

CHAIRMAN'S STATEMENT 主席報告書

FINANCIAL RESULTS

For the year ended 30 June 2004, the Group recorded a turnover of approximately HK\$73,411,000, a 60.6% increase from last year's turnover of HK\$45,705,000. The loss attributable to shareholders for the year amounted to approximately HK\$53,074,000, representing loss per share of HK0.86 cents (2003: earning per share of HK5.63 cents).

BUSINESS REVIEW

During the year, the Group focused on its existing core business operation while strived to explore new investment opportunities. The Group believes that the existing business segments would accomplish gradual and encouraging growth in the coming future.

WINDING UP AND DISPOSAL OF SUBSIDIARIES

On 4 June 2004, a wholly-owned subsidiary of the Group, Goldhill Merchandising Inc., was put into a voluntary winding up and a loss of HK\$37,961,000 arose from de-consolidation.

On 18 June 2004, CIL Group Limited and Leadway Contracting Co. Limited, the Company's wholly-owned subsidiaries entered into sale and purchase agreements with independent third parties to dispose of all the equity interests in two dormant subsidiaries, namely Carpet Gallery Company Limited and Bravo Interior Products Limited at an aggregate consideration of HK\$3. Gain of HK\$44,307,000 arose on the de-consolidation of these two subsidiaries in the financial statements for the year ended 30 June 2004.

財務業績

截至二零零四年六月三十日止年度，本集團錄得營業額約73,411,000港元，較去年營業額45,705,000港元增加60.6%。本年度之股東應佔虧損約為53,074,000港元，即每股虧損0.86港仙（二零零三年，每股盈利5.63港仙）。

業務回顧

年內，本集團致力經營核心業務，同時積極物色新投資機會。本集團相信，現有之業務分類將逐步取得理想增長。

清盤及出售附屬公司

於二零零四年六月四日，本集團之全資附屬公司Goldhill Merchandising Inc.進入自動清盤，產生不再綜合入賬虧損37,961,000港元。

於二零零四年六月十八日，本公司之全資附屬公司CIL Group Limited及Leadway Contracting Co. Limited與獨立第三方訂立買賣協議，以出售氈藝有限公司及全威裝飾材料有限公司兩家暫無業務附屬公司之所有股本權益，總代價為3港元。兩家附屬公司不再綜合入賬產生之44,307,000港元收益載於截至二零零四年六月三十日止年度之財務報表內。

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LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2004, the Group had net assets of HK\$3.7 million with total assets of HK\$147.3 million and total liabilities of HK\$143.6 million. The current ratio, representing by current assets divided by current liabilities, was 0.97, which improved from last year's figure of 0.88. At balance sheet date, the Group had cash at bank balance and cash with total amount of HK\$1.6 million.

On 19 March 2002, the Company, Trade Honour Limited ("Trade Honour") and Mr. Ke, a director of the Company and the beneficial owner of Trade Honour, entered into an option agreement whereby the option entitled Trade Honour to require the company to issue and allot 2,000 million new ordinary shares of the Company at the exercise price of HK\$0.01 per share within the option period. As the company had not received the notice to exercise the option from Trade Honour on or before 15 May 2004, expiry date of the option period, the option was lapse in accordance with the terms of the option agreement and was of no further effect.

In order to improve the Group's working capital, the directors will, at appropriate time, consider raising funds by suitable means such as extending the terms of the existing loans and/or by obtaining new banking facilities.

FOREIGN CURRENCY EXPOSURE

The Group did not have significant foreign currency exposure at the balance sheet date.

EMPLOYEES INFORMATION

The Group has 40 employees currently. The remuneration packages of employees are maintained at competitive level which includes monthly salaries, mandatory provident fund and other fringe benefits.

流動資金及財政資源

於二零零四年六月三十日，本集團資產淨值為3,700,000港元，資產總值為147,300,000港元，負債總額為143,600,000港元。流動比率（流動資產除以流動負債）為0.97，高於上年度之比率0.88。於結算日，本集團銀行結餘之現金及現金合共為1,600,000港元。

於二零零二年三月十九日，本公司、Trade Honour Limited（「Trade Honour」）及本公司董事及Trade Honour實益擁有人柯先生訂立購股權協議，據此，Trade Honour有權於購股權期間要求本公司發行及配發2,000,000,000股本公司新普通股，行使價為每股0.01港元。由於本公司於購股權期間屆滿日期二零零四年五月十五日或之前並無接獲Trade Honour行使購股權之通知，故購股權按照購股權協議之條款失效，並再無效力。

為改善本集團之營運資金，董事將於適當時候考慮以合適之方式籌集資金，例如延長現有貸款之期限及／或取得新銀行融資。

外匯風險

於結算日，本集團並無重大外匯風險。

僱員資料

本集團目前有40名僱員。僱員薪酬組合具有競爭性，包括月薪、強積金及其他附加福利。

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PLEDGE OF ASSETS

At 30 June 2004, the Group did not have any pledge of assets.

CAPITAL COMMITMENTS

On 19 March 2002, the Company and the vendor of Micky Enterprises Limited ("Micky") entered into a sales and purchase agreement for the purchase of 49% of the issued share capital of Micky at a consideration of HK\$25 million, the consideration was to be satisfied by the issue of 25,000,000 of convertible bonds at HK\$1 each. The agreement was subsequently terminated on 31 July 2003. At 30 June 2004, the Group did not have any capital commitment.

CONTINGENT LIABILITIES

At 30 June 2004, the Group had contingent liabilities of approximately HK\$46 million in respect of the disputed claims against the Group for outstanding loans and service fees.

PROSPECTS

With the tremendous opportunities created by China's accession to the World Trade Organization (WTO) and the Close Economic Partnership Agreement (CEPA), the directors are confident that our existing business would achieve fruitful returns with improved performance and the Group would introduce some prospective strategic investments which will be of great benefit to our shareholders in the foreseeable future.

Ke Jun Xiang

Chairman

Hong Kong, 29 October 2004

資產抵押

於二零零四年六月三十日，本集團並無任何資產抵押。

資本承擔

於二零零二年三月十九日，本公司與 Micky Enterprises Limited (「Micky」) 之賣方訂立一項買賣協議，內容有關以代價 25,000,000 港元購買 Micky 之 49% 已發行股本。有關代價將透過發行 25,000,000 份每股面值 1 港元之可換股債券之方式支付。該協議其後於二零零三年七月三十一日終止。於二零零四年六月三十日，本集團並無任何資本承擔。

或然負債

於二零零四年六月三十日，本集團有約 46,000,000 港元之或然負債，乃有關未償還貸款及未付服務費而針對本集團之爭議索償。

前景

隨著中國加入世界貿易組織 (世貿) 及訂立更緊密經貿關係安排 (CEPA) 帶來龐大商機，董事相信現有業務之表現將會更進一步，取得理想回報，而本集團將會部署多項策略性投資，於可見未來惠及股東。

主席

柯俊翔

香港，二零零四年十月二十九日