CHAIRMAN'S STATEMENT

PROFIT FOR THE YEAR

The Group's profit attributable to shareholders for the year ended 31st December 2001 was HK$50.5 million as compared to HK$85.5 million for 2000 which included a gain of HK$46.6 million on disposal of property in the United States (the "US"). Earnings per share was HK 17.6 cents (2000: HK 29.7 cents).

DIVIDEND

Your Directors have resolved to recommend a final dividend of HK 7 cents (2000: HK 8 cents) per ordinary share.

BUSINESS REVIEW

Despite the economic downturn in the US during 2001 which was deepened by the September 11 incident, rental income from Montgomery Plaza in San Francisco posted a modest increase of HK$7.6 million or 14% over the previous year.

Notwithstanding the difficult property market condition, the total recurrent income from leases in Hong Kong fared better by a slight decline of 4% in 2001 to HK$121.5 million as against HK$126.5 million in 2000. Except on commercial property, nearly full occupancy was maintained.

Overall, the Group's total recurrent rental income was HK$184 million in 2001 as compared to HK$181 million in 2000.

Reduction of operational costs and successive lowering of interest rates in Hong Kong benefited our earnings. Tight measures on costs are continuously taken in order that the Group will remain competitive and revenue oriented.

CASH FLOW

The Group generated cash inflow of approximately HK$71.5 million from operating activities. The cash available was applied mainly to pay interest expenses of HK$29.7 million, dividends of HK$48.9 million, profits tax of HK$4.6 million and purchase of fixed assets of HK$49.1 million and business and related assets of digital video equipment and software tools for golf teaching of HK$9.6 million respectively. The cash flows was funded by long term and short term borrowings.

PROSPECTS

The economy in Hong Kong continues to be affected by global downturn. Although there are signs of a gradual economic recovery in the US, its effect would not be immediately felt to benefit Hong Kong which is in the process of re-positioning its role in the context of China's accession to the World Trade Organisation.

Under such a current situation, the property market in Hong Kong would remain poor and uninspired in the near term which may affect our recurrent income. However, the Group is confident that eventual recovery in the US and continuing economic growth in China will benefit Hong Kong in the years ahead.

Barring any unforeseen circumstances, the Group will continue to pursue its prudent policy and maintain reasonable earnings for the coming year.

In closing, I wish to thank my fellow directors for their valuable guidance and to all staff members for their dedication and hard work.

William Ma Ching Wai
Chairman

Hong Kong, 27th March 2002