

The Group's performance in 2000 was very disappointing due to continuing poor market conditions.

Although in the year 2000 the Hong Kong Special Administrative Region ("Hong Kong") economy has shown some signs of recovery, the general business outlook for the property market has remained uncertain and there has been a lack of confidence which has affected the volume of sales in both the residential and business sectors.

The Group's performance, like many groups which have major interests in property, have been adversely affected by the above factors. Another feature which had negative consequences was the requirement of Accounting Standards, whereby provisions had to be made against the carrying values of the Group's properties (see below).

FINANCIAL RESULTS

For the year ended 31st December, 2000, the loss attributable to shareholders was HK\$396.1 million, compared to a profit of HK\$130.6 million for 1999. This is almost entirely due to provisions for impairment losses of HK\$393.0 million arising from a revaluation of the Group's properties, Accounting Standards having dictated that the provisions for such losses, which are non-cash, had to be charged to the Income Statement.

If the impairment losses had not arisen, the Group's results for the year 2000 would have been a loss attributable to shareholders of HK\$3.1 million.

Should property selling prices improve in future, consideration will be given as to whether it is appropriate to write back any of the provisions.

DIVIDEND

The Directors do not recommend the payment of a final dividend (1999: Nil). Accordingly, there will be no closure of the Register of Members of the Company.

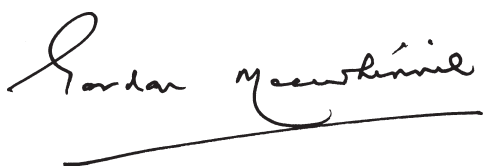
The Annual General Meeting will be held on 1st June, 2001.

FUTURE PROSPECTS

The Review of Operations by the Chief Executive which follows this statement covers in detail the Group's outlook for the period ahead. I confirm that the Board of Directors has confidence that having made the appropriate provisions, the Group is well placed to continue its development, and to exploit suitable business opportunities as and when they arise.

APPRECIATION

I would like to thank my fellow Directors and the staff for their diligence and dedication. I would also like to thank shareholders for their unwavering support during the past year.



Sir Gordon Macwhinnie

Chairman

Hong Kong, 11th April, 2001