

RESULTS

Turnover for the year ended 31st December, 2002 amounted to HK\$1.2 million, a 73.9% decrease from the previous year. The Group's turnover for the year represents gross rental income mainly derived from Arbuthnot Business Centre and the disposal of Arbuthnot Business Centre in May 2002 accounted for the significant drop in turnover. The property rental income resulted in a gross profit of HK\$0.5 million (2001: HK\$2 million).

Loss from operations for the year amounted to HK\$20.6 million, (2001: HK\$42.7 million). It was mainly attributable to the impairment loss recognised in respect of properties under development of HK\$21.1 million (2001: HK\$36.0 million).

DIVIDENDS

No interim dividend was declared for the year (2001: Nil). The Board did not recommend the payment of any final dividend for the year ended 31st December, 2002 (2001: Nil).

PROPERTY REVIEW

Arbuthnot Business Centre – Investment Property

The sale of the Arbuthnot Business Centre, a 25-storey commercial centre located at No. 2 Arbuthnot Road, Central, Hong Kong, for a consideration of HK\$48.38 million was completed in May 2002.

Nos. 253-265 Queen's Road Central & Nos. 30-38 Hillier Street, Sheung Wan – Development Property

It is expected that a residential/commercial building with a total gross floor area of approximately 42,314 square feet will be built on the site. The foundation works has been completed and superstructure works have commenced in mid 2002. After the financial year end date, the property is contracted to be sold pursuant to a sale and purchase agreement mentioned under the paragraph headed "Subsequent Event" below.

No. 34 Hill Road in Western District – Development Property

The property is a 7-storey composite building over 40 years old, which is currently vacant. The site has an area of approximately 2,146 square feet and has been put on the market for sale.

業績

截至二零零二年十二月三十一日止年度之營業額為 1,200,000 港元，較上年度減少 73.9%。年內本集團營業額主要來自亞畢諾商業中心之總租金收入，而亞畢諾商業中心於二零零二年五月出售乃營業額大幅下跌之原因。物業租金收入帶來之毛利為 500,000 港元（二零零一年：2,000,000 港元）。

本年度之經營虧損為 20,600,000 港元（二零零一年：42,700,000 港元），主要與就發展中物業確認減值虧損 21,100,000 港元（二零零一年：36,000,000 港元）有關。

股息

本年度並無宣派中期股息（二零零一年：無）。董事會不建議派付截至二零零二年十二月三十一日止年度之任何末期股息（二零零一年：無）。

物業回顧

亞畢諾商業中心 - 投資物業

位於香港中環亞畢諾道 2 號，樓高 25 層之商業中心亞畢諾商業中心已於二零零二年五月以代價 48,380,000 港元完成出售。

上環皇后大道中 253-265 號及禧利街 30-38 號 - 發展物業

預期上址將會興建一幢總樓面面積約 42,314 平方呎之商住大廈。地基工程已經完成而上蓋工程已於二零零二年中展開。於財政年度年結後，該物業已根據下文「結算日後之事項」一段所述之買賣協議訂約出售。

西環山道 34 號 - 發展物業

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，已推出市場出售。

SUBSEQUENT EVENT

On 11th February, 2003, the Company and Jumbo Legend Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Chinese Estates Holdings Limited (“Chinese Estates”) relating to, among other things, the purchase of a group of wholly-owned subsidiaries of Chinese Estates, which hold direct or indirect interests in various properties, and the sale of Super Series Limited, which holds 100% indirect interest in the Queen’s Road Central/Hillier Street development project. The consideration of the acquisition is approximately HK\$615.8 million (the “CC Consideration”) and the proceed on disposal of Super Series Limited is approximately HK\$103.9 million (the “C Consideration”). The CC Consideration will be satisfied partly by set-off against the C Consideration in cash and partly by the allotment and issue of approximately 11,375.6 million shares of the Company at an issue price of HK\$0.045 per share. A capital reorganisation of the Company was proposed to facilitate the said asset transaction.

The above asset transaction and capital reorganisation were approved by the shareholders at the extraordinary general meeting held on 28th March, 2003 and completion of which is subject to other conditions precedent being fulfilled (including the approval of the capital reorganisation being obtained from the court).

PROSPECTS

The Directors believe that the asset transaction between the Chinese Estates Group and the Group, after completion, will strengthen the Group’s capital base as well as the income base. Looking forward, the Group is expected to have a stronger position, be more flexible in its future business expansion and be in a better position to face the ever-changing economic environment.

APPRECIATION

I would like to take this opportunity to thank the shareholders of their continued support and my fellow directors and all the staff for their dedication and hard work.

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

Hong Kong, 9th April, 2003

結算日後之事項

於二零零三年二月十一日，本公司及其全資附屬公司 Jumbo Legend Limited 與 Chinese Estates Holdings Limited (「華人置業」) 就 (其中包括) 購入華人置業一組持有若干物業之直接或間接權益之全資附屬公司及出售持有皇后大道中 / 禧利街發展項目之 100% 間接權益之 Super Series Limited 訂立買賣協議。收購之代價約為 615,800,000 港元 (「至祥代價」) 而出售 Super Series Limited 之所得款項約為 103,900,000 港元 (「華置代價」)。至祥代價將部份以現金抵銷華置代價及部份以發行價每股 0.045 港元配發及發行約 11,375,600,000 股本公司股份之方式支付。本公司建議進行股本重組以促成上述資產交易。

上述資產交易及股本重組已獲股東於二零零三年三月二十八日舉行之股東特別大會上批准，其完成有待其他先決條件達成 (包括獲得法院批准股本重組)。

展望

董事相信當華人置業集團與本集團之資產交易完成後，本集團之股本基礎以至收入基礎將會增強。展望未來，本集團預期會更為穩健，其未來業務發展更具靈活性，並具備更佳條件面對不斷轉變之經濟環境。

致謝

本人謹藉此機會對股東從不間斷之支持與董事及本公司員工竭誠努力工作表示謝意。

代表董事會
主席
劉鑾鴻

香港，二零零三年四月九日