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## **CHAIRMAN'S STATEMENT**

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On behalf of the Board of Directors, I present the 2000/2001 Annual Report to the Shareholders.

### **RESULTS**

The Group's audited results for the financial year ended 31st March 2001 were a loss of HK\$58,111,407 compared to a profit of HK\$61,492,390 for the previous year. The Group's loss was largely attributable to the loss incurred in the Group's interest in the Philippines ferry operation and the write-down in value of the fast ferries.

### **REVIEW AND OUTLOOK**

During the financial year just ended, the Group continued to follow its prudent strategies in its business development. These strategies have enabled the Group to maintain a strong financial position by way of a high level of available financial resources. Such approach was proved to be right in light of the persistent adverse economic situation and uncertain outlook in Hong Kong.

The Group's investment assets continued to produce steady income during the financial year. The property project at Tai Hang Road has been completed. However the soft property market in Hong Kong has not allowed sales to achieve their optimum price. It is therefore the intention of the Group to hold on to this property temporarily to derive rental income.

To replenish the Group's quality portfolio of real estate assets, the Group acquired an office site in London, England. The acquisition, when completed, is expected to provide satisfactory returns in terms of both rental income and capital appreciation.

In the Philippines, due to the country's continuous unstable political and economic situation, the Group's fast ferry operation incurred significant financial loss during the reported financial year. This loss is the main cause of the Group's financial loss for the year.

It has been four years since the Asian financial crisis plagued the entire Asia. Thanks to its bold and determined prudent policy, the Group has not only survived this crisis, but has also attained a stronger financial position. However, the economic outlook in Hong Kong has not improved and may even deteriorate if the United States steps into recession. Under the circumstances, the board of directors has stepped up efforts to seek all possible ways to protect the shareholders' investment in the Group and is confident that with the Group's strong financial standing, a prosperous future can be achieved to enhance the shareholders' wealth.

### **APPRECIATION**

Lastly, I would like to express my sincere thanks to all our staff for their hard work and loyalty and to our shareholders for their continued support.

**Wong Kin Wah, George**

*Chairman*

Hong Kong, 20th July 2001