

Chairman's Statement

主席報告書

I now present the results and operations of the Group for the year ended 31 December 2001.

RESULTS

The audited consolidated loss of the group for the year was HK\$472.94 million and the loss per share amounted to HK\$0.35, as compared to the restated loss of HK\$87.24 million and loss per share of HK\$0.06 for the year ended 31 December 2000 after adoption of the new accounting standards.

DIVIDENDS

The directors do not recommend the payment of any dividend (2000: Nil) in respect of the year.

NET ASSET VALUE

The consolidated net asset value per share of the Company as at 31 December 2001 was HK\$0.27, based on the 1,360,000,000 shares in issue, as compared to HK\$0.96 per share and 1,360,000,000 shares in issue as at 31 December 2000.

BUSINESS REVIEW

Property Investment

The Group's major property investment remained at Liwan Plaza, with a gross floor area of 79,667 square meter, which is located at Shang Xia Jiu Road, Liwan District, Guangzhou, the People's Republic of China (the "PRC"). During the year ended 31 December 2001, there were sale of investment properties at Liwan Plaza amounted to HK\$29.87 million (gross from taxation), which representing a decrease of 6%.

Sale of Property

The sales of the remaining residential units and some of the arcade units at non-prime location of the Group's Liwan Plaza in the year of 2001 have generated a sales of approximately HK\$49 million. This has reduced the indebtedness of the Group.

本人現提交截至二零零一年十二月三十一日止年度的業務報告。

業績

本集團截至二零零一年十二月三十一日止年度經審核虧損為4億7,294萬港元，每股虧損35港仙。因採納新的會計準則而重列截至二零零零年十二月三十一日止年度虧損則為8,724萬港元，每股重列虧損6港仙。

股息

董事會建議本年度不派發任何股息(二零零零年:無)。

資產淨值

於二零零一年十二月三十一日，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0.27港元。而去年的綜合資產淨值則為0.96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

本集團主要的物業投資保留於中國廣州市上下九路荔灣廣場商場樓面面積約79,667平方米，截至二零零一年十二月三十一日止年度，出售於荔灣廣場之投資物業收入(未減稅務)約為2,987萬港元，較去年收入減少約6%。

物業銷售

本集團之荔灣廣場在二零零一年出售剩餘住宅及部份非重要位置的商舖，總額為約4,900萬港元，並以此減低本集團的債務負擔。

Property Development

The Group currently has interests in seven property development projects and owns a land bank of approximately 480,000 square meter. The construction works of Yue Xiu Plaza project, one of Group's properties under development (PUD), has commenced with full speed, progressing to the second floor of the commercial arcade. The project is expected to be wholly completed by the end of 2003 and the presale activities will commence upon the completion of construction works scheduled at the end of 2002.

Another PUD project, Phase II of Jiangnan Nam Fong Garden which is located at Chang Gang Road, will commence its construction once all the documentation procedures required by the local authority are completed. The project is scheduled for completion by the end of 2004.

As for those projects of the Group's properties held for future development namely, Wanhao Mansion in Shenzhen City, Shaoguan Nam Fong International Plaza and Shantou Nam Fong International Plaza, the Group has planned to start their site clearance works in the second half of 2002.

The management will pursue its identification for quality sites, including sites located in the prime area in Guangzhou, Shanghai, Beijing and Shenzhen, to replenish its land bank.

物業發展

本集團擁有七個主要物業發展項目，土地儲備約48萬平方米，其中發展中物業越秀廣場已全面開工，工程進度已到裙樓二層，預計於二零零二年底封頂並對外售樓，並計劃在二零零三年底完工。

另一發展中物業位於昌崗路南方花園第二期，準備在今年下半年辦妥有關動工手續，並計劃二零零四年底完工。

本集團持作未來發展之物業包括深圳萬豪大廈、韶關及汕頭項目將一併在本年度下半年全面動工。

管理層同時亦考慮在廣州、上海、北京及深圳等主要城市物色發展位於黃金地段的優質地皮，以補充本集團的土地儲備量。

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total borrowings was reduced from HK\$54 million in 2000 to HK\$48.83 million at 31 December 2001, showing a decrease of HK\$5.17 million. The financial costs for the year ended 31 December 2001 was approximately HK\$28.78 million and HK\$13 million for the year 2000. The gearing ratio, which is calculated as the ratio of the net borrowings to shareholders' funds, was 13.13% as at 31 December 2001 (2000: 4%).

To finance the project development, the Group considers that support can be derived from its rental income and also from the proceeds from sales of non-core property assets. In the meantime, the Group will strengthen its effort to collect the outstanding receivables, in particular the receivables arising from the sales activities. Appropriate actions will also be considered to recover the amount due. For the outstanding receivables arising from the disposal of a property development project, the board is still in the process of negotiation with the purchaser for the settlement of the outstanding balance by instalments. In the event of the failure to reach an agreement with the purchaser, the Group will take appropriate actions with a view to recovering the amount due.

The Group does not anticipate any material foreign exchange exposure since its cash or cash equivalent held, borrowings, revenue and expenses are denominated either in Hong Kong dollars or Renminbi or United States dollars.

財務回顧

本集團於二零零一年十二月三十一日借貸總額約為4,883萬港元，比二零零零年5,400萬港元下調約517萬港元，截至二零零一年十二月三十一日止年度之利息支出約為2,878萬港元，而二零零零年為1,300萬港元。二零零一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13.13%（二零零零年：4%）。

本集團正考慮除以正常的租金收入外，亦考慮出售非核心地區物業地皮及部份商場以滿足目前項目的發展需要。同時抓緊追收應收款項，特別對已出售樓宇的應收款，抓緊追收。並將採取適當行動追收。對已出售的項目，由於買家未能按期支付餘款，董事會正與買方商討分期支付款項，如在短期內雙方未能達成協議，本集團將會採取適當的行動解決。

由於本集團的現金及現金等價物、借貸、收入及開支皆以港元或人民幣或美元計算，故本集團並不預見任何重大外匯風險。

PROSPECTS

Since the joining of the PRC into the World Trade Organisation, the property market in the PRC has been picking up, with a constant increasing 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 and the approaches of the property development have been fine-tuned – possible sales of non-core property assets and the development of identified projects in Beijing, Shanghai, Guangzhou and Shenzhen would be a major target of the Group. 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.

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.

Tong Shi Jun

Chairman

Hong Kong, 26 April 2002

前景

隨著國內經濟持續增長及中國已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持續增加，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，並調整項目發展方向，將出售非核心區項目。發展以北京、上海、廣州及深圳為主要的項目。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。

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。

主席

佟世均

香港，二零零二年四月二十六日