

I am pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2004 (the "Year") to the shareholders.

### RESULTS

Loss attributable to shareholders for the Year was HK\$167.7 million (2003: HK\$0.2 million). Loss per share for the Year recorded at 59.40 cents (2003: 0.22 cents).

### DIVIDENDS

No interim dividend was declared for the Year (2003: Nil) and the Board did not recommend any payment of final dividend for the Year (2003: Nil).

### BUSINESS REVIEW

Turnover of the Group for the Year jumped to HK\$18.9 million (2003: HK\$0.9 million). The significant increase of HK\$18 million was attributable to property trading of HK\$13.2 million and the increased in rental income of HK\$4.8 million from the Group's strengthened properties portfolio. The gross profit for the Year recorded at HK\$5.6 million (2003: HK\$0.8 million), which was mainly derived from the results of property leasing.

Loss from operations for the Year was HK\$183.6 million (2003: HK\$1.1 million), which was mainly attributable to an impairment loss recognised in respect of property interests held for development of HK\$183.4 million and a provision for a litigation claim of HK\$8.4 million.

Revenue and result of property leasing segment for the Year recorded at HK\$5.7 million (2003: HK\$0.9 million) and HK\$9 million (2003: HK\$1.2 million) respectively. These improvements were resulted from the Group's strengthened properties portfolio. Revenue and result of property development segment for the Year recorded at HK\$13.2 million (2003: Nil) and a loss of HK\$183.5 million (2003: HK\$0.9 million) respectively. The substantial loss was due to the impairment loss recognised in respect of property interests held for development of HK\$183.4 million.

本人欣然向股東呈報本公司及其附屬公司（「本集團」）截至二零零四年十二月三十一日止年度（「本年度」）之業績。

### 業績

本年度之股東應佔虧損為167,700,000港元（二零零三年：200,000港元）。本年度之每股虧損為59.40仙（二零零三年：0.22仙）。

### 股息

本年度並無宣派中期股息（二零零三年：無）而董事會亦不建議派付本年度之任何末期股息（二零零三年：無）。

### 業務回顧

本集團本年度之營業額提升至18,900,000港元（二零零三年：900,000港元），較上年度增加18,000,000港元。營業額大幅增加與出售若干投資物業之13,200,000港元及本集團增強物業組合後增加之租金收入4,800,000港元有關。本年度毛利為5,600,000港元（二零零三年：800,000港元），主要來自物業租賃。

本年度經營虧損為183,600,000港元（二零零三年：1,100,000港元），主要由於就持作發展之物業權益確認之減值虧損183,400,000港元及訴訟撥備8,400,000港元。

本年度的物業租賃分類收入和分類業績分別錄得5,700,000港元（二零零三年：900,000港元）及9,000,000港元（二零零三年：1,200,000港元）。分類業績改善主要由於本集團已增強物業組合。本年度的物業發展分類收入和分類業績分別錄得13,200,000港元（二零零三年：無）及虧損183,500,000港元（二零零三年：900,000港元）。重大的虧損乃因持作發展之物業權益確認之減值虧損183,400,000港元所致。

## BUSINESS REVIEW (cont'd)

Contribution from the results of associates increased to HK\$8 million from HK\$0.1 million in 2003. The Group had also written back allowances for amounts due from associates and former associates of approximately HK\$1.4 million (2003: Nil) and HK\$7.8 million (2003: HK\$1.2 million) respectively.

## PROPERTY REVIEW

### *In Hong Kong*

#### Property Development

No. 34 Hill Road, Western District (100%) – The property is a 7-storey composite building over 40 years old and is currently vacant. The site has an area of approximately 2,146 square feet.

#### Investment Properties and Properties Held for Sale

Gemstar Tower, Hung Hom (100%) – The property is a 17-storey godown building. During the year, 15 units have been sold. The Group held 13 godown units on various floors with a total gross floor area of approximately 62,665 square feet and 50 carparking spaces as at 31st December, 2004. As at 31st December, 2004, the occupancy rate of godown was 43%.

Inter-Continental Plaza, Tsim Sha Tsui (50%) – The property is a 15-storey commercial building, the Group has interests in two office floors and a flat roof with a total gross floor area of approximately 22,204 square feet and 1,876 square feet respectively. As at 31st December, 2004, the two office floors were fully let.

No. 1 Hung To Road, Kwun Tong (33 1/3%) – The property is a 33-storey industrial building. During the year, 23,619 square feet have been sold. The Group has interests in various portions on various floors with a total gross floor area of approximately 568,347 square feet. The Group also has interests in 77 carparking spaces.

## 業務回顧 (續)

聯營公司業績貢獻由二零零三年之100,000港元上升至8,000,000港元。本集團為聯營公司及前聯營公司之欠款準備亦撥回分別為1,400,000港元(二零零三年：無)及7,800,000港元(二零零三年：1,200,000港元)。

## 物業回顧

### 香港

#### 物業發展

西環山道34號(100%)—該物業為一幢七層高樓齡逾40年之綜合大廈，現時空置。該地盤面積約為2,146平方呎。

#### 投資物業及持作出售物業

紅磡駿昇中心(100%)—該物業為一幢十七層高之貨倉大廈。於年內共售出15個單位，於二零零四年十二月三十一日，本集團持有多個樓層之13個貨倉單位，總建築面積約為62,665平方呎，並持有50個停車位。於二零零四年十二月三十一日，貨倉之出租率為43%。

尖沙咀明輝中心(50%)—該物業為一幢十五層高之商業大廈。本集團擁有兩個辦公樓層及平台之權益，總建築面積分別約為22,204平方呎及1,876平方呎。於二零零四年十二月三十一日，該兩個辦公樓層經已全部租出。

觀塘鴻圖道1號(33 1/3%)—該物業為一幢三十三層高之工業大廈。於年內售出23,619平方呎，本集團擁有多個樓層之多個單位之權益，總建築面積約為568,347平方呎。本集團亦擁有77個停車位之權益。

## PROPERTY REVIEW (cont'd)

### *In PRC*

#### Property Development

Chenghai Royal Garden, Shantou (100%) – The Group through a wholly-owned subsidiary has a property interests held for development in Chenghai Royal Garden. The site with an area of approximately 466,662 sq.m. (5,023,150 sq.ft.) is situated at the estuary of Xinjin River, Longhu District, Shantou, Guangdong Province, the People's Republic of China (the "PRC"). The Group has provided an impairment loss of approximately HK\$183.4 million during the year. Details of which can be referred to note 18 to the audited consolidated income statement.

## POST BALANCE SHEET EVENT

On 24th January, 2005, the Company entered into a placing agreement with its placing agent to place 56,460,000 shares of the Company at HK\$0.95 each (the "Placing"). The Placing was completed on 2nd February, 2005 and the net proceeds of approximately HK\$52.8 million from the Placing.

## PROSPECTS

The property market was good in general in the past year. Anticipating further improvement of the general economy in the coming year, the property market looks positive.

The Group maintained a strong cash position for the Year with cash and deposit at bank amounting to HK\$131.1 million. The cash position was further strengthened by the proceeds received from the share placing. The Group is seeking and exploring investment and business opportunities in Greater China and elsewhere.

## APPRECIATION

I would like to take this opportunity to thank the shareholders for their continuing support and all the staff for their dedication and hard work.

On behalf of the Board  
**Thomas Lau, Luen-hung**  
*Chairman*

Hong Kong, 22nd March, 2005

## 業務回顧 (續)

### 中國

#### 物業發展

汕頭市澄海海麗花園(100%)—本集團透過一全資附屬公司於澄海海麗花園擁有持作發展之物業權益。該地盤面積約為466,662平方米(5,023,150平方呎)，位於中國(「中國」)廣東省汕頭市龍湖區新津河口。本集團於本年度內作出約183,400,000之減值虧損，詳情可參閱經審核綜合收益表附註18。

## 結算日後事宜

於二零零五年一月二十四日，本公司與其配售代理訂立配售協議，以每股0.95港元配售本公司56,460,000股股份(「配售」)。配售於二零零五年二月二日完成，而配售所得款項淨額約為52,800,000港元。

## 展望

上年度物業市場表現大致理想。預計明年整體經濟進一步改善，物業市場將繼續穩定發展。

於本年度內，本集團維持充足現金狀況，現金及銀行結存為131,100,000港元。配售股份之收益進一步增加現金持有量。本集團現正於中國及其他地方尋找及開拓投資及營商機會。

## 致謝

本人謹藉此機會對股東從不間斷之支持與全體員工竭誠努力表示謝意。

代表董事會  
主席  
劉鑾鴻

香港，二零零五年三月二十二日