

CHAIRMAN'S STATEMENT

主席報告書

TO OUR FELLOW SHAREHOLDERS

On behalf of the board of directors (the "Board"), I present the annual results of REXCAPITAL International Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the financial year ended 31 March 2004.

OPERATING RESULTS

For the year ended 31 March 2004, the Group recorded a turnover of HK\$61,184,000 (2003: HK\$91,636,000). Loss attributable to shareholders was HK\$2,126,000 (2003: profit of HK\$5,966,000).

The Board does not recommend the payment of a final dividend for the year ended 31 March 2004.

BUSINESS REVIEW AND PROSPECTS

The Hong Kong economy experienced turbulent and rapid swings during the financial year. The sudden outbreak of severe acute respiratory syndrome ("SARS") in early 2003 drastically slowed the local economy, which continued to be hard hit in the aftermath of SARS. This situation adversely affected the Group as well. To meet this challenge, the Group sped up its transformation. During the year, the Group disposed of its non-core assets including its investments in the fibre-optic network in China for a total consideration of HK\$400 million; and discontinued its telecommunications and technology-related business.

Going forward, we shall concentrate our resources on the Group's strategic investment and capital market activities. With the rebound of the Hong Kong economy thanks to the implementation of various favourable economic policies promulgated by the Central government, professional and niche financial-services companies like the Group are set to benefit. Hong Kong commands the indisputable status of an international financial centre in the Greater China region. Under this macro-environment, the Hong Kong financial sector is poised to gain from the robust economy of China and her privatisation programme. The Group is ready to tap the enormous business opportunities that are being created in China.

致各股東

本人謹代表董事會(「董事會」)呈報御泰國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)於截至二零零四年三月三十一日止財政年度之業績。

經營業績

於截至二零零四年三月三十一日止年度，本集團錄得營業額61,184,000港元(二零零三年：91,636,000港元)，股東應佔虧損為2,126,000港元(二零零三年：溢利5,966,000港元)。

董事會不建議派發截至二零零四年三月三十一日止年度末期股息。

業務回顧及前景

於本財政年度內，香港經歷嚴峻而急速的經濟動盪。於二零零三年初，全港突然爆發急性嚴重呼吸系統綜合症(「非典型肺炎」)，拖慢了經濟步伐；儘管非典型肺炎疫潮期後稍見舒緩，該疫症仍然對本地經濟造成沉重的打擊，本集團的營運表現亦因而受到負面影響。面對如此嚴峻的挑戰，本集團迅速把業務轉型。本集團於年內出售非核心資產，包括其中投資於中國的光纖網絡，總代價為4億港元；並終止電訊及科技相關的業務。

現時，本集團將資源專注發展策略性投資及資本市場活動。隨著中央政府頒佈多項有利香港經濟復甦的政策，本地具備高度專業水平的金融服務企業如本集團必會因而受惠。香港擁有大中華區內無可替代的國際金融中心地位。在此宏觀經濟環境下，香港的金融業會因中國強健的經濟發展及其市場化計劃而得益。本集團亦已枕戈待旦，準備隨時抓緊中國市場的巨大商業機遇。

CHAIRMAN'S STATEMENT (continued)

主席報告書(續)

Looking ahead, the Group is eyeing on two major markets, China and other parts of Asia. The Group will play a greater role in providing services covering financial advice, corporate finance, mergers and acquisitions, and structured financing to local and Chinese enterprises. Supported by China's position as the economic magnet of the region, the Group will also act as a bridge for other Asian partners who would like to tap the China market. We believe, with our strong reputation, excellent track record and professional team, the above strategies will generate favourable results for our shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my heartfelt appreciation to our shareholders, investors and business partners for their continued support and confidence in the Group. I would also like to thank the management team and all staff members for their devoted service and loyalty during a turbulent year for the Hong Kong economy.

Last, but not least, I would like to thank my fellow directors who have offered invaluable advice and leadership during such a challenging year.

Chan How Chung, Victor

Chairman

Hong Kong, 29 July 2004

展望未來，本集團放眼中國及其他亞洲地區兩大市場。本集團一方面積極為本地及內地企業提供財務顧問、企業財務、併購業務與及財務重組等服務；另一方面，由於亞洲各國均看好中國金融市場的潛力並覬覦中國這個市場，本集團亦將扮演橋樑角色，協助亞洲區內夥伴踏足中國市場。我們深信憑藉本集團強勢的企業品牌、出色的往績和超卓的專業服務，以上策略將為股東帶來更理想的回報。

致謝

本人謹藉此機會代表董事會，對各股東、投資者及業務夥伴於過去一年內給予本集團不斷的支持和信任，深表謝意。同時，對於管理層及各員工在本港經濟動盪的一年內，對公司業務的熱誠投入及忠誠，特此致謝。

最後，在這嚴峻的一年裏，各董事在董事會內提供許多寶貴意見及顯示堅毅的領導，本人亦在此一併感謝。

主席

陳孝聰

香港，二零零四年七月二十九日