

# Chairman's Statement



On behalf of the Board of the Company and its subsidiaries (the "Group"), I have pleasure to present the report of the Group for the year ended 31st December, 2000.

## **RESULTS**

For the year ended 31st December, 2000, the Group achieved a turnover of approximately HK\$51.2 million and recorded approximately HK\$11.2 million for the profit attributable to shareholders.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the year, the Group received an aggregate amount of HK\$35,601,000 through the placement of 90,000,000 ordinary shares at the price of HK\$0.20 per share together with ordinary shares issued as a result of the exercise of share options.

The proceeds received was mainly used as working capital of the Group as well as to expand the business scope of the Group.

## **BUSINESS REVIEW**

The year 2000 is an extremely challenging year for the Group. Since the competition in the PRC property market is still fierce, the Group is actively strengthening and expanding its market. Although turnover recorded a decline compared with last year, effective cost control and sales strategy have kept the profit margin comparable to the high level achieved in previous years. In respect of property development and investment, the Group has adopted a stringent and prudent investment policy aiming to maintain our position and competitive edges in the market.

## **OUTLOOK**

As China's entry into the WTO becomes imminent, the Group is well prepared to select a number of prime quality, large-scale property development projects in several major Chinese cities, in order to cope with anticipated huge local and overseas demand. The Board has full confidence that the Group's property development and investment projects in the PRC will continue to achieve satisfactory performance and steady growth.

The Group's key development projects in Shenzhen, namely Taoran Garden, Telford Luxurious Garden and Telford Plaza, which are scheduled for completion in 2001, are expected to bring tremendous contributions to the Group's future operations.

Other than the focus on property development and investment, the Group is also actively seeking business opportunities to expand our scope of operations and increase shareholders' return.

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### **MAJOR CUSTOMERS AND SUPPLIERS**

Sales to the five largest customers accounted for less than 5% of the turnover of the Group for the year.

Purchases from the five largest suppliers accounted for approximately 70% of the Group's total purchases for the year and purchases from the Group's largest supplier accounted for approximately 41% of the Group's total purchases for the year.

To the knowledge of the directors, none of the directors, their associates or any shareholder who to the knowledge of the directors owns more than 5% of the Company's share capital had any beneficial interest in the Group's five largest suppliers.

### **APPRECIATION**

On behalf of the Board, I would like to extend our heartfelt gratitude to the Group's employees for their dedication and efforts as well as to our customers, suppliers, bankers and shareholders for their continued support.

**Tsang Wai Lun, Wayland**

*Chairman*

Hong Kong, 24th April, 2001