

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board of directors of the Company and its subsidiaries (the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2004.

FINANCIAL RESULTS

For the year ended 31 December 2004, the Group recorded a profit of HK\$41 million.

BUSINESS REVIEW

Under the influence of the austere measures of the PRC in 2004, the Guangdong property market was subject to unprecedented adjustments in land and financial policies. The stringent land administration, the tightening of grant of loans by financial institutions coupled with the increase in interest rate of the central bank shifted the competition focus in the property market towards capitalization and professionalism.

Under such complicated environment and severe competition, we are of the opinion that in order to maintain the leadership in the district and profit margin, it is more appropriate to adopt a conscientious marketing approach, rather than engage in price competition.

The Group will continue to look for investment and development opportunities in the PRC.

本人謹代表本公司及其附屬公司(「本集團」)之董事會，欣然提呈本集團截至二零零四年十二月三十一日止年度之年報。

財務業績

截至二零零四年十二月三十一日止之年度，本集團錄得盈利4千1百萬港元。

業務回顧

於二零零四年，在中國的宏觀調控的影響下，廣東省房地產市場經歷了前所未有的土地及金融政策的調整。受到嚴格土地管理、金融機構收緊借貸及中央銀行加息等政策影響，房地產市場之競爭趨向資本化及專業化。

面對如此複雜的環境和劇烈的競爭，我們認為若要繼續保持其在本區域之領導地位及利潤，我們應該採取謹慎之市場策略，而非採用割價競爭方式。

本集團將繼續於中國尋求投資及發展機會。

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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2004, the Group's cash and bank deposits were approximately HK\$15.1 million (2003: HK\$2.0 million). The Group recorded total current assets of approximately HK\$113 million (2003: HK\$122 million) and total current liabilities of approximately HK\$73 million (2003: HK\$162 million). The Group recorded total assets of approximately HK\$412 million (2003: HK\$457 million) and total bank loans and borrowings of HK\$40 million (2003: HK\$65 million).

The gearing ratio for 31 December 2004, which was calculated on the basis of total bank borrowings to shareholders' equity, was 12% (2003: 23%).

EMPLOYEES

As at 31 December 2004, the total number of employees for the Group was 42; and the staff cost for the year amounted to HK\$4 million. The Group's emolument policies are formulated such that the emoluments are made by reference to the performance of individual employees and will be reviewed every year. Other than statutory provident fund scheme, employees will also be awarded discretionary bonus and employee share options based on the results of the Group and their individual performance.

流動資金及資本資源

於二零零四年十二月三十一日，本集團之現金及銀行存款約為港幣1千5百萬元（二零零三年：港幣2百萬元）。本集團錄得總流動資產約港幣1億1千3百萬元（二零零三年：港幣1億2千2百萬元）及總流動負債約港幣7千3百萬元（二零零三年：港幣1億6千2百萬元）。本集團錄得總資產約港幣4億1千2百萬元（二零零三年：港幣4億5千7百萬元）及銀行借貸總額約港幣4千萬元（二零零三年：港幣6千5百萬元）。

於二零零四年十二月三十一日負債比率（銀行借貸總額除以股東資金）為12%（二零零三年：23%）

員工

於二零零四年十二月三十一日，本集團之員工總數為42人；年內之員工成本為4百萬港元。本集團之薪酬政策為按個別員工之表現釐定薪酬，並會每年進行檢討。除法定強積金計劃外，在考慮本集團業績及個別員工表現後，亦會給予僱員酌定花紅及員工購股權。

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PROSPECT

In recent years, the PRC economy envisages strong growth. An economic landscape based on the Pearl River Delta economic district has been set up.

The introduction of CEPA will further strengthen the economic co-operation between Hong Kong and the PRC. Because of this, further demand on properties in Guangdong Province will be created.

Since the Group maintains considerable interest in Shenzhen and Zhangmutou property market, it is anticipated the Group will be benefited from this.

Looking ahead, the Group is planning to explore development opportunities in the Guangdong Province.

APPRECIATION

On behalf of the Board, I would like to extend our wholehearted gratitude to the Group's employees for their dedication and efforts in servicing the Group for the year as well as to our customers, suppliers, bankers and shareholders for their continued valuable support.

Tsang Wai Lun, Wayland
Chairman

Hong Kong, 23 April 2005

展望

近幾年來，中國經濟持續強勁發展。目前，以珠江三角洲為主要經濟區域的經濟格局已經形成。

更緊密經貿關係安排的實施，將進一步加強中港之間的經濟合作。亦由於此，將對廣東省樓宇產生更多需求。

由於本集團在深圳與樟木頭之物業市場保持可觀之佔有率，預料本集團將受惠於這些措施。

展望未來，本集團計劃在廣東省尋找建設機會。

致謝

本人藉此機會，謹代表董事會對全體員工為本集團之竭誠效力、盡忠職守，以及對各位客戶、供應商、往來銀行及股東之一貫寶貴支持致衷心謝意。

主席
曾煒麟

香港，二零零五年四月二十三日