

**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 Arbutnot Business Centre and the disposal of Arbutnot 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).

**NET ASSET VALUE**

As at 31st December, 2002, the Group's total net asset amounted to approximately HK\$120.3 million, a decline of HK\$15.6 million or 11.5% as compared with the value of HK\$135.9 million as at 31st December, 2001. Total net asset value per share was HK\$0.040 (2001: HK\$0.046).

**DEBT AND GEARING**

As at 31st December, 2002, the Group has bank and other borrowings amounted to HK\$22 million (2001: HK\$64.2 million) which is secured and repayable within 1 to 2 years. Cash and deposit at bank amounted to HK\$11.2 million (2001: HK\$8.7 million) and net borrowings amounted to HK\$10.8 million (2001: HK\$55.5 million). Total debt to equity ratio was 18.3% (2001: 47.2%) and the net debt to equity ratio was 9% (2001: 40.8%) which are expressed as a percentage of bank and other borrowings, and net borrowings respectively over the total net assets of HK\$120.3 million. (2001: HK\$135.9 million). The decrease in the ratio is due to the repayment of the bank and other borrowings from the Group's internal resources during the year.

During the year, a new banking facility of HK\$79 million was arranged for the Queen's Road Central/Hillier Street development project and HK\$22 million was drawn down as at 31st December, 2002.

As at 31st December, 2002, the Group's borrowing was wholly denominated in Hong Kong dollars and carried at interest rate calculated with reference to HIBOR. The Group did not have any financial instruments used for hedging purpose. All assets and investments of the Group were denominated in Hong Kong dollars. The Group did not have any contingent liabilities as at 31st December, 2002.

**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。

**資產淨值**

於二零零二年十二月三十一日，本集團之總資產淨值約為120,300,000港元，較二零零一年十二月三十一日135,900,000港元減少15,600,000港元或11.5%。每股總資產淨值為0.040港元（二零零一年：0.046港元）。

**債務及資本與負債比率**

於二零零二年十二月三十一日，本集團之銀行及其他借貸為22,000,000港元（二零零一年：64,200,000港元），該等借貸為有抵押及須於一至兩年內償還。現金及銀行結存為11,200,000港元（二零零一年：8,700,000港元），而借貸淨額為10,800,000港元（二零零一年：55,500,000港元）。總債務與股本比率為18.3%（二零零一年：47.2%）而淨債務與股本比率為9%（二零零一年：40.8%），乃將銀行及其他借貸以及淨債務分別除以總資產淨值120,300,000港元（二零零一年：135,900,000港元）得出之百分比。債務與股本比率之減少乃因本集團於年內以內部資源償還銀行及其他借貸所致。

本年度內，本集團為皇后大道中／禧利街發展項目安排額度為79,000,000港元之新銀行信貸，截至二零零二年十二月三十一日已借用22,000,000港元。

於二零零二年十二月三十一日，本集團之借貸均以港元計值，並按香港銀行同業拆息計算利率。本集團並無使用任何金融工具作對沖用途。本集團所有資產及投資均以港元計值。本集團於二零零二年十二月三十一日並無任何或然負債。

## PLEDGE OF ASSETS

As at 31st December, 2002, a property under development with a book value of approximately HK\$125 million was pledged to secure a banking facility of HK\$79 million.

## OBLIGATIONS UNDER BANKING FACILITY DOCUMENTATION

As at 31st December, 2002, particulars of loan covenants which impose specific performance obligations on the controlling shareholders of the Company are set out below.

In respect of a banking facility of HK\$79 million with a term of 18 months granted to a wholly-owned subsidiary of the Company, Chinese Estates Holdings Limited (“Chinese Estates”), as guarantor, will maintain a minimum consolidated tangible net worth of HK\$7 billion and Chinese Estates will remain as its holding company.

## FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income for the year was HK\$0.1 million, remained about the same as last year. Interest expenses decreased by 74.4% to HK\$1 million from HK\$3.9 million recorded last year, such decrease was due to the repayment of bank and other borrowings during the year.

## REMUNERATION POLICIES

During the year under review, the Group employed a total of 3 staff. Remuneration packages comprised salary and year-end bonuses based on individual merits.

## LITIGATION

A member of the Group has been involved in a dispute with a contractor for the delay in completion of the demolition, site formation, temporary shoring piling foundation installation works of the Queen’s Road Central/Hillier Street development project. A member of the Group has issued a statutory demand pursuant to section 178(1)(a) of the Companies Ordinance in December 2002 and the amount claimed by the Group was approximately HK\$89 million. In February 2003, the contractor issued a writ of summons against a member of the Group for (inter alia) payment of works done pursuant to the building contract.

## PROPERTY VALUATION

A property valuation has been carried out by Norton Appraisals Limited, registered professional surveyors, in respect of the Group’s investment properties held as at 31st December, 2002 and that valuation was used in preparing 2002 financial statements. The Group’s investment properties were valued at HK\$0.5 million (2001: HK\$48.93 million), a 9.1% decrease over 2001 after adjusted for the disposal of an investment property during 2002.

## 資產抵押

於二零零二年十二月三十一日，本集團賬面值約為 125,000,000 港元之發展中物業已作抵押，以取得額度為 79,000,000 港元之銀行信貸。

## 根據銀行融資文件之責任

於二零零二年十二月三十一日，委予本公司控股股東特定履約責任之貸款契約載於下文。

就授予本公司一間全資附屬公司為期 18 個月之銀行融資 79,000,000 港元，Chinese Estates Holdings Limited (「華人置業」) 作為擔保人，其最低綜合有形淨值將維持於 7,000,000,000 港元，而華人置業亦將繼續為其控股公司。

## 財務及利息收入 / 支出

本年度之利息收入為 100,000 港元，與上年度相若。利息支出由上年度之 3,900,000 港元減少 74.4% 至 1,000,000 港元，乃由於年內償還銀行及其他借貸所致。

## 酬金政策

於回顧年度，本集團共僱用三名職員。酬金（包括薪金及年終花紅）乃根據個人表現釐定。

## 訴訟

本集團一成員公司就皇后大道中 / 禧利街發展項目之拆卸、地盤平整、臨時圍板及打樁工程之延遲完成與一間承建商出現糾紛。本集團一成員公司已根據公司條例第 178(1)(a) 條於二零零二年十二月發出法定索償通知書，本集團之索償金額約為 89,000,000 港元。於二零零三年二月，該承建商向本集團一成員公司發出傳訊令狀，追討（其中包括）根據建築合約已完成工程之款項。

## 物業估值

註冊專業測計師行普敦國際評估有限公司已就本集團於二零零二年十二月三十一日持有之投資物業進行物業估值，有關估值結果乃用於編製二零零二年財務報表。本集團投資物業之估值為 500,000 港元（二零零一年：48,930,000 港元），就二零零二年中出售之投資物業作出調整後較二零零一年減少 9.1%。