shareholder of a subsidiary, and Fujian Furi Group Company, the holding company of Furi Electronics Co. Ltd.. The Group's borrowings were mainly in China Renminbi. Overdraft and term loan facilities were granted to the Group at approximately 6.37% to 9.36%.

The shareholders' equity of the Group as at 31st December, 2001 increased by 19.4% to RMB193,596,000 (*30th June, 2001: RMB162,118,000*). The gearing ratio (calculated as ratio of current liabilities plus non-current liabilities: shareholders' equity) of the Group in the period was 0.46 (*30th June, 2001: 0.53*).

EMPLOYEE INFORMATION

As at 31st December, 2001, the total workforce of the Group were 456. It is our Group policy to review its employee's pay levels and performance bonus system regularly to ensure that the remuneration policy is competitive within the relevant industries.

COMPARISON BETWEEN BUSINESS OBJECTIVE AND ACTUAL RESULTS

Business objectives

Actual business progress

1. Engineering outsourcing (including research and development)

- | | |
|---|--|
| <ul style="list-style-type: none">— Start to provide PCB assembly and sub-system design services for existing customers.
— Awarded with ISO 9001, which suggests that an enterprise has attained certain quality standards in operation and implementation covering design and development, production, assembly, investment and services. | <ul style="list-style-type: none">— Has been providing sub-system design service for existing customers like Start Network, Newland, 天方公司, Chengdu Gangshun, and PCB assembly service for Chengdu Gangshun and other customers.
— The Group is modifying relevant procedural documents according to the ISO9001 (2000 version) requirements. It has also approached third party certification organizations and made certification applications. It is expected that certification will be awarded in the middle of 2002. |
|---|--|

2. PCBs and PCB assembly

- Upgrade manufacturing facilities and attract high profit-margin customers by providing PCBs and assembly services to customers who demand shorter lead time.
- Carry out testing and pre-production works for installing the SMT
- Continue to increase the sales attributable to PCBs with 10 to 12 layers (higher profit margin is expected from more sophisticated design and production) against the first half ended 30th June, 2001.
- Increase income by selling PCBs with higher number of layers and providing complicated PCB assembly service.
- Purchase advanced equipment capable of manufacturing PCBs with more layers.
- Through enhancing the Group's production efficiency by purchasing additional multilayer equipment like multilayer press machines and horizontal browning and etching productions lines, and through technical improvements and innovations to provide the customers with prompt and comprehensive services, Shanghai Huaxin Electronic and Shanghai Hongxi Electronic with high profit margins have become the Group's new customers.
- Has entered into cooperation agreements with the Company's strategic partners, including Start Network and Newland for the provision of assistance to the Group, which enabled the Group to provide complete SMT assembly service to its customers. Meanwhile, acquisition of factories with SMT capacity is under negotiation
- For the six months ended 31st December, 2001, proportion of rules generated from 10 to 12 layer PCBs, remained unchanged as there was no significant increase on customer's demand
- The Group aimed to raise the sales attributable to multilayer PCBs and to increase the number of layers while providing relevant design and assembly service to the customers. It also aimed to secure a stable sale income against the prevailing sluggish electronic industry. During the six months ended 31st December, 2001, turnover of multilayer PCBs amounted to approximately 52 million, representing an increase of about 53.8% over the same period last year.
- The Group has purchased additional equipment including etching and horizontal browning production lines to produce multilayer PCBs with higher precision, enabling the Group to provide PCBs with greater number of layers to the customers more efficiently.

- Continue to adjust production facilities to meet the ever-changing demands of the customers.
- Purchase additional backplane assembly equipment to implement the second phase of assembly facility expansion project.
- Continue the second phase of expansion project to raise the output of single-layer, double-layer and multilayer PCBs by 50%, from approximately 12,000 sq.m. to 18,000 sq.m.
- Obtain QS9000.
- The Group has reduced its production cycle by improving the production lines in respect of multilayer PCB, automatic operation and soldering to achieve a shorter lead time required by the customers. Meanwhile, the Group has adjusted the etching line and purchased an acidic etching line to meet the customers' demands for thick copper plates and light, slim signal transmission panels with fine filaments.
- Due to the worldwide recession, especially of electronic industry, the Group provided SMT assembly service to its customers with the help from its strategic partners to reduce risk and cost. Meanwhile, the Group is seeking opportunities to acquire SMT assembly factories in due course to realise the goal of providing more value-added services to the customers.
- The Group has purchased additional equipment including horizontal browning and acidic etching lines to continue the second phase of expansion project. At present, monthly output is 15,000 sq.m.
- The Group has revised the original documents of management procedures according to QS9000 Standards. Currently the Group is approaching a third party certification organization to discuss matters on certification and it is expected to obtain the certification in 2002.

3. Sales and marketing

- Carry out comprehensive marketing project, including customised PCB and sub-system design solutions to attract new customers, including the branches of international ODM companies in China and the ODM companies in China.
- The Group is actively promoting its own value-added services, including sub-system design service and short lead time. Currently the Group is actively making business contacts with certain new customers, including Samsung Electronic Tianjin (Samsung's branch in Tianjin), 東方通信 and 上海明基電腦.

- Making marketing efforts especially to rapid growing ODM electronic manufacturers in telecommunication, computer and computer peripherals related industries.
- Although the global electronic industry has been sluggish in 2001, the electronic industry of China has achieved a growth rate over 10%, with major contributors being the telecommunication and computer industries. The marketing activities of the Group, therefore, has focused in these two fields. Corporations in negotiation with the Group included Samsung Electronic Tianjin, 東方通信 and 上海明基電腦 who are potential key customers of the Group.

4. Development in business and human resources

- Increase income by completing the second phase project, including expanding output of PCBs to approximately 18,000 sq.m. and increasing the output of PCB assembly, to provide services to high profit-margin customers.
- The sluggishness in the electronic industry has led the Group to slow down its first phase of expansion project with an aim to avoid risk exposure and enhance competitiveness. The Group has striven to improve its design services and achieve short lead time. In addition, it has been implementing active marketing strategy to maintain its market share. During the year ended 31st December, 2001, monthly production capacity for PCB assembly has reached approximately 18,000 sq.m.. During the period under review, average monthly output of PCBs was over 15,000 sq.m. with an average monthly turnover of RMB16 million.
- Recruit at least one additional engineer during the period to work for the out-sourcing engineering department.
- Has recruited at least one additional engineer to work for the out-sourcing department.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months and three months ended 31st December, 2001

		(Unaudited) six months ended 31st December,		(Unaudited) Three months ended 31st December,	
		2001	2000	2001	2000
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	3	97,737	78,542	47,238	39,590
Cost of sales		(48,734)	(39,288)	(23,186)	(19,037)
Gross profit		49,003	39,254	24,052	20,553
Selling and distribution expenses		(2,082)	(2,472)	(896)	(1,515)
General and administrative expenses		(6,058)	(4,344)	(2,558)	(3,114)
Profit from operations	3	40,863	32,438	20,598	15,924
Subsidies	3	—	400	—	400
Interest income		215	297	94	295
Finance costs		(1,730)	(2,582)	(1,115)	(1,255)
Profit before taxation	4	39,348	30,553	19,577	15,364
Taxation	5	(4,119)	—	(2,557)	—
Profit after taxation but before minority interests		35,229	30,553	17,020	15,364
Minority interests		(3,751)	(3,114)	(1,825)	(1,574)
Profit attributable to shareholders		31,478	27,439	15,195	13,790
Earnings per share – Basic	6	RMB9.06 cents	RMB10.16 cents	RMB4.37 cents	RMB5.10 cents

Notes:

1. Group reorganisation and basis of presentation

The Company was incorporated in the Cayman Islands on 29th September, 2000 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. Its shares have been listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited since 17th May, 2001.

On 8th May, 2001, the Company became the holding company of the other companies comprising the Group pursuant to a group reorganisation (the “Reorganisation”) which included exchange of shares. The Reorganisation involved companies under common control, and the Group, resulting from the Reorganisation, is regarded as a continuing group. Accordingly, the Reorganisation has been accounted for on the basis of merger accounting, under which the unaudited consolidated results of the Group for the six months ended 31st December, 2000 have been prepared as if the Company had been the holding company of the other companies comprising the Group throughout the six months ended 31st December, 2000, rather than from the date on which the Reorganisation was completed. The comparative figures as at and for the six months ended 31st December, 2001 have been presented on the same basis.

These unaudited condensed consolidated financial statements have been prepared in accordance with Statement of Standard Accounting Practices 25 “Interim financial reporting” (“SSAP 25”) issued by the Hong Kong Society of Accountants, except that comparative figures have not been presented in the condensed consolidated cash flow statement and in the condensed consolidated statement of recognised gains and losses. Such departure from SSAP 25 is permitted under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

2. Accounting Policy

The accounting policies adopted for the preparation of these unaudited consolidated financial statements are consistent with those adopted by the Group in the annual audited financial statements for the year ended 30th June, 2001.

3. Turnover and revenue

The Company is an investment holding company. Its subsidiaries are principally engaged in the provision of electronic manufacturing services and the manufacturing and trading of printed circuit boards, and trading of electronic components.

Turnover and revenue consisted of:

	six months ended 31st December,		three months ended 31st December,	
	2001	2000	2001	2000
	RMB'000	RMB'000	RMB'000	RMB'000
Turnover – Sales of printed circuit boards	97,737	78,542	47,238	39,590
Subsidies*	—	400	—	400
Interest income	215	297	94	295
Total revenue	<u>97,952</u>	<u>79,239</u>	<u>47,332</u>	<u>40,285</u>

* *Subsidies represent grants received from a Mainland China provincial government committee in respect of high technology product development projects carried out by the Group.*

Turnover by product category and their respective contributions to profit from operations are as follows:

	six months ended 31st December,			
	2001		2000	
	Turnover	Profit from operations	Turnover	Profit from operations
	RMB'000	RMB'000	RMB'000	RMB'000
Single and double-sided printed circuit boards	45,958	14,788	44,870	15,051
Multilayer printed circuit boards	<u>51,779</u>	<u>26,075</u>	<u>33,672</u>	<u>17,387</u>
	<u>97,737</u>	<u>40,863</u>	<u>78,542</u>	<u>32,438</u>

	three months ended 31st December,			
	2001		2000	
	Turnover	Profit from operations	Turnover	Profit from operations
	RMB'000	RMB'000	RMB'000	RMB'000
Single and double-sided printed circuit boards	25,694	9,031	21,298	6,838
Multilayer printed circuit boards	<u>21,544</u>	<u>11,567</u>	<u>18,292</u>	<u>9,086</u>
	<u>47,238</u>	<u>20,598</u>	<u>39,590</u>	<u>15,924</u>

Turnover by geographical location** was as follows:

	six months		three months	
	ended 31st December,		ended 31st December,	
	2001	2000	2001	2000
	RMB'000	RMB'000	RMB'000	RMB'000
Mainland China	88,652	57,975	43,617	30,012
Australia	6,448	16,843	2,948	7,697
United States of America	502	1,777	56	787
Germany	2,135	1,754	617	1,003
Others	—	193	—	91
	<u>97,737</u>	<u>78,542</u>	<u>47,238</u>	<u>39,590</u>

** Turnover by geographical location is determined on the basis of the destination of shipments/delivery of merchandise.

No analysis of contributions to profit from operations by geographic location is presented as it is generally in line with the distribution of turnover set out above.

4. Profit before taxation

Profit before taxation is determined after charging and crediting the following items:

	six months		three months	
	ended 31st December,		ended 31st December,	
	2001	2000	2001	2000
	RMB'000	RMB'000	RMB'000	RMB'000
After charging –				
Depreciation of property, plant and equipment	3,567	3,140	1,632	1,545
Net exchange loss	<u>41</u>	<u>21</u>	<u>49</u>	<u>3</u>
After crediting –				
Interest on – bank deposits	<u>215</u>	<u>297</u>	<u>94</u>	<u>295</u>

5. Taxation

Taxation consisted of:

	six months		three months	
	ended 31st December, 2001	2000	ended 31st December, 2001	2000
	RMB'000	RMB'000	RMB'000	RMB'000
Mainland China enterprise income tax	<u>4,119</u>	<u>—</u>	<u>2,557</u>	<u>—</u>

The Company is exempted from taxation in the Cayman Islands until 2019. No provision for Hong Kong profits tax was made as the Group had no assessable profit in Hong Kong.

Fujian Fuqiang Delicate Circuit Plate Co., Ltd., a subsidiary, is a sino-foreign equity joint venture established in Fuqing, Mainland China, and is subject to Mainland China enterprise income tax at a rate of 15% on its profit after offsetting prior year's tax losses. However, it is exempted from Mainland China enterprise income tax for two years starting from the first year of profitable operations after offsetting prior year's tax losses, followed by a 50% reduction for the following three years. During the six months ended 31st December, 2001, Fujian Fuqiang Delicate Circuit Plate Co., Ltd. provided Mainland China enterprise income tax at a rate of 7.5% (2000 – Nil).

6. Earnings per share

The calculation of basic earnings per share for the six months and three months ended 31st December, 2001 was based on the unaudited consolidated profit attributable to shareholders of approximately RMB31,478,000 and RMB15,195,000 and on the 347,625,000 and 347,625,000 ordinary shares in issue during the six months and three months ended 31st December, 2001.

The calculation of earnings per share for the six months and three months ended 31st December, 2000 was based on the unaudited consolidated profit attributable to shareholders of approximately RMB27,439,000 and RMB13,790,000 and on the 270,000,000 and 270,000,000 ordinary shares in issue and issuable pursuant to a capitalisation issue in connection with the Company's share offering in May 2001.

Diluted earnings per share was not presented as there were no dilutive potential ordinary shares in existence during the six months and three months ended 31st December, 2001.

Diluted earnings per share was not presented as there were no dilutive potential ordinary shares in existence during the six months and three months ended 31st December, 2000.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31st December, 2001 (2000 – Nil).

SPONSORS' INTERESTS

As updated and notified by the Company's sponsor, Deloitte & Touche Corporate Finance Limited ("DTCFL") and co-sponsor, JS Cresvale International Limited ("JSC"), neither DTCFL and JSC nor their directors, employees or associates had any interest in the share capital of the Company as at 31st December, 2001 pursuant to Rules 6.35 and 18.63 of the GEM Listing Rules.

Pursuant to the sponsorship agreement dated 11th May, 2001 entered into between the Company and DTCFL, DTCFL has received and will receive fees for acting as the Company's sponsor for the remainder of the financial year of the Company ended 30th June, 2001 and two years thereafter or until the sponsorship agreement is terminated upon the terms and conditions set out therein.

COMPLIANCE WITH RULE 5.28 TO 5.39 OF THE GEM LISTING RULES

During the six months ended 31st December, 2001, none of the Directors of the Company is aware of any information that would reasonable indicate that the Company or any of its subsidiaries is not in compliance with the standards of good practice concerning the general management responsibilities of the Board as set out in Rules 5.28 to 5.39 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 31st December, 2001.

By Order of the Board
Lin Wan Qaing
Chairman

Hong Kong, 5th February, 2002

This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the day of posting.