On behalf of the Board of Directors, I submit the Shareholders the Annual Report of the Group for the year ended 31st March 2001.

RESULTS

During this financial year, the Group's profits attributable to Shareholders was HK$14,530,548 (1999/2000: HK$15,217,182). Earnings per share was HK11.0 cents (1999/2000: HK11.5 cents). Turnover was HK$180,275,534 (1999/2000: HK$185,818,085). Group's profit before taxation was HK$15,303,583 (1999/2000: HK$15,893,418). Given below is an analysis of the profit from operations of the Group's principal activities:

	2001	2000
	HK$	*HK$*
Property investments and development	**3,119,190**	9,734,980
Manufacturing and distribution of plastic packaging materials	**3,023,417**	6,314,340
Stock broking and finance	**23,190,177**	17,824,291
Investments in securities	**(172,067)**	(1,887,532)
Profit from operations	**29,160,717**	31,986,079
Finance costs	**(17,909,040)**	(17,156,183)
Share of profits of associates	**4,051,906**	1,063,522
Profit before taxation	**15,303,583**	15, 893,418

DIVIDENDS

No interim dividend was paid during the year. The Board has recommended the payment of a final dividend of HK4 cents per share, subject to the shareholders' approval at the forthcoming Annual General Meeting, and the total dividend distribution for this year will be HK4 cents per share.

DISCUSSION & ANALYSIS OF THE GROUP'S PERFORMANCE

REVIEW OF OPERATIONS

Property Investments and Development

During the year, the Group's net rental income amounted to HK$17.33 million, a decrease of 6.2% as compared with that of last year. The decrease was mainly attributable to the downturn of rental arising from the general declination of the Hong Kong property market. Moreover, the rent of leasing properties is still subject to pressure of downward adjustment.

Hong Kong

a) Dragon House, Tsimshatsui
This nine-storey commercial/residential building is located in the commercial and shopping centre of Tsimshatsui and its total gross floor area is approximately 2,800 square meters. The Group retains 7 units for self-use and all other units are for lease. During this year, it could still maintain a high occupancy rate and the net rental income amounted to HK$12.58 million, a decrease of 11% as compared with that of last year.

b) Nan Sing Industrial Building, Kwai Chung
This ten-storey industrial building is located in Kwai Chung industrial area and its total gross floor area is approximately 11,000 square meters. During this year, this property was wholly let to a third party for running godown business. The net rental income amounting to HK$4.56 million was approximately the same as that of last year.

c) 24 Essex Road, Kowloon Tong
This two-storey building is located in Kowloon Tong and its total gross floor area is approximately 600 square meters. The Group has been using this property to operate guesthouse business. During this year, this business recorded a turnover of HK$4.16 million, an increase of 1.7% over that of last year.

Mainland China

a) Tower 1 Residential Building , Ming Yue Hua Yuan, Futian District, Shenzhen
During this year, the property market in Mainland China was still stagnant. The continuous and substantial increase of newly completed saleable floor area had led to the persistence of oversupply problem. As at 31st March 2001, the Group still held 51 units of Ming Yue Hua Yuan for sale with a total gross floor area of approximately 5,237 square meters. Having offered the units to sell at reduced prices, we managed to sell 13 residential units this year which brought a turnover of HK$7.99 million to the Group.

b) Shopping mall and car parks in Ming Yue Hua Yuan, Futian District, Shenzhen
The Group, through an associated company, indirectly owns 20% interest in the shopping mall situated at the Ground floor of Ming Yue Hua Yuan with an area of over 2,000 square meters as well as 36 car parks in the basement thereof. During this year, most of the shopping mall had been let and will bring income to the associated company in the next year.

DISCUSSION & ANALYSIS OF THE GROUP'S PERFORMANCE *(Cont'd)*

REVIEW OF OPERATIONS *(Cont'd)*

Property Investment and Development *(Cont'd)*

Mainland China (Cont'd)

c) Tianjian Yangguang Hua Yuan, Futian District, Shenzhen
After the Group's withdrawal from this land development project, the Group had already received a refund of part of the investment cost. Moreover, after the completion of the project, the Group will further receive 10% of the saleable floor area, calculated on the basis of permitted plot ratio, as a repayment of our remaining injected capital in this project. The pre-sale is now in progress.

d) Huaxin Garden & Nan Sing Building in Zhangmutou, Dongguan
In the past year, the local property market in Zhangmutou, Dongguan was still sluggish. The oversupply problem tends to continue. Hence, the Group is considering to expand Dongguan Nan Sing factory by developing part of the land previously planned for building Huaxin Garden. As for the land previously planned for building Nan Sing Building, the Group is considering to build commercial property thereon instead.

Philippines

In April, 2000, the Group's equity interest in an associated company, Titan Dragon Properties Corporation had been increased from 43% to 49%. It holds a land of 71,000 square meters in the residential area of Quezon City, Manila for developing residential properties. During this year, there was not any obvious improvement in the local economy and property market. As a result, the associated company still deferred the development of this project.

Manufacturing and Distribution of Plastic Packaging Materials

During this year, this business recorded an operating profit before interest of HK$3.02 million (1999/2000: HK$6.31 million). Turnover amounted to HK$128.13 million, an increase of 10.2% over that of last year and the sales volume also increased by 5.8%.

Owing to the considerable increase of fuel cost which is one of our main production costs, the fuel expense increased by 25% as compared with that of last year. The unfavourable exchange rates of Sterling and Australian dollars against United States dollars had adversely affected the Group's income from our two major markers, United Kingdom and Australia. In addition, the severe competition had led to the downturn of the selling prices. Under all these unfavourable conditions, the performance of this business was obviously less satisfactory as compared with that of last year. However, with the efforts of the management and all staff, the turnover and sales volume could still increase. Such increase had offset part of the adverse effects caused by the above factors.

DISCUSSION & ANALYSIS OF THE GROUP'S PERFORMANCE *(Cont'd)*

REVIEW OF OPERATIONS *(Cont'd)*

Stock broking

In the presence of many unfavourable factors such as the decrease in the trading volume of Hong Kong stock market, strong competition, prevalent decrease of brokerage commission and our loss of long standing cash clients, there is still a steady increase in the number of our margin accounts. Hence, the turnover increased by 10% as compared with that of last year and the interest income also increased by 145%. Brokerage income of HK$21.59 million was recorded, representing only a decrease of 13% from that of the last year.

The AMS/3 automatching system provided by Pacific Century CyberWorks ("PCCW") had performed far below our expectations during the final test in the model environment given by Stock Exchange. As a result, the Group had decided to abandon such system and had also reached termination agreement with PCCW in May, 2001. The Group is now in the process of choosing another suitable software supplier to develop our internet trading business.

LIQUIDITY AND FINANCIAL RESOURCES

In this year, in keeping our principle of sound financial management, the Group still maintained a healthy balance between assets and liabilities. At the year end date, the Group's bank borrowings dropped from HK$126.68 million of the last year to HK$107.18 million of this year, in which the short term borrowings amounted to HK$83.60 million and long term borrowings amounted to HK$23.58 million. The Group's current year debt/equity ratio was 27.9% expressed as a percentage of the Group's total bank borrowings over the Shareholders' funds of HK$384.47 million. The Group's bank borrowings are mainly denominated in Hong Kong dollars and United States dollars.

CAPITAL STRUCTURE

As at 31st March 2001, the Group's Shareholders' funds amounted to HK$384.47 million (1999/2000: HK$405.38 million). The drop in Shareholders' funds was mainly attributable to the downward adjustment of the Group's investment properties resulting from the revaluation of the same at the market value prevailing at 31st March, 2001. The revaluation deficit had been reflected in the revaluation reserve of this year. The Group's consolidated net assets per share as at the year end date was HK$2.92.

PLEDGE OF ASSETS

Details of pledge of assets are set out in note 32 to the financial statements on page 42.

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in note 33 to the financial statements on page 43.

DISCUSSION & ANALYSIS OF THE GROUP'S PERFORMANCE *(Cont'd)*

EMPLOYEES

The Group had approximately 742 employees as at 31st March, 2001. Employees are remunerated according to nature of the job and market trend.

RETIREMENT SCHEME

The Group had joined a Mandatory Provident Fund Scheme in December, 2000 to conform with the requirements as stipulated in the Mandatory Provident Fund Schemes Ordinance. Details of the scheme are set out in note 30 to the financial statements on page 41.

PROSPECTS

Looking upon the coming year, we believe that the rental income will continue to be one of our major sources of income. Facing the prevailing keen competition in Shenzhen residential property market, we are in the opinion that it is not the right time to sell the residential units. As a result, we are considering to let out the remaining units of Ming Yue Hua Yuan. Regarding Tianjian Yangguang Hua Yuan, the Group expects that the refund of the balance of the injected capital in this project can be confirmed after the completion of sale.

As for the manufacturing and sale of plastic packaging materials business, the Group is considering to expand the factory so as to add more production lines and fit in the needs of the growing Japan market. Moreover, the continuous improvement of the production techniques will not only raise the product quality but also widen the products range which may induce additional sale orders.

Following the global economy unification and PRC's forthcoming entry to the World Trade Organization, the capital flows into Hong Kong stock market will be increased and this will have positive impact on the Group's stock broking business. However, upon the formal cancellation of the minimum brokerage commission rule in the coming year, the competition in stock broking business will become increasingly severe. In June, 2001, the Group had brought one more trading right of the Stock Exchange and the transfer formalities will be completed in August, 2001. After the removal of the Central branch to Lippo Centre in Admiralty, we expect that there may be an increase in number of clients and turnover. Consequently, we believe that the brokerage income level can be maintained.

APPRECIATION

Finally, I sincerely thank the Board and all staff for their diligence and dedication in the past year.

Chua Nai Tuen
Chairman

Hong Kong, 23rd July, 2001