

I now present the results and operations of the Group for the year ended 31 December 2000.

RESULTS

The audited consolidated loss after tax for the year was HK\$55,954,000 and the loss per share amounted to HK\$0.04, as compared to the loss of HK\$1,114,940,000 and loss per share of HK\$0.82 for the year ended 31 December 1999.

DIVIDENDS

The directors do not recommend the payment of any dividend (1999: Nil) in respect of the year.

NET ASSET VALUE

The consolidated net asset value per share of the Company as at 31 December 2000 was HK\$0.96, based on the 1,360,000,000 shares in issue, as compared to HK\$1.33 per share and 1,360,000,000 shares in issue as at 31 December 1999.

BUSINESS REVIEW

Property Investment

The Group's major investment property is Liwan Plaza which is located at the border between Shang Xia Jiu Road, Chang Shou Road with De Xing Road and Kang Huang Road at its sides, Liwan District, Guangzhou, Guangdong Province, the People's Republic of China (the "PRC").

Turnover for the year ended 31 December 2000 amounted to HK\$139 million, representing a decrease of 20%. This was mainly due to the loss of rental revenue derived from the Nam Fong International Plaza since February 2000.

本人現提交截至二零零零年十二月三十一日止年度的業務報告。

業績

本集團截至二零零零年十二月三十一日止年度經審核虧損為55,954,000港元，每股虧損4港仙。而截至一九九九年十二月三十一日止年度虧損則為1,114,940,000港元，每股虧損82港仙。

股息

董事局建議本年度不派發任何股息（一九九九年：無）。

資產淨值

於二零零零年十二月三十一日，以已發行1,360,000,000股數基礎計算，本公司的綜合資產淨值每股為0.96港元。而去年則為1.33港元，同是以已發行1,360,000,000股數為基礎計算。

業務回顧

物業投資

本集團主要的投資物業為位於中國廣東省廣州市橫跨上下九路及長壽路，縱貫德星路及康皇路的荔灣廣場。

截至二零零零年十二月三十一日年度的營業額為1億3,900萬港元，較去年度下調了20%，這主要是由於自二零零零年二月起損失了自南方國際廣場的租金收入。

In February 2000, owing to the failure on the part of Nam Fong International Hotel Holdings Limited (the "Hotel Holdings Limited") in settling the rental charges and management fee, the landlord of Nam Fong International Plaza petitioned to the court and obtained judgement to terminate the lease agreement with the Hotel Holdings Limited. As a consequence, with its interests in the sub-contract management agreement with the Hotel Holdings Limited, the Group could not continue to derive revenue. A loss of HK\$273 million was recognised as property interests written off in the 1999's financial statements.

Property Development

The Group's property portfolio comprises a balanced mix of various types of properties: residential, retails, office, hotel, carpark and others. The properties are situated at the prime locations of Guangzhou, Shenzhen and other cities within the Guangdong Province. A summary of the Group's investment properties and properties held for/under development by usage and location is set out on pages 25 to 26.

During 1997, the Group disposed of five property development projects to two independent third parties. In January 2000, consequent upon the inability of the purchaser to fully settle the payment, the Group had resumed control over four property development projects after concluding an agreement with one of the purchasers. At present, the Group is still negotiating the resumption of control of the remaining project.

The Group currently has interests in nine property development projects and owns a land bank of approximately 430,000 square meters. The Group will continue to look for quality sites, including sites located in the prime area, to replenish its land bank.

Sale of Property

Prospective sale of certain projects is under negotiation and it is anticipated that terms and conditions for sale of the interests of these projects will be reached in the near future. The directors are of the view that the disposal of such projects is a good opportunity for the Group to realise investment properties at market price which will not only reduce the indebtedness but will also increase the liquidity level of the Group.

於二零零零年二月，由於南方國際酒店集團有限公司（「酒店集團」）沒有支付南方國際廣場的租金及管理費用。南方國際廣場的業主向法院申請並取得判決終止與酒店集團的租賃協議。導致本集團不能再繼續從與酒店集團的承租協議中取得利益，本集團已於一九九九年度的財務報告中將物業權益2億7,300萬港元撇除。

物業發展

本集團的物業投資組合均衡，包括多類型物業：住宅、商舖、寫字樓、酒店、停車場及其他，該等物業位於廣州、深圳及廣東省內其他城市中的黃金地段。本集團的投資及發展中物業，按用途及地點劃分概要載於第25至26頁。

於一九九七年，本集團出售五個發展中項目予兩位獨立第三者。由於買方未能全數支付出售款額，於二零零零年一月，本集團與一買方達成協議收回四個項目的控制權，現階段本集團正商討收回餘下的另一項目。

本集團目前擁有九個主要物業發展項目，土地儲備約43萬平方米。本集團將繼續物色位於黃金地段的理想地皮，以補充其土地儲備。

物業銷售

本集團部份的發展項目正在商討可能出售，在可預見將來出售此等項目的利益將可達成。董事局認為本集團可按市價將投資物業套現是個好的機會，除可減低本集團的債務外，也可增加流動資金。

FINANCING

The Group's financial costs has decreased from HK\$19 million last year to HK\$13 million for the year ended 31 December 2000. Total borrowings for 2000 were HK\$54 million (1999: HK\$104 million). The gearing ratio, which is calculated as the ratio of the net borrowings to shareholders' funds, was 4% as at 31 December 2000 (1999: 6%). The decrease in financial expenses was due entirely to the repayment of loans during the year. The repayment of the loans was made by the Group's rental income, proceeds from sales of non-core property assets, cash and available banking facilities.

PROSPECTS

In the year under review, driven by the continuing growth of the PRC's economy and the prospect of PRC's entry into the World Trade Organisation, there has been an improvement in the property market in the PRC, with increased demand for residential and commercial properties; a minor but steady increase in overall property prices and rentals, and a sustained fall in vacancy rate. The prolonged downturn in the PRC's property market has eased, particularly in major cities such as Beijing, Shanghai, Guangzhou and Shenzhen.

Rental from investment properties will continue to be the Group's main source of recurring income. With the overall improvement of the economy and the gradual growth of the property market in the southern part of China, the Group expects that the pressure in its operations will be alleviated in the coming years. In line with the long-term strategy of increasing its recurring rental income, the Group will continue to invest in good quality properties located in prime area which can be used for rental purposes. We are optimistic that sales proceeds will likely be generated from the disposal of several projects and this may help reduce further the level of borrowings, and hence the interest burden of the Group. Nonetheless, we will not lose sight in monitoring closely our rental income stream as well as the financial expenses; alongside our other priorities in maintaining an efficient business operation.

財務回顧

本集團於二零零零年十二月三十一日的利息支出由去年的1,900萬港元下調至1,300萬港元。本年度的借貸總額為5,400萬港元(一九九九年:1億零400萬港元)。於二零零零年十二月三十一日的資本與負債比率(即貸款淨額與股東資金的比例)為4%(一九九九年:6%)。本集團以租金收入,出售非核心物業的收入,現金及可用銀行信貸清還借貸。

前景

回顧去年,隨著國內經濟持續增長及中國即將加入世界貿易組織的良好因素下,國內房地產市場漸趨活躍,住宅及辦公樓宇的需求均有增加,整體房價及租金微升並維持向上,空置率續降,國內樓房長期積壓的狀況得以改善,此現象尤以北京、上海、廣州及深圳等主要城市最為明顯。

本集團仍繼續以投資物業的租金收入作為主要經常性收益,隨著中國華南地區的經濟全面改善及物業市場的穩定增長,本集團預期於來年所面對的經營壓力將會減輕。為了配合增加持續租金收入的長期策略,本集團將繼續物色並投資於位處黃金地段並可用作租賃用途之優質物業。對於可能出售部份的項目我們仍抱持樂觀的態度,這可進一步降低本集團的借貸額,繼而可減輕利息的負擔,再者我們對於租金收入及財務支出將作更嚴密的監控,以維持更有效率的商業運作。

APPRECIATION

We would like to take this opportunity to thank our shareholders for their continued support and the Group's dedicated management and staff for their valuable contributions in the past year.

Tsang Hin Cho

Acting Chairman

Hong Kong, 28 June 2001

感謝

本人謹此對一直支持本集團的股東及在過去一年盡心服務對本集團作出寶貴貢獻的管理人員與職員，致以衷心謝意。

署理主席

曾憲藻

香港，二零零一年六月二十八日