

# Chairman's Statement

## Financial Results

I am pleased to report that the audited group profit attributable to the shareholders for the year ended 31st March, 2002 amounted to HK\$76.7 million, as compared with the loss of HK\$85.4 million for the previous year. The improvement in earnings is mainly due to stabilization of the property market in Hong Kong.

An interim dividend of 2 cents per share was paid on 22nd February, 2002. The Board has recommended the payment of a final dividend of 2 cents per share to persons registered as shareholders on 6th September, 2002. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the final dividend will be payable on 9th September, 2002 and the total dividend for the year will be 4 cents per share.

## Property Development

Construction of San Clemente Technology Park in California has started and sales have been encouraging. After the year end, your group has purchased Rural Building Lot No.1164 at Chung Hom Kok for a luxury residential development of over 30,000 sq.ft.. The project is expected to be completed in about two years.

## Hotel

Sheraton-Hong Kong Hotel, in which your group has a 35% interest, has performed better than expected. Even though there was a drop in tourist arrivals after the September 11 terrorist attacks, business has mostly recovered to the previous year levels since the end of 2001.

## High-tech Investments

Your group has made new commitments to invest US\$4 million in U.S. venture capital funds which will invest over the next four to five years mainly in communication technologies and biotechnologies.

## Prospects

The property market in Hong Kong is finally stabilizing after four turbulent years. However, with deflation and high unemployment rates, it will still be a challenging environment for property developers over the next few years.

With its strong financial position and fewer competitors, your group is expected to benefit from the current property market.

Finally, I would like to thank all staff for their loyal support and hard work.

**David P. Chan**

*Chairman*

Hong Kong, 27th June, 2002