

# Chairman's Statement

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## FINANCIAL RESULTS

The Group recorded an operating loss of HK\$258.2 million for the year under review (2001: profit of HK\$95.5 million). The audited consolidated net loss attributable to shareholders for the year ended 30 April 2002 was HK\$1,042.3 million (2001: profit of HK\$12.8 million) and basic loss per share before taking into account the share consolidation completed subsequent to the balance sheet date was 28.9 cents (2001: earnings of 0.87 cents).

## DIVIDENDS

The Board of Directors (the "Board") does not recommend payment of a final dividend at the forthcoming Annual General Meeting. During the year, no interim ordinary dividend was declared.

## FUTURE PROSPECTS

The Group continued to face the harsh downturn of the Hong Kong economy. In particular the recent SARS outbreak in the Greater China region has caused substantial infliction to the retail businesses, especially jewellery retail, in both Hong Kong and China in the short term which at the moment the Group is closely looking into the financial impact on the Group's performance and will determine the necessary measures to maintain its businesses in the forthcoming periods.

Nevertheless, the fundamental demand in gold and jewellery in the Southeast Asian region, in particular the Greater China region, is strong in the long run and the commencement of the Shanghai Gold Exchange in November 2002 signifies the continued liberalization of the gold market in China. The Board believes China would become a significant market for gold and jewellery in addition to India and the US and is confident that the Group's operations in China would become fruitful in the years to come.

As at the date of this report, the Company is undergoing debt restructuring. The Company has received supports from most of the creditors for the debt restructuring. The Board is confident that upon completion of the debt restructuring, the Company would improve its financial position and relatively reduce its financial costs. In addition, it would also be able to re-engineer the financial structure of the Group to focus its resources in exploring new business opportunities. The circular with respect to the debt restructuring will be dispatched together with the Annual Report.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my appreciation to the management and staff for their hard work and contribution to the Group during the year.

**Chan Fat Chu, Raymond**  
*Chairman*

Hong Kong, 17 June 2003