

FINANCIAL OPERATION REVIEW

RESULTS

Loss attributable to shareholders for the year was HK\$0.2 million (2002: HK\$15.6 million). Loss per share for the year recorded at 0.22 cents (2002 (restated): 26.29 cents).

NET ASSET VALUE

As at 31st December, 2003, the Group's total net asset amounted to approximately HK\$628 million, substantially increased by HK\$507.7 million or 4.2 times as compared to the value of HK\$120.3 million last year. Total net asset value per share was HK\$2.22 (2002 (restated): HK\$2.02). Such significant improvement in the net asset position was attributable to the net acquisition of assets of HK\$501 million upon the completion of the Asset Transaction on 7th November, 2003 (as defined in the section headed "Corporate Restructuring" in the Chairman's Statement).

DEBT AND GEARING

At the balance sheet date, the Group did not have any bank and other borrowings (2002: HK\$22 million). Cash and deposit at bank amounted to HK\$47.9 million (2002: HK\$11.2 million). Last year, the net borrowings amounted to HK\$10.8 million while the total debt to equity ratio was 18.3% and the net debt to equity ratio was 9%. They were expressed as a percentage of bank and other borrowings, and net borrowings respectively over the total net assets of HK\$120.3 million.

In September 2003, the Group cancelled a banking facility of HK\$79 million and prepaid the relevant outstanding loan amount of HK\$35.5 million from stakeholder money arising from the pre-sale of the Manhattan Avenue.

The majority of the Group's income for the year was denominated in Hong Kong dollars. No hedging for non-Hong Kong dollars assets or investment has been made during the year.

The Group did not have any contingent liabilities as at 31st December, 2003.

財務業務回顧

業績

本年度之股東應佔虧損為 200,000 港元（二零零二年：15,600,000 港元）。本年度之每股虧損為 0.22 仙（二零零二年（重列）：26.29 仙）。

資產淨值

於二零零三年十二月三十一日，本集團之總資產淨值約為 628,000,000 港元，較去年之 120,300,000 港元大幅增加 507,700,000 港元或 4.2 倍。每股總資產淨值為 2.22 港元（二零零二年（重列）：2.02 港元）。上述淨資產狀況之顯著改善與二零零三年十一月七日資產交易（按主席報告書「公司重組」一節所界定）完成而購入 501,000,000 港元淨資產有關。

債務及資本與負債比率

於結算日，本集團並無任何銀行及其他借貸（二零零二年：22,000,000 港元）。現金及銀行結存為 47,900,000 港元（二零零二年：11,200,000 港元）。去年，借貸淨額為 10,800,000 港元，總債務與股本比率為 18.3%，淨債務與股本比率則為 9%，乃將銀行及其他借貸以及借貸淨額分別除以總資產淨值 120,300,000 港元得出之百分比。

於二零零三年九月，本集團已取消 79,000,000 港元之銀行信貸，並以預售 Manhattan Avenue 產生之保證金保存人款項，預付有關之未償還貸款額 35,500,000 港元。

年內本集團大部份收入以港元計值。本集團於年內並無就非港元資產或投資進行對沖。

本集團於二零零三年十二月三十一日並無任何或然負債。

FINANCIAL OPERATION REVIEW

PLEDGE OF ASSETS

As at 31st December, 2003, the Group did not pledge any of its assets to secure any banking facility and the Group did not have any obligations under banking facility documentation.

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income for the year increased to HK\$0.9 million from HK\$0.1 million last year. Interest expenses decreased to HK\$0.2 million from HK\$1 million last year, such decrease was due to the repayment of bank and other borrowings during the year.

REMUNERATION POLICIES AND SHARE OPTION

During the year, the Group employed a total of 3 staff. Remuneration packages comprised salary and year-end bonuses based on individual merits. No share option scheme was adopted for the year.

PROPERTY VALUATION

A property valuation has been carried out by Norton Appraisals Limited, independent professional surveyors, in respect of the Group's investment properties held as at 31st December, 2003 and that valuation was used in preparing this year's financial statements. The Group's investment properties were valued at HK\$65.7 million (2002: HK\$0.5 million) such increase was mainly due to the acquisition of investment properties of HK\$62.2 million upon completion of the Asset Transaction as mentioned above.

財務業務回顧

資產抵押

於二零零三年十二月三十一日，本集團並無將任何資產抵押以取得銀行信貸，而本集團概無任何根據銀行信貸文件之承擔。

財務及利息收入 / 支出

本年度之利息收入由去年之 100,000 港元增至 900,000 港元。利息支出由去年之 1,000,000 港元減至 200,000 港元，乃由於年內償還銀行及其他借貸所致。

酬金政策及購股權

年內，本集團共僱用三名職員。酬金（包括薪金及年終花紅）乃根據個人表現釐定。於年內並無採納任何購股權計劃。

物業估值

獨立專業測計師行普敦國際評估有限公司已就本集團於二零零三年十二月三十一日持有之投資物業進行物業估值，有關估值結果乃用於編製本年度之財務報表。本集團投資物業之估值為 65,700,000 港元（二零零二年：500,000 港元），主要與在上述資產交易完成後收購 62,200,000 港元之投資物業有關。