

## CHAIRMAN'S STATEMENT

### RESULTS

Profit for the period was HK\$439.9 million as compared to loss of HK\$245.3 million for the previous year. The profit for the period was mainly due to the gain on debt restructuring of HK\$498.2 million.

### DIVIDENDS

The board of directors resolved not to recommend the payment of any dividend for the period ended 31st December, 2003 (year ended 31st March, 2003: Nil).

### BUSINESS REVIEW

The Company turned a new leaf in 2003. The past period under review was a period of debt restructuring for the Group. For each of the past few years since 1999, the Group operated at a loss; negative consolidated net assets values were recorded since 31st March, 2002. For the year ended 31st March, 2003, loss attributable to shareholders was HK\$245.3 million and the negative consolidated net assets value was HK\$375.9 million. During the period, as stated in the circular dated 5th September, 2003 to shareholders, the Company was unable to draw down existing facilities or arrange new facilities for the settlement of outstanding debts.

Facing the financial difficulties, the Company accepted a Restructuring Proposal offered by Chinese Estates Holdings Limited ("Chinese Estates") in July 2003. The Restructuring Proposal involved schemes of arrangement between the Company and its creditors, a settlement deed between the Company and a creditor, capital reorganisation and the subscription of new share capital of the Company by a subsidiary of Chinese Estates. The schemes of arrangement, having been approved by the Company's creditors and shareholders, and sanctioned by the Courts in Hong Kong and Bermuda, became effective in November 2003. Thereafter, Chinese Estates remains the controlling shareholder of the Company. The restructuring arrangement was completed in January 2004 and the Company's shares which were suspended from trading on The Stock Exchange of Hong Kong Limited since 19th February, 2003 resumed trading on 26th January, 2004.

Through the implementation of the Restructuring Proposal, the Company succeeded in eliminating approximately HK\$508.5 million of its outstanding indebtedness in consideration of 508.6 million shares and payment of approximately HK\$5.2 million and resulting in a gain of HK\$498.2 million. The Company also issued 170 million shares to a subsidiary of Chinese Estates in consideration of its injection of HK\$18 million cash into the Company.

## 主席報告

### 業績

期間溢利為 439,900,000 港元，而上年度則為虧損 245,300,000 港元。期間溢利主要與債務重組收益 498,200,000 港元有關。

### 股息

董事會議決不建議派發截至二零零三年十二月三十一日止期間任何股息（截至二零零三年三月三十一日止年度：無）。

### 業務回顧

本公司在二零零三年揭開新一頁。回顧期間乃本集團債務重組之時期。本集團自一九九九年每一年均錄得經營虧損，且自二零零二年三月三十一日起出現負綜合資產淨值。截至二零零三年三月三十一日止年度，股東應佔虧損為 245,300,000 港元，而負綜合資產淨值為 375,900,000 港元。期間，如致股東日期為二零零三年九月五日之通函所述，本公司未能動用現有信貸或安排新信貸以償還債務。

面對財政困難，本公司於二零零三年七月接納 Chinese Estates Holdings Limited（「華人置業」）提出之重組建議。重組建議涉及本公司與其債權人之債務償還安排計劃、本公司與一位債權人之償債契據、股本重組及華人置業一附屬公司認購本公司新股本。已獲本公司債權人及股東批准以及香港及百慕達法院核准之債務償還安排計劃已於二零零三年十一月生效。此後，華人置業成為本公司之控股股東。重組安排已於二零零四年一月完成，而本公司股份自二零零三年二月十九日在香港聯合交易所有限公司暫停買賣後已於二零零四年一月二十六日恢復買賣。

透過實行重組建議，本公司成功以發行 508,600,000 股股份及支付約 5,200,000 港元之代價削減約 508,500,000 港元未償還之債務，並產生收益 498,200,000 港元。本公司亦向華人置業一附屬公司發行 170,000,000 股股份，作為向本公司注入 18,000,000 港元現金之代價。

## CHAIRMAN'S STATEMENT

After prolonged effort in debt restructuring, the Group restores its solvency with positive net assets value.

### PROPERTY REVIEW

Upon completion of the restructuring, the Group's two investment properties, Golden Hall Building in Yuen Long and Chung Kiu Godown Building in Kwai Chung remain the core assets of the Group. Its property rental income is now the Group's main source of income. For the period ended 31st December, 2003, the Group recorded a gross property rental income of HK\$2.2 million.

#### *Golden Hall Building, Yuen Long*

The Group owns the 3-storey shopping arcade which is now known as Yuen Long New Place and two residential units on the 4th floor of Golden Hall Building. The shopping arcade has a total gross floor area of approximately 19,127 square feet. As of 31st December, 2003, the shopping arcade is 82.5% let out. The two residential units are still for letting.

#### *Chung Kiu Godown Building, Kwai Chung*

The Group owns nine levels of a total gross floor area of approximately 140,634 square feet and one carparking space on ground floor of this 24-storey industrial building located in Kwai Chung, New Territories. As of 31st December, 2003, the property is 91% let out.

### PROSPECTS

The Board believes that the Group has emerged from its financial difficulties after completion of debt restructuring. Non-core businesses have been closed. The Group will manage its existing investment property portfolios and will explore investment opportunities for future development.

### APPRECIATION

I take this opportunity to thank our shareholders for their continued support and my fellow directors, including those served the Board as directors before November 2003, and our staff for their contributions to the Group.

On behalf of the Board  
**Aaron Tam, Chong-cheong**  
*Chairman*

Hong Kong, 19th March, 2004

## 主席報告

經過漫長之債務重組，本集團已恢復償債能力，重回正資產淨值。

### 物業回顧

於重組完成後，本集團之兩項投資物業，元朗金豪大廈及葵涌中僑貨倉大廈，仍是本集團核心資產，其物業租金收入現為本集團之主要收入來源。截至二零零三年十二月三十一日止期間，本集團錄得物業租金收入總額 2,200,000 港元。

#### 元朗金豪大廈

本集團擁有金豪大廈之三層購物商場（現稱為元朗新地帶）及 4 樓兩個住宅單位。該購物商場之總建築面積合共約為 19,127 平方呎。於二零零三年十二月三十一日，該購物商場出租率為 82.5%。該兩個住宅單位仍在放租。

#### 葵涌中僑貨倉大廈

本集團擁有該幢位於新界葵涌之 24 層高工業大廈總建築面積合共約 140,634 平方呎之九個樓層及地下一個停車位。於二零零三年十二月三十一日，該物業出租率為 91%。

### 展望

董事會相信本集團隨着債務重組完成已擺脫財務困境，亦已終止非核心業務。本集團將管理其現有之投資物業組合，並將物色投資機會作日後發展。

### 致謝

本人謹藉此機會對股東從不間斷之支持以及各位董事（包括二零零三年十一月前服務本公司之董事）及員工為本集團作出之貢獻表示謝意。

代表董事會  
主席  
**譚頌翔**

香港，二零零四年三月十九日