

主席報告書

Chairman's Statement



蔡黎明先生
Mr. CHUA Domingo

本人欣然向股東提呈本報告書。

業績

截至二零零五年六月三十日止年度，本集團營業額為港幣126,939,000元，而去年財政年度則為港幣410,257,000元。此減幅主要是由於北京朝陽園第一期及第二期之大部份單位已經售出並於過往財政年度確認入賬，故來自銷售該物業的收益下跌約港幣288,741,000元。

I am pleased to present my report to the shareholders.

RESULTS

For the year ended 30th June 2005, the Group's turnover amounted to HK\$126,939,000, compared to HK\$410,257,000 for the last fiscal year. This decrease was attributable to the fall of revenue (by about HK\$288,741,000) from property sales of Chaoyang Garden in Beijing, as most of residential units in its first and second phases have been sold and the results thereof have been accounted for in previous financial years.

主席報告書 (續)

Chairman's Statement (Continued)

業績 (續)

儘管如此，回顧本年度之毛利率卻增加至約37%，顯示毛利為港幣46,786,000元。連同投資物業重估增值港幣80,000,000元，本年度之經營溢利合共為港幣104,813,000元，而去年同期則為港幣49,186,000元，代表升幅達約113%。

本年純利為港幣92,135,000元，而每股基本盈利則為港幣42.1仙，均代表約160%升幅。

股息

董事建議派發末期股息每股港幣2仙(二零零四年：港幣2仙)予於二零零五年十二月二十九日名列本公司股東名冊之所有股東。連同已派發之中期股息每股港幣2仙，截至二零零五年六月三十日止年度之股息總額將為每股港幣4仙(二零零四年：港幣4仙)。末期股息的股息單預期將約於二零零六年一月十七日寄予各股東，但須待股東在即將舉行之本公司股東週年大會上通過。

業務回顧

朝陽園／朝陽園II

回顧本年度，北京住宅單位之銷售收益約為港幣76,468,000元，大部份是源自朝陽園二期(朝陽園II)所剩餘之單位。

第三期建設工程包括一座四層高的購物商場和一幢二十六層的商務式公寓均能如期進行。截至今日，第三期的單位已預售出約40%。有鑒於中央政府最近為了壓抑物業炒賣活動而採用的嚴厲措施，董事認為朝陽園的銷售成績已令人滿意。為配合本集團之會計政策，這些交易之業績將於發出入伙許可證後反映入賬。

RESULTS (Continued)

Gross profit margin however had increased to about 37% in the year under review showing a gross profit of HK\$46,786,000. After inclusion of a revaluation increase of HK\$80,000,000 on investment properties, there was an aggregate profit from operations of HK\$104,813,000 for the year as against HK\$49,186,000 for the previous year representing an increase of about 113%.

Net profit and basic earnings per share for the year were HK\$92,135,000 and 42.1 Hong Kong cents respectively, both representing a rise of about 160%.

DIVIDENDS

The Directors recommend payment of a final dividend of 2 Hong Kong cents (2004: 2 Hong Kong cents) per share to all shareholders whose names appear on the register of members of the Company on 29th December, 2005. Together with the interim dividend of 2 Hong Kong cents per share paid, the total dividends for the year ended 30th June, 2005 will be 4 Hong Kong cents (2004: 4 Hong Kong cents) per share. Subject to approval of shareholders at the forthcoming annual general meeting of the Company, the warrants for the final dividend are expected to be despatched to those entitled on or about 17th January, 2006.

BUSINESS REVIEW

Chaoyang Garden/The Sun Crest

During the year under review, sales proceeds of residential units in Beijing were about HK\$76,468,000 mostly from the remaining units of Phase II of Chaoyang Garden (The Sun Crest).

Construction of Phase III comprising a four-storey shopping mall and a twenty-six-storey tower of commercial apartments was on schedule. To-date, about 40% of Phase III has been pre-sold. This is considered satisfactory in view of recent drastic measures taken by the Central Government to dampen property speculation. In line with the Group's accounting policies, the result of these transactions will be reflected upon the issuance of occupation permit.

主席報告書 (續)

Chairman's Statement (Continued)

業務回顧 (續)

達力貨櫃中心

回顧本年度，貨櫃中心實質上已維持全部租用，重估增值前租金收入和經營溢利分別上升約12%和13%。於結算日，貨櫃中心經專業的重新評估後價值為港幣500,000,000元，而港幣80,000,000元之重估增值已撥入經營溢利。

東角頭

回顧本年度，港口運作的營業額持續增長約12%，與上一個財政年度相比，經營溢利錄得重大升幅約103%。

財務狀況

本集團維持良好及充裕財務狀況。於二零零五年六月三十日，本集團股東資金為港幣831,131,000元（二零零四年：港幣749,400,000元），而每股資產淨值為港幣3.79元（二零零四年：港幣3.42元）。本集團於二零零五年六月三十日有抵押及無抵押借貸總額為約港幣291,794,000元（二零零四年：港幣268,168,000元），全部為港幣、人民幣及美元借貸，並須於約五年內償還，平均年利率約為4.88%。於二零零五年六月三十日，本集團之負債資本比率按本集團淨負債（減去銀行結餘及現金）對股東權益計算約為23%（二零零四年：20%）。本集團於二零零五年六月三十日尚未動用信貸額合共港幣221,624,800元，其中港幣111,500,000元（二零零四年：港幣9,500,000元）為銀行貸款及港幣110,124,800元（二零零四年：港幣76,806,600元）為一間有關聯公司提供之信貸。

於二零零五年六月三十日，本集團為取得財務機構融資已將其若干資產作出抵押，該等資產包括置存價值合共港幣500,000,000元之投資物業，及將銀行存款港幣27,964,000元（二零零四年：港幣21,488,000元）向銀行作出抵押，為住房買家獲授予銀行按揭貸款提供擔保。

BUSINESS REVIEW (Continued)

Dynamic Cargo Centre

In the year under review, the cargo centre maintained virtual full occupancy; rental income and profit from operations before revaluation surplus rose about 12% and 13% respectively. The cargo centre was professionally re-appraised at HK\$500,000,000 as at balance sheet date and a revaluation surplus of HK\$80,000,000 was credited to operating profit.

Tung Kok Tau

In the year under review, port operation showed a continued turnover growth of about 12% with operating profit therefrom recording a substantial increase of about 103% as against the last fiscal year.

FINANCIAL REVIEW

The financial position of the Group remains sound and liquid. At 30th June, 2005, the total shareholders' fund of the Group amounted to HK\$831,131,000 (2004: HK\$749,400,000) with net asset value per share of HK\$3.79 (2004: HK\$3.42). Total borrowings of the Group, both secured and unsecured, were about HK\$291,794,000 (2004: HK\$268,168,000) as at 30th June, 2005, which were in Hong Kong dollars, Reminbi and United States dollars and repayable within about five years at average interest rate of about 4.88% per annum. As at 30th June, 2005, the gearing ratio of the Group was about 23% (2004: 20%) based on the Group's net debt (after deducting bank balances and cash) to its shareholders' equity. The extent of credit facilities unutilised by the Group as at 30th June, 2005 amounted to HK\$221,624,800, of which HK\$111,500,000 (2004: HK\$9,500,000) was banking facilities and HK\$110,124,800 (2004: HK\$76,806,600) was a credit facility provided by a related company.

As at 30th June, 2005, the Group pledged certain of its assets (including investment properties with an aggregate carrying value of HK\$500,000,000) to financial institutions as security against general banking facilities granted to the Group, and also pledged its bank deposits of HK\$27,964,000 (2004: HK\$21,488,000) to banks to secure mortgage bank loans granted to the home buyers.

主席報告書 (續)

Chairman's Statement (Continued)

財務狀況 (續)

本公司或然負債包括本集團獲得銀行借貸而向財務機構所作出擔保，款項為港幣334,674,000元（二零零四年：港幣175,073,000元）。此外，本集團及本公司曾為中國一房地產項目的住房買家提供銀行按揭貸款擔保，於二零零五年六月三十日，本集團及本公司提供該等擔保按揭貸款最高額分別為港幣643,533,000元（二零零四年：港幣704,060,000元）及港幣38,858,000元（二零零四年：港幣39,000,000元）。另外，本集團附屬公司面對約港幣14,879,000元（二零零四年：港幣14,879,000元）的索償，惟該附屬公司與其法律顧問強烈反對該項索償，並已對原告人提出約港幣49,309,000元（二零零四年：港幣49,309,000元）之反索償。

在本年度內，朝陽園／朝陽園II物業銷售款項、達力貨櫃中心租金收入及港口運作收入已為本集團帶來充裕現金流量。於二零零五年六月三十日，本集團銀行結餘及現金大部份為人民幣，總額為港幣101,773,000元（二零零四年：港幣119,734,000元）。回顧本年度，本集團並無受到重大匯率波動風險之影響。

有關開發朝陽園／朝陽園II項目及重建東角頭項目所需之資金擬以內部資金、銀行借貸及董事認為最適當融資方式支付。

員工

於二零零五年六月三十日，本集團於香港及大陸以市場薪酬聘用約160名員工，並包括員工福利如下：醫療保險、公積金計劃及優先認股權計劃。

FINANCIAL REVIEW (Continued)

The contingent liabilities of the Company for guarantees given to financial institutions in respect of banking facilities granted to the Group amounted to HK\$334,674,000 (2004: HK\$175,073,000). In addition, the Group and the Company have given guarantees in respect of mortgage loans provided by banks to the home buyers of a property project in the PRC. At 30th June, 2005, the Group and the Company had a maximum amount of mortgage loans which were subject to these guarantees of HK\$643,533,000 (2004: HK\$704,060,000) and HK\$38,858,000 (2004: HK\$39,000,000) respectively. And there was a claim against a subsidiary of the Group in the amount of about HK\$14,879,000 (2004: HK\$14,879,000), but the subsidiary and its legal counsel are strongly resisting this claim and a counterclaim of about HK\$49,309,000 (2004: HK\$49,309,000) has been lodged against the plaintiff.



During the year, sufficient cashflow was generated by sales proceeds of Chaoyang Garden/The Sun Crest, rental income of Dynamic Cargo Centre and revenue of port operations. As at 30th June, 2005, the

Group's bank balances and cash stood at HK\$101,773,000 (2004: HK\$119,734,000) denominated primarily in Renminbi. No significant exposure to foreign currency fluctuations affected the Group in the year under review.

The funding requirements for development projects of Chaoyang Garden/The Sun Crest and redevelopment of Tung Kok Tau are intended to be financed by internal resources, bank borrowings and such other means of financing as the Directors may deem expedient.

EMPLOYEES

At 30th June, 2005, the Group had about 160 employees in Hong Kong and the Mainland China at prevailing market remunerations with employee benefits such as medical insurance, provident fund schemes and share option scheme.

主席報告書 (續)

Chairman's Statement (Continued)

展望

北京

在嘗試抑制物業市場之普遍炒賣風氣下，中央政府已採取一系列頗為嚴厲的行政措施。儘管如此，部分城市如北京市還沒有嚴重地受影響。董事謹慎樂觀地預期朝陽園三期的銷售將會大致上達成目標。

作為長線投資的四層高平台購物商場現正招租。預計大部份商舖將於明年年中被租用，而屆時購物商場也將會隆重開幕。

香港

於二零零五年十月四日公佈本集團之全資附屬公司與 Macquarie Goodman Group 之全資附屬公司於二零零五年十月四日簽訂買賣合約，涉及現金代價港幣650,000,000元以出售本集團貨櫃中心。然而本集團須於出售事項完成後一次性支付港幣18,000,000元之租金保證金予買方。

董事認為出售事項可讓本公司藉此時機以公平市價將持有13年之貨櫃中心出售。此出售事項為本集團重整其物業組合邁出一步，而本集團長遠而言將藉著收購中國內地之優質物業以強化其資產基礎，董事認為此舉長遠而言可提供更具增長潛力之租金回報及／或資本增值。此外，出售事項將為達成該物業組合重整提供資金資源。

本公司現正就中國內地若干優質物業項目展開初步商討及／或審閱包括來自本公司關聯方／關連人仕之可投資機會。迄今，尚未簽訂任何收購協議，亦並未議定任何具體條款或時間表。

PROSPECTS

Beijing

In an attempt to dampen property speculation in general, the Central Government has recently taken a series of rather drastic administrative measures. However, some cities such as Beijing have not been as severely affected. We are cautiously optimistic that sales of Phase III will be generally on target.

The four-storey podium shopping mall which is held as a long term investment, is being offered for leasing. It is expected that most shops will be taken up by the middle of next year when the grand opening of the mall will take place.

Hong Kong

It was announced on 4th October, 2005 that a wholly-owned subsidiary of the Group entered into an agreement for sale and purchase with a wholly-owned subsidiary of Macquarie Goodman Group on 4th October, 2005 in relation to the disposal of the cargo centre of the Group for a cash consideration of HK\$650,000,000, subject to the Group paying the purchaser a rental guarantee in a lump sum of HK\$18,000,000 upon completion of the disposal.

The Directors consider that the disposal will provide an opportunity for the Company to dispose of the cargo centre which the Group has held for 13 years at a fair market price. The disposal is a step towards the realignment of the property portfolio of the Group in order to strengthen its asset base in the long term by seeking to acquire premium properties in the Mainland China which, in the opinion of the Directors, could provide potentially higher growth in rental yield and/or capital gain in the long term. In addition, the disposal will provide funding resources to achieve such realignment.

The Company is in preliminary discussions and/or review of a number of opportunities in relation to premium properties in the Mainland China which include investment opportunities from related parties/connected persons of the Company. No agreement in relation to any acquisition has been signed and no definitive terms or timetable have been agreed.

主席報告書 (續)

Chairman's Statement (Continued)

展望 (續)

深圳

與中方就化解未解決爭議的磋商仍然繼續。中方一再對涉及增加本集團於合營企業持股的程序的真確性及合法性作出指稱，以圖增強其談判優勢。根據本公司之中國法律顧問的意見，中方所作指稱基本上並無理據。

雙方面仍在嘗試解決分歧，惟倘若於現有財政年度結束時仍無法達致和解，本公司不排除需要訴諸仲裁。

致意

本人對各董事及全體職員之努力及忠心，以及本集團往來銀行及股東之不斷支持，謹此深表謝意。

主席
蔡黎明

香港，二零零五年十月二十日



PROSPECTS (Continued)

Shenzhen

Negotiations with the Chinese party to settle the outstanding dispute are continuing. The Chinese party has made repeated allegations with respect to the authenticity and the legality of the procedures involving the increase of the Group's shareholding in the joint venture in an attempt to strengthen its bargaining position. Based on advice from the Company's PRC counsel, the allegations of the Chinese party are basically groundless.

Both parties are still making attempts to settle the differences. However, the Company cannot rule out the need to resort to arbitration if a settlement cannot be reached by the end of the current fiscal year.

APPRECIATION

I would like to thank my fellow Directors and staff for their hard work and commitment, and our bankers and shareholders for their continued support.

CHUA Domingo
Chairman

Hong Kong, 20th October, 2005

