

CHAIRMAN'S STATEMENT

RESULTS

I am pleased to report that the Group's audited consolidated profit for the year ended 31 March 2003, after providing for taxation, amounted to HK\$29,709,267. Earnings per share for the year was HK9.7 cents.

DIVIDENDS

The Directors propose to declare a final dividend of HK1.6 cents (2002: HK1.5 cents) per share. This dividend, together with the interim dividend of HK1.2 cents per share already paid in January 2003, will make a total distribution of HK2.8 cents per share for the full year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 8 August 2003 to Friday, 15 August 2003, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Thursday, 7 August 2003. It is expected that the final dividend warrants will be despatched to shareholders on or about 18 August 2003.

BUSINESS REVIEW

Hong Kong

As expected the local economy remained weak. Nevertheless the Group's rental portfolio continued to achieve an average occupancy rate of over 97% during the year. The Group's gross rental income for the year was HK\$31.0 million. In addition, the Group's share of gross rental income from an associate was HK\$9.8 million. Therefore the total gross rental income attributable to the Group amounted to HK\$40.8 million, representing a decrease of 4.7% over that of the previous year. Although the Group's quality shops and office properties continued to enjoy high occupancy, rental income decreased slightly due to the weak economy.

The Group has been holding approximately HK\$70 million investments in bond securities during the year. The investments generated HK\$5.6 million interest income for the year. Their market value increased HK\$3.9 million at the end of the year.

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Overseas

During the year, the Group sold two residential units of Pointe Claire in Vancouver, Canada. The remaining six units were fully leased.

PROSPECT

Regional conflicts are still a threat to the global stability. The U.S. economic indicators are giving out mixed signal of recovery. The global outbreak of atypical pneumonia is also taking a heavy toll on Hong Kong's already sagging economy. Therefore the local unemployment rate is expected to rise further and consumer spending will remain at a low level for the year.

The recent health crisis is also adversely affecting the local property market. Transactions and price in the residential market have been falling sharply. Residential rental rate is also falling to a low level. In the commercial property market, rental value of shops in prime locations is hit hard due to the dwindling number of tourists. The rental values of office properties are recording lesser decline due to their already low level. Nevertheless the local infection is now under control. Until after the infection is under control in the Mainland and overseas, tourists will return to Hong Kong soon. It is expected that the local economy and the property market will then turn better.

The Group's rental income is expected to be slightly lower next year due to the prolonged weak local economy. Nevertheless the Group's sound financial position will not be affected in the long term. The Group will monitor the development of the property and financial markets, and continue to search for suitable investment opportunities.

Finally I would like to take this opportunity to express my gratitude to all the Directors and staff members of the Group for their valuable contribution and continued support throughout the year.

Chan Hoi Sow

Chairman

Hong Kong, 6 June 2003