



CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Directors") of China Golden Development Holdings Limited (the "Company"), I am pleased to present the audited results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2004.

BUSINESS REVIEW

For the financial year ended 30 June 2004, the Group's consolidated turnover decreased by approximately 3.0% to HK\$136.9 million as compared to HK\$141.2 million for the financial year ended 30 June 2003.

The Group's income derived mainly from the operation of its passenger cruise ship "Ming Fai Princess" and remained relatively stable during the financial year under review. In the first half of the financial year, the Group benefited from a gradual recovery of the China economy from the outbreak of the Severe Acute Respiratory Syndrome ("SARS") in early 2003 with the number of passengers using the Group's cruise ship services steadily resumed to pre-SARS level. In the second half of the financial year, the Group's cruise ship services continued to benefit from the sustained strong growth of the China economy and increasing demand for leisure travel by Chinese nationals. Such increase in demand was however partially offset by the outbreak of avian flu in Guangxi and Vietnam which affected the tourism industry throughout Asia. The increase in international crude oil prices during the second half of the financial year also slightly drove down the gross profit margin of the Group. However, the impact of fluctuations in crude oil prices on the Group's earnings for the whole financial year was not very significant.

The name of the Company has been changed from I-Wood International Holdings Limited to China Golden Development Holdings Limited on 15 June 2004. The Directors is of the opinion that the change of name of the Company can better reflect the Group's existing business operations and the expansion of such business in the China market in the future.

FUTURE PLAN AND PROSPECT

In light of the continuing robust growth of the China economy, we believe that the total number of passengers using cruise ship services will continue to surge, which will have a beneficial effect on the Group's passenger cruise ship business. On the other hand, we expect that China's tourism industry will face new competitions and challenges following China's official opening up of its policy to allow tourists to visit Hong Kong individually and to travel to 29 European countries through package tours.

In order to enhance the Group's competitiveness in the passenger cruise ship business, we plan to introduce new routes, improve the overall facilities on "Ming Fai Princess" and provide more entertainment programs so as to enhance the attractiveness of Ming Fai Princess to tourists.

In addition to our passenger cruise ship business, the Group will strive to explore and develop other tourism-related projects with high growth potentials so as to enhance the Group's profitability in the long run. Furthermore, the Group will also explore opportunities in other business sectors so as to diversify its business interests.

Finally, on behalf of the Directors, I would like to take this opportunity to express my sincere thanks to all members of the Board and our staff for their dedication and contribution to the Group, as well as our business partners and customers for their continuous support to the Group.

Wu Yijian

Chairman

Hong Kong, 20 October 2004