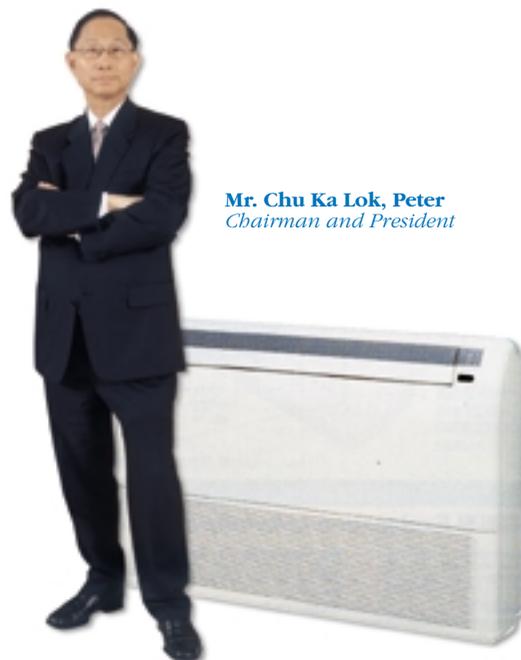


CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "Directors") of Alpha General (Holdings) Limited (the "Company"), I am pleased to present to the shareholders the annual results of the Company and its subsidiaries (collectively known as the "Group") for the year ended 31 March 2001.

Financial Review

During the year under review, the Group continued to focus on maintaining its market share of its "OGENERAL" air conditioners in Hong Kong, and expanding its sales network in vast territory of People's Republic of China ("PRC").



Mr. Chu Ka Lok, Peter
Chairman and President

主席報告書

本人僅代表第一珍寶(集團)有限公司(「本公司」)董事會(「董事會」)欣然向各股東提呈本公司及其附屬公司(「本集團」)截至二零零一年三月三十一日止年度之業績報告。

財務回顧

回顧年內，本集團仍然集中去維持著「OGENERAL 珍寶」冷氣機在香港的市場分額，並在地域廣寬的中國大陸擴大它的銷售網絡。

For the year ended 31 March 2001, the Group generated a consolidated turnover of HK\$581,252,000 representing an increase of 2% compared to the previous financial year. Consolidated profit attributable to shareholders decreased by approximately 25% to HK\$20,315,000. As at 31 March, 2001, cash on hand was HK\$16,211,000 and gearing ratio maintained at 23%.

Earnings per share were approximately 0.53 HK cent whilst net asset value amounted to approximately 7.45 cents per share for the year ended 31 March 2001.



於截至二零零一年三月三十一日止的年度內，本集團的營業額約為581,252,000港元，較去年同期上升2%。綜合股東應佔盈利下跌了25%，約20,315,000港元。直至二零零一年三月三十一日，手頭現金為16,211,000港元，而負債比率則維持23%。

截至二零零一年三月三十一日，每股基本盈利約為0.53港仙而每股資產淨值約為7.45港仙。



Dividend

The Directors have recommended a final dividend of 0.15 HK cent per share, which is subject to the approval of shareholders at the forthcoming annual general meeting to be held on 23 August, 2001. This dividend together with the interim dividend of a total of HK\$9,665,000 will make a total distribution of 0.25 HK cent per share for the full year under review. The final dividend will be paid on 23 September, 2001 to all shareholders whose names appear on the register of members on 23 August, 2001.

Closure of Register of Members

The register of members of the Company will be closed from 17 August, 2001 to 23 August, 2001, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong for registration by no later than 4:00 p.m. on 16 August, 2001.

Business Review

Hong Kong

The economy of Hong Kong was gradually recovering some grounds from the Asian financial turmoil, yet the consumption power and sentiment remained low, which affected the overall retailing industry. Hong Kong remained as the principal market for the Group while efforts were also placed to explore new markets in the PRC. For the year under review, the business in Hong Kong was affected by the weak market sentiment and inactive second-hand property market, the Group's retailing business was inevitably being affected.

In view of continued slow operating environment, competitors resorted to price war. The Group, thus, strove to contain operating cost in a way to offset the revenue decrease and it successfully reduced expenses on warehouse and interest. Moreover, the Group also managed to maintain its turnover for the year under review contributed by its project business.

股息

董事會已建議派發末期股息為每股0.15港仙，而此股息有待於二零零一年八月二十三日召開之應屆股東週年大會上批准。此股息連同中期股息合共9,665,000港元，即全年股息派發總額為每股0.25港仙。此末期股息將於二零零一年九月二十三日派發予於二零零一年八月二十三日名列於本公司股東名冊之所有股東。

暫停辦理股東登記手續

本公司將自二零零一年八月十七日起至二零零一年八月二十三日止期間(包括首尾兩日在內)暫停辦理股東登記手續，期間亦不會辦理任何股份過戶登記。

為符合獲發擬派之末期股息的資格，必須將所有股份過戶文件連同有關股票於二零零一年八月十六日下午四時正前送交本公司於香港之股份過戶登記分處，秘書商業服務有限公司，地址為香港中環干諾道中一百一十一號永安中心五樓。

業務回顧

香港

香港經濟正逐漸從亞洲金融風暴中復甦，但消費力及消費意欲依然疲弱，影響到整個零售市場。本集團正致力於開發中國大陸市場，但香港仍然是最主要的市場。在疲弱的市場氣氛及淡靜的二手物業市道下，本集團於回顧年內在香港之零售業務亦難免因此而受到影響。

在持續放緩的經營環境下，競爭對手掀起了減價戰，本集團選擇了以控制經營成本來彌補盈利上的下降。此舉成功地減少了倉庫及利息的開支。再者，本集團於年內的營業額藉着工程項目業務的貢獻而得以維持。

The “OGENERAL” air-conditioner which targeted medium-to-high end customers remained as one of top selling brands in Hong Kong. On the other hand, the Group’s another brand “FUJI ELECTRIC” which targeted mass customers offering at more competitive price delivered satisfactory sales results to the Group.

With regard to the accelerated digitalization development trend, the prospects of Fujitsu Plasma Display Monitor are promising. During the year under review, sales of the advanced technological product increased by 9.4% compared with that of the previous year. In addition, the Group also distributed other home appliances including refrigerator, washing machine, kitchen-range hood and dehumidifier, which also turned in contribution to the Group.

For project business which supplies and installs window and split type air-conditioners in various new property development projects in Hong Kong, its sales performance was satisfactory.

「OGENERAL 珍寶」冷氣機旨在提供服務予中至高檔的消費者，並於香港維持最暢銷的品牌之一。另一方面，本集團以價錢具競爭優勢的產品「Fuji Electric」，為集團帶來理想的營業額。

在快速增長的電子化發展趨勢下，「Fujitsu」等離子顯示屏具明朗的發展前景。此先進的科技產品，相比去年，於年內錄得9.4%的銷量增長。此外，本集團亦經銷其他的家庭電器如雪櫃、洗衣機、抽油煙機及抽濕機等，都為集團帶來正面的貢獻。

於香港許多新物業發展項目中，供應及安裝窗口式及分體式冷氣機的工程業務銷售表現理想。



PRC

For the PRC market, the government has adopted proactive and prudent macroeconomic policy in the past years, economy keeps a steady growth and development. Gross domestic products (GDP) increased approximately 8% over last year. With the improvement in the living standards in PRC and adjustments in electricity policies in rural areas, it is expected that the domestic electrical appliance market will grow in coming years.

Though the price war initiated by domestic manufacturers affected the Group's profitability during the year, with the reinforcement of the sales network in the PRC, it is expected that the Group's products reached larger market segments.

As more than 90% of the population of PRC locates in rural area, with the living conditions improving, and the PRC government policies of upgrading rural area into towns, the demand for electrical appliances will thus increase. The Group expects that the investment in distribution network can further broaden its market coverage in the PRC in the coming years in preparation for tapping the potentially surging business growth in this populous region. In addition to a well-established distribution network, the Group can grasp the opportunity to provide a channel for many foreign brands which plan to penetrate into the PRC market.

In preparation for the future expansion, the Group strove for consolidating existing foothold in Guangdong province and coastal regions of the PRC and reinforcing the relationship with dealers in various regions, in addition to the existing sales network in the major distribution zones in East and South districts including Guangzhou, Pearl Delta areas, Shanghai, Nanjiang and Wuxi. The Group will rationalize its current sales and distribution network, by placing greater emphasis on expanding market share and derive long-term values to our business portfolio and to our shareholders ultimately.

中國市場

中國市場方面，中國政府在數年間實施進取而審慎的宏觀經濟政策，令整體經濟獲得平穩的增長及發展，而國民生產總值(GDP)更加比往年增加了約8%。隨著中國人民生活素質的改善及農村地區電力政策的調整，估計來年的家電市場會因而得到增長。

即使集團利潤在年間受到家電製造業減價戰的影響，集團深信只要強化確立在大陸的銷售網絡，集團產品更能滲透更寬更廣的市場層面，實指日可待。

現時有超過90%的中國人口位於農村地區，隨著生活環境的改善，加上政府正計劃將農村發展為市鎮，因此對家電的需求將被提升。本集團希望在來年藉投資分銷網，能進一步擴大在中國的市場幅蓋面，好讓我們在這具潛力及人口稠密的地區作好增長的準備。除了建立良好的銷售網，本集團更能把握機會，為有意進入大陸市場的外商提供渠道。

為準備在未來的擴張，本集團正努力整固位於廣東及中國沿海的現有據點，及加強除東南部現有的主要分佈區域，包括廣州、珠江三角洲、上海、南京及無錫以外的不同地區經銷商的關係。本集團會以擴大市場分額來加強長遠的生意價值，最終回報我們的股東。

Prospects

Looking forward, the Group will continue to consolidate its core business of supplying air-conditioners for both the retail, wholesale and property markets in Hong Kong as well as the PRC.

The Group believes that the project business will be promising as there are totally HK\$180 million of contract sum have already been confirmed and will be completed in the forthcoming year. The contract business encompasses both the public and private sectors. During the year, the Group has maintained a good relationship with its manufacturer to tender at competitive price and will strive to be awarded more contracts to supply air-conditioners to some large-scale new property development projects. The Group expects that the project business in Hong Kong will continue to deliver a positive contribution to the Group.

For the PRC market, the Group will continue to strengthen and establish an extensive distribution network and building brand equity in response to the keen competition in air-conditioning industry. The Group will strive for expanding market coverage and improving profit margin in the PRC. In the coming months, the Group intends to further explore markets in PRC. Following the PRC's WTO accession, the Group expects more advantageous policy for its imported "OGENERAL" air-conditioners that sketch promising prospects of the PRC business. Moreover, the Group believes that there will be reinforcement in sales to the Hong Kong traders who on-sell to the PRC.

The Group's website at www.alphagp.com.hk, which provides a more comprehensive after-sale service to its customers, has been launched. It operates positively since the operating cost is reduced by no-paper communication and automatic reply or confirmation on appointment, in addition to the increased number of maintenance contracts preceded through online booking, which enlarges income stream in return.

前瞻

展望未來，本集團將繼續鞏固其核心業務，集中為香港及中國零售/批發及地產市場提供冷氣機。

本集團相信工程項目業務的前途是樂觀的。就已落實的180,000,000港元合約總數，預計將於來年完成。是項業務包括了公共及私人的屋苑。年內，本集團與製造商維持良好的關係，洽商了具競爭力的價錢，並爭取到多個大型屋苑建設項目之冷氣安裝合約。本集團期望於香港的業務會繼續帶予集團正面的貢獻。

中國市場方面，本集團會繼續加強及建立強大的銷售網絡，並建立其品牌形象以面對冷氣機業的激烈競爭。本集團會積極擴大市場佔有率及改善在國內的邊際利潤。在未來的月份，本集團打算進一步拓展在中國的市場。隨著中國加入世界貿易組織，本集團期望有更多對進口「OGENERAL 珍寶」冷氣機有利的政策，會為在國內的業務帶來樂觀的前景。此外，本集團相信此舉對產品轉售往中國之香港貿易商的銷售亦有所幫助。

本集團的網站www.alphagp.com.hk經已啟用，為顧客提供了一個更全面之售後服務。在增加網上維修合約的同時，無紙通訊的自動化答覆或預約之確定，都能有效地減低經營成本，增加收入。

Looking forward, the Group plans to diversify product range to other similar products such as high technology consumer electronics and computer peripherals to explore high potential business. In addition, the Group will continue to identify new investments related to information technology to explore additional business opportunities.

Acknowledgements

Last but not the least, I would like to express my sincere gratitude to our teams for their hard work and dedicated efforts, and to our customers for their continual support for our products and services, and our shareholders for their trust and support.

By Order of the Board

Chu Ka Lok, Peter
Chairman

HK SAR, July 16, 2001

展望未來，本集團計劃推出多元化的產品種類至同類型產品，如高科技電子消費產品及電腦週邊產品，以拓展具優厚潛力之業務。另外，本集團將繼續物色與資訊科技相關之新投資項目，以發掘更多的商機。

致謝

最後，本人感謝全體員工和管理人員之努力不懈及熱誠工作，感謝各客戶對本集團產品及服務的一直支持，以及各股東的信任和支持。

承董事會命

主席
朱嘉樂

香港特別行政區，二零零一年七月十六日