

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the results of the Group for the year ended 31 December 2000.

RESULTS

The Group's profit attributable to shareholders for the year 2000 amounted to HK\$6,948,000, a reduction of 83% as compared to HK\$40,107,000 in the previous year. Earnings per share for the year 2000 amounted to HK\$0.02 as compared to HK\$0.16 in the previous year.

DIVIDENDS

The Board does not recommend any payment of final dividend for the year ended 31 December 2000.

REVIEW OF OPERATIONS

Macau

Sharply reduced turnover has been reported in 2000 by Golden Crown Development Limited, the Macau subsidiary of the Company engaged in the development of ***Ocean Gardens***, a luxurious residential development located in Taipa, Macau. Total turnover for the Macau operations of the Group dropped to HK\$77 million in 2000 as compared to HK\$350.2 million for 1999, a reduction of 78% over the previous year. The Group will continue to market its properties in Macau during 2001.

Vietnam

At the ***Caravelle Hotel*** in Ho Chi Minh City, continuing improvements in room rates, occupancies, and profitability were reported for 2000. It has consistently been ranked as one of the top international hotels in Vietnam in terms of occupancy and room rates. Increase in tourist arrivals to Vietnam points to a more robust outlook for the hotel sector in Ho Chi Minh City.

Westin Saigon, is a project under development in Ho Chi Ming City which upon completion, will comprise a 5-star hotel block with 382 rooms and a luxurious serviced apartment block of 96 units.

Due to disputes that have arisen between the Group and the main contractor of the project over contractual issues, the matter has been referred to arbitration as per terms of the construction agreement. The directors are of the view that the Group has complied with all the relevant terms of the contract, and will continue to assess and monitor the situation closely.

Chairman's Statement (continued)

The People's Republic of China

Holiday Inn Riverside Wuban has reported an operating loss for the year 2000. Improvements in travel markets and economic conditions in China, however, have contributed to a gradual improvement in the hotel's operating results in the first few months of 2001.

Of the total number of 635 units of villas and apartments at luxurious **Beijing Riviera** residential development project, 437 units have been sold as at 2000 year end. The balance of the units has been put on the market for sale and rental.

Canada

The **Sheraton Ottawa Hotel** reported increased revenue as well as improved profits for 2000, as a result of higher occupancy levels and higher average room rates as compared to the previous year.

Revenue has also increased at the **International Plaza Hotel and Conference Centre**. As a result of the higher revenue, the loss of the previous year was reversed and a small profit was reported.

In January 2000, an associate of the Group has completed the acquisition of a 201-room hotel in Quebec, Montreal in Canada and had re-flagged the property as a Four Points Sheraton Hotel. The Group has an effective 12.5% interest in this property which will be held on a long-term basis. Due to ongoing renovations at the hotel during most of year 2000, the hotel had not been able to operate at full capacity and had therefore reported a loss for the year.

PROSPECTS

The reduction in interest rates in the US has provided an impetus to improving sentiments amongst potential property purchasers in Macau. Positive measures by the Macau SAR Government to attract overseas investors, to increase infrastructure expenditures and to boost the property markets have also contributed to satisfactory turnover for our Macau subsidiary in the first few months of 2001. However, the likelihood of an economic slowdown in the US during the course of the year and its commensurate effects on economies in Asia cannot be readily discounted. Growth prospects in China, nonetheless, still remain encouraging with positive implications for Hong Kong and Macau economies. Sales during the rest of the year will therefore to a large extent be dependent on how such developments affect buyer's purchasing power and sentiments.

Chairman's Statement (continued)

Both the Hong Kong and Macau economies are still undergoing periods of adjustment at this stage of the economic cycle. However, the continuing opening up of the Chinese mainland economy and the admission of China into the World Trade Organisation will yield long-term economic benefits for the Chinese, Hong Kong and Macau economies. Our investments and operations in these economies are likely to gain from this development as well.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to express our appreciation to the management and staff of the Group for their invaluable contribution.

Ho Kian Guan

Chairman

Hong Kong, 11 April 2001