

CHAIRMAN'S STATEMENT

On behalf of the Board, I would like to present the 2002 annual report to the shareholders of the Company.

RESULTS

For the year ended 31 December 2002, the Group suffered a loss of HK\$118,932,000. The Group's turnover amount to HK\$73,710,000, representing a decrease of 39.46% over last year as a result of drastic drop in construction revenue.

DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year.

REVIEW AND PROSPECTS

Year 2002 is a turbulent year for the Group. Due to the continuous depression in property market in the PRC, the Group did not perform well in the property investment segment. On the other hand, the Group lost a major construction contract in Wuhan, the PRC for the Formula One Racing Stadium which induces the Group to write off all the investment and pre-operating expenses related to the whole project. Furthermore, the uncertainty in the property construction market in the PRC and HK hinders the Board to further commit in development projects.

In the year 2003, the Board prepares to consolidate the business of the Group including disposal of non-core assets and further curtailment of business scales.

Choi Wai Him

Chairman

Hong Kong, 27 June 2003