

RESULTS

The Group reported a loss of HK\$244.8 million for the year ended 31st March 2003. The Group's turnover for the year was HK\$9.0 million, increased by 21.5% from the previous year. The increase in turnover was principally related to the increase in property rental income from the properties acquired during the year.

(I) Business Activity Review

1. Property Investment

The Group has been active in accumulating high-yield properties to strengthen investment portfolio. The properties acquired in the year are set out below:

(i) Chung Kiu Godown Building

The property consists of various industrial floors and one carparking space on ground floor of a 24-storey industrial building located at numbers 63-71 Lei Muk Road, Kwai Chung, New Territories. This property has a total gross floor area of approximately 13,065 square metres.

(ii) Golden Hall Building

The property consists of a number of shop units and two residential units of a 13-storey composite building located at Golden Hall Building, numbers 49-63 Castle Peak Road, Yuen Long, New Territories. This property has a total saleable area of approximately 1,009 square metres.

They are now two core assets of the Group, representing 79.9% of the Group's total assets, and they generate steady rental income in the year.

2. Energy Saving Machine

The sales of energy saving machine business contributed HK\$3.5 million turnover in the year. (2002: HK\$4.3 million). The decrease was mainly due to the lack of working capital of the Group since February 2003. The energy saving machine business was suspended in April 2003.

業績

本集團於截至二零零三年三月三十一日止年度錄得虧損 244,800,000 港元。年內本集團之營業額為 9,000,000 港元，較上年度增加 21.5%。營業額之增加主要與年內收購之物業帶來之額外租金收入有關。

(I) 業務回顧

1. 物業投資

本集團積極吸納高收益率之物業以增強投資組合。年內收購之物業如下：

(i) 中僑貨倉大廈

位於新界葵涌梨木道 63-71 號一幢 24 層高工業大廈之多個工業樓層及地下一個停車位。該物業之總建築面積約為 13,065 平方米。

(ii) 金豪大廈

位於新界元朗青山公路 49-63 號金豪大廈（一幢 13 層高綜合大廈）之多個商舖及兩個住宅單位。該物業之總實用面積約為 1,009 平方米。

該兩項物業現為本集團之核心資產，佔本集團總資產 79.9%，在年內帶來穩定之租金收入。

2. 能源節省器

出售能源節省器之業務在年內帶來營業額 3,500,000 港元（二零零二年：4,300,000 港元）。營業額減少主要與本集團自二零零三年二月以來營運資金緊絀有關。能源節省器業務已於二零零三年四月停止營運。

(II) Financial Review

In May 2002, the Group expanded its capital base through raising HK\$14.6 million from a placing of 239,000,000 new shares. The net proceeds have been used as general working capital of the Group.

In July 2002, the Group raised HK\$5.4 million from the placing of 143,300,000 new shares. The net proceeds have been used as general working capital of the Group.

In October 2002, the Group raised HK\$1.7 million from the placing of 172,000,000 new shares. The net proceeds have been used as general working capital of the Group.

Liquidity and Financing

As at 31st March, 2003, the Group's borrowings increased to HK\$522.0 million (31st March, 2002: HK\$352.2 million), which was due to the acquisition of Chung Kiu Godown Building and Golden Hall Building by means of finance by new borrowings. The maturity profile of the borrowing is analysed as follows:

Debt Maturity	償還期限	HK\$ million 百萬港元	
Repayable within 1 year	須於一年內償還	66.2	12.7%
Repayable between 1 to 2 years	須於一至兩年內償還	294.8	56.5%
Repayable between 2 to 5 years	須於兩至五年內償還	153.5	29.4%
Repayable after 5 years	須於五年後償還	7.5	1.4%

All of the Group's borrowings were in Hong Kong dollars at year end and approximately 83.4% of the borrowings are fixed rate convertible bonds. The Group's finance costs for the year was HK\$15.6 million, decreased by 45.0% (2002:HK\$28.4 million).

Contingent Liabilities

As at 31st March, 2003, there was no material contingent liabilities for the Group.

(II) 財務回顧

於二零零二年五月，本集團透過配售 239,000,000 股新股集資 14,600,000 港元以擴大股本基礎，所得款項淨額用作本集團營運資金。

於二零零二年七月，本集團透過配售 143,300,000 股新股集資 5,400,000 港元，所得款項淨額用作本集團營運資金。

於二零零二年十月，本集團透過配售 172,000,000 股新股集資 1,700,000 港元，所得款項淨額用作本集團營運資金。

流動資金及融資

於二零零三年三月三十一日，本集團之借貸增至 522,000,000 港元（二零零二年三月三十一日：352,200,000 港元），與透過新借貸款融資收購中僑貨倉大廈及金豪大廈之物業有關，借貸之償還期限分析如下：

本集團於年結日之所有借貸均為港元，其中約 83.4% 為定息可換股債券。本集團年內之融資成本為 15,600,000 港元，較去年減少 45.0%（二零零二年：28,400,000 港元）。

或然負債

於二零零三年三月三十一日，本集團並無重大之或然負債。

Charges on Assets

At 31st March, 2003, the Group's investment properties amounting to HK\$135.4 million (2002: HK\$9,250,000) and the rights and benefits to the existing and future leases in respect of those investment properties were pledged for certain loan facilities and the convertible bonds due 2006 of the Group. In addition, investment in securities amounting to HK\$6.6 million (2002: nil) were pledged for other loan facilities granted to the Group.

(III) Human Resources

The Group employed 12 (2002: 42) employees at the year end date. Employees' cost (excluding directors' emoluments) amounted to approximately HK\$8.5 million (2002: HK\$8.8 million) for the year. Employees are remunerated according to nature of the job and market trend, with a built-in merit component incorporated in the annual increment to reward and motivate individual performance.

DIVIDEND

The board of directors resolved not to recommend the payment of any dividend for the year ended 31st March, 2003 (2002: Nil).

PROSPECTS

The Group was unable to draw down existing facilities or arrange new facilities for the settlement of the existing debts. Trading of shares in the Company on The Stock Exchange of Hong Kong Limited has been suspended since 19th February, 2003. In view of the financial position of the Group, the Company entered into a restructuring agreement with Chinese Estates Holdings Limited ("Chinese Estates") and its subsidiary, Million Point Limited ("Million Point") (together "Restructuring Proposal") on 15th July 2003. The Restructuring Proposal involves a scheme of arrangement between the Company and its creditors, capital reorganisation of the Company, and the subscription of new equity capital of the Company by Million Point and the introduction of Chinese Estates as the new controlling shareholder. The Company will use its best endeavours to implement and effect the Restructuring Proposal.

資產抵押

於二零零三年三月三十一日，本集團以賬面值為135,400,000港元（二零零二年：9,250,000港元）之投資物業以及有關該等投資物業之現有及未來租約之權利及利益作為本集團若干信貸及於二零零六年到期之可換股債券之抵押。此外，賬面值為6,600,000港元（二零零二年：無）之證券投資用以抵押本集團獲批之其他信貸。

(III) 人力資源

本集團於年結時共僱用12人（二零零二年：42人）。年內僱員成本（不包括董事酬金）約為8,500,000港元（二零零二年：8,800,000港元）。僱員之薪酬乃根據工作性質及市場趨勢釐定，並設有年度增薪機制以獎勵及鼓勵員工努力。

股息

董事會議決不建議就截至二零零三年三月三十一日止年度派發任何股息（二零零二年：無）。

展望

本集團未能動用現有信貸或安排新信貸以償還現有債務。本公司股份自二零零三年二月十九日起在香港聯合交易所有限公司暫停買賣。基於本集團目前之財政狀況，本公司與Chinese Estates Holdings Limited（「華置」）及其附屬公司Million Point Limited（「Million Point」）於二零零三年七月十五日訂立重組協議（合稱「重組建議」）。重組建議涉及本公司與其債權人之債務償還安排計劃、本公司股本重組、Million Point認購本公司新股本及引入華置作為新控股股東。本公司將竭盡所能實行重組建議並使其生效。

CHAIRMAN'S STATEMENT
主席報告

With the introduction of Chinese Estates as the new controlling shareholder and the experience of the Chinese Estates in property investment and development and other investment aspects, the Company may be benefited from the potential value of the new momentum and inspiration brought in by Chinese Estates.

Chan Hung Lit, Simon
Chairman

Hong Kong, 28th July, 2003

隨著引入華置作為新控股股東及考慮到華置在物業投資及發展以及其他投資方面之經驗，本公司或可受惠於華置帶來之新動力及計策從而進一步發展。

主席
陳鴻烈

香港，二零零三年七月二十八日