

CHAIRMAN'S STATEMENT

RESULTS

I am pleased to report that the Group's audited consolidated profit for the year ended 31 March 2002, after providing for taxation, amounted to HK\$23,118,910. Earnings per share for the year was HK7.5 cents.

DIVIDENDS

The Directors propose to declare a final dividend of HK1.5 cents per share. This dividend, together with the interim dividend of HK1.0 cent per share already paid in January 2002, will make a total distribution of HK2.5 cents per share for the full year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 30 August 2002 to Friday, 6 September 2002, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Thursday, 29 August 2002. It is expected that the final dividend warrants will be despatched to shareholders on or about 9 September 2002.

BUSINESS REVIEW

Hong Kong

Despite poor local economic conditions, the Group continued to achieve an average occupancy rate of 98% for its rental portfolio during the year. The Group's gross rental income for the year was HK\$32.7 million. In addition, the Group's share of gross rental income from an associate was HK\$10.1 million. Therefore the total gross rental income attributable to the Group amounted to HK\$42.8 million, representing an increase of 5.8% over that of the previous year. The Group's shops and office space in the central Tsimshatsui area remained fully leased. Rental rates for these properties have been holding up firmly due to their excellent location.

The Group has increased its investments in debt securities during the year. The investments resulted in an unrealized gain of HK\$6.0 million for the Group.

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Overseas and China

During the year, the Group sold a residential unit of Pointe Claire in Vancouver, Canada. One more unit has been sold subsequent to the year end date. The remaining seven units of Pointe Claire and an office unit in Shanghai King City remained fully leased.

PROSPECTS

Global political and economic uncertainties remain since September last year. However the U.S. economy is showing signs of recovery after the rapid decrease of interest rate since the beginning of last year. This factor should help to alleviate the current high unemployment situation in Hong Kong and stimulate consumer confidence. Therefore the local economy is expected to stabilize in the second half of the year.

Although the primary residential market appears to improve recently, the second hand market remains weak. Fragile investment sentiments and the large supply of residential properties will continue to have an adverse effect on the residential property market. In the commercial property market, there has been a continuous demand for high quality shops in good locations due to scarce supply. The demand will enable the rental rate to keep firm. Grade A office rental has decreased substantially and should stabilize for the year while smaller office in central Tsimshatsui will continue to enjoy a good demand. The Group will continue to focus its investments on commercial properties at excellent locations. The Group has renewed most of the major shops leases with higher or unchanged rental rates during the year. Therefore the Group's rental income is expected to remain stable in the next year.

Finally I would like to take this opportunity to express my gratitude to all the Directors and staff members of the Group for their valuable contribution and continued support throughout the year.

Chan Hoi Sow

Chairman

Hong Kong, 7 June 2002