
CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I present the 2001/2002 Annual Report to the Shareholders.

RESULTS

The Group's audited results for the financial year ended 31st March 2002 was a profit of HK\$76,975,467 compared to a loss of HK\$58,111,407 for the previous year.

REVIEW & OUTLOOK

In November 2001, the Group undertook a restructuring involving a major and connected transaction which resulted in the disposal of assets, capital restructuring and payment of a special dividend.

Background to and Reasons for the Transaction

The Group is principally engaged in property investment and development and its major property interests were located in Hong Kong. Since the Asian financial crisis in 1997, the Group's property division has been adversely affected by the sluggish Hong Kong property market conditions. The Directors believed that it was unlikely that there would be any significant improvement in the local property market in the short to medium term. The Hong Kong property interests were held by the Group for long-term investment purposes and it was the intention of the Hwang family, as the controlling shareholders, to continue with this long-term investment policy. Thus the directors believe that the disposal provided a means by which shareholders might effectively dispose of their Hong Kong property related interests held through the Company if they did not share the long-term investment view taken by the Hwang family.

Furthermore, the Company's shares had recorded very thin trading since mid-1998. Given the relatively thin trading pattern of the shares in the past, shareholders who wished to dispose of their holding of the shares in the market found it very difficult to do so. Hence, the Disposal and the Special Cash Dividend were made in order to improve the state of affairs of the Group, provide the shareholders with an opportunity to partially realise their investments in the Company and benefit from the Group's net asset value in a manner which might not be possible in the then prevailing market climate.

Future Intentions of the Company

Following the restructuring, the Group's remaining assets consist mainly of its property and investment interests in the PRC. The Group will continue its principal activities of holding property and property related investments including hotel operations and the trading of furniture items with an emphasis on exploring business opportunities in the PRC.

The Directors believe that the Group will benefit from the fast economic growth in the PRC especially since the PRC has gained entry into the World Trade Organisation. The Group will continue to identify opportunities and/or strategic business partners, which will enhance the Group's operations and business development.

CHAIRMAN'S STATEMENT

(Continued)

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, 19th July 2002