

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of Tak Sing Alliance Holdings Limited for the financial year ended 31 March 2002.

RESULTS

Turnover for the Group this year was HK\$641,453,000, reduced by 36% from last year (HK\$1,005,073,000). Profit attributable to shareholders was HK\$30,996,000, increased by 16% from last year (HK\$26,731,000). Basic earnings per share for the year was HK4.24 cents (2001: HK3.68 cents).

DIVIDEND

The Directors have recommended the payment of a final dividend of HK1 cent per share for the year ended 31 March 2002.

BUSINESS REVIEW AND PROSPECT

Profit attributable to shareholders for the year grew satisfactorily mainly because the Group's properties and restaurant profit contribution increased. Turnover for the year reduced due to the disposal of the Group's subsidiary, Maran Inc, and the depreciation of South African Rand.

Garment

As forecasted in last year annual report, garment industry past through a difficult year. Trigger by the recession of USA, most major garment import countries including USA, Japan and Europe reduced purchases and generally offered lower prices. As for the turnover of the Group's garment business, reduction was mainly due to the effect of the disposal of Maran Inc.. Excluding this effect and the effect of South African Rand devaluation, the Group's garment turnover for the year increased by 4%. This is a satisfactory performance under difficult market condition.

As Rand stabilised since the beginning of 2002, South Africa business for the coming year will be similar to this year. Orders from major customers so far are promising in North America, which projects to good growth for the coming year. This will be enough to offset slow performance in Japan and Europe. Overall, management will work hard to ensure that garment division result is at least as good as this year.

Restaurant

Mainly due to good performance in the new "Shanghai Carrianna Restaurant" and the relocated "Hainan Carrianna Restaurant", restaurant turnover and profit recorded satisfactory growth for the year. Other restaurants in China basically met management expectation while performance of Hong Kong restaurants continued to be difficult.

For the coming year, restaurants in China will continue to contribute profit. Hong Kong restaurants already balanced its cash income and expenditure as a result of management effort to control cost and attract new customers. When the economy recovers, Hong Kong restaurants will be in a good position to contribute profit to the Group again.

Property

The Group acquired 56% interest of Carrianna Holdings Limited (CHL) in November 2001 (See circular to Shareholders on 4 January 2002) and acquired the remaining 2% interest in January 2002. After these acquisitions, CHL becomes a wholly-owned subsidiary of the Group and property business will become the most important source of revenue of the Group.

From completion of the acquisition in January 2002 to June 2002, rented area and rental income in the shopping mall increased by 18% and 15% respectively. Management has successfully increase rental and control expenses to turn CHL from loss to profit in the first quarter after the acquisition. For the coming year, rental income from Carrianna Friendship Square will continue to grow. The other property project of the Group "Imperial Palace", also located in city centre of Lo Wu, Shenzhen, was completed in May 2001. During the year, the shopping area of the building was decorated as "Imperial Gourmet Centre" and the current rent out rate already exceeded 75%.

For the coming year, management will focus on improving the operation of "Carrianna Friendship Square" and "Imperial Palace". Rental income will continue to increase and become a stable source of profit and cash revenue of the Group.

Overall, the acquisition of CHL will bring in stable profit and cash revenue to the Group. Together with recovery of garment market and strong economic growth in China, the board is optimistic about the prospects of the Group.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my appreciation to our management team and staff for their support and dedication to the Group and to our shareholders, customers, suppliers and other business partners for their unfailing support.

Ma Kai Cheung

Chairman

Hong Kong, 22 July 2002