

Chairman's Business Review

I am pleased to report to shareholders that the Group's profit after taxation for the financial year ended 30 September 2002 amounted to HK\$46.4 million (2001: HK\$35.3 million). The Board has decided to recommend a final dividend of HK\$1.00 per share payable to the shareholders registered on 24 January 2003. Together with the interim dividend of HK\$0.50 per share paid in July 2002, total distribution for the year amounted to HK\$1.50 per share (2001: HK\$1.30 per share).

The Group's investment properties, Melbourne Plaza at 33 Queen's Road Central and Kimley Commercial Building at 142-146 Queen's Road Central, continued to generate steady rental income. Occupancy rate at Melbourne Plaza maintained at 76% while rental remained at comparable level as that of last year.

The Group participates in a property development project in Foshan, China with Wing Shan Group. The project, covering a site area of 30.5 million sq.ft., includes two golf courses which are already in full operation. Income from the golf club has not improved despite a recent reduction in fees. Foundation work on ancillary properties has almost been completed. Sales for phase one units were only mediocre. Construction of properties has come to a halt. Development will continue when conditions become favourable.

Volatility and uncertainties continue to plague the global and Southeast Asian economies. Hong Kong will not be immune. However, with China's accession to the World Trade Organisation, there will be an influx of direct foreign investments in China including participation in its massive nation-wide infrastructure projects. In the next five years, China is expected to sustain her pace of economic growth in the Asian region. Hong Kong is poised to benefit from the emerging investment opportunities and the Group will be able to maintain its stable rental income from property investment.

Finally, I would like to take this opportunity to thank my fellow directors and staff members for their loyal services and hard work.

Dato' Dr. Cheng Yu Tung
Chairman

Hong Kong, 19 December 2002