

CHAIRMAN'S STATEMENT

FINANCIAL RESULTS

For the year ended 31st March, 2002, the Group recorded a stable turnover of approximately HK\$166.3 million, representing a slight decrease of 1.5% when compared with the previous year.

Net profit for the year ended 31st March, 2002 was amounted to approximately HK\$13.4 million, which was a turn-around from the last year's loss of HK\$57.1 million. Such loss in the last year was mainly due to the inclusion of the devaluation of the Group's property portfolio of HK\$28.4 million and the inclusion of impairment provision of HK\$36.6 million against a technology license as deducted from the last year's operating profit.



DIVIDENDS

The Directors recommend a final dividend of HK1 cent (2001: HK2 cents) per share for the year ended 31st March, 2002 payable to shareholders whose names appear in the Register of Members of the Company on 22nd August, 2002. No interim dividend has been declared during the year ended 31st March, 2002 (2001: Nil).

Subject to the approval of the Company's Members at the forthcoming Annual General Meeting, the final dividend will be paid on or before 5th September, 2002.

BUSINESS REVIEW

For the financial year under review, the Group's core activity of sale of accessories of photographic products had experienced challenging time that was affected by the external factors of global slowdown in economy and the further depression in the US market after the event of 11 September terrorists attacks. Price and production order competition became increasingly fiercer in the marketplace but the management was managed to maintain a relatively stable overall turnover for the year. Due to the continual efforts undertaken by the management to introduce increasingly tighter cost control measures, the Group was able to reduce the administration and distribution costs by more than 10% when compared with the last financial year.

CHAIRMAN'S STATEMENT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

With the further acquisition of 49% remaining equity interests in the largest sub-contractor during the year, the Group had further consolidated the Group's 100% self-owned production capacity and to further reduce the reliance on external independent sub-contractors. This had also contributed positively to reduce the overall costs and to offset the increasingly fiercer price competition in the industry.

OUTLOOK

Despite the challenges facing ahead, the Group has always been seizing this time opportunity to broaden its marketing network in the huge Europe market while smaller competitors have disappeared due to problem of ill-liquidity or insufficient production orders. Reacted by the management's working in a down-to-the-earth manner, striving proactively and providing the best services and products to customers, the Group is confident to maintain its leading position in the industry.

While the management expects the property market in Hong Kong will remain sluggish for quite a considerable period of time, the management is confident of the booming property market in the PRC. The Group's management believes that it is a good timing to refine the Group's existing property portfolio and to diversify more resources in enhancing the PRC property portfolio. The management wishes that the continual refinement of the cross-border property portfolio will maximize the returns to the shareholders in the long run.

APPRECIATION

We wish to thank our shareholders, customers and staffs for on-going support and for sharing the Company's confidence and commitment.

