

I now present the results and operations of the Group for the year ended 31 December 2002.

## RESULTS

The audited consolidated loss of the Group for the year ended 31 December 2002 was HK\$188.08 million and the loss per share was HK\$0.14, as compared to the consolidated loss of HK\$472.94 million and loss per share of HK\$0.35 for last year.

## DIVIDENDS

The directors do not recommend payment of dividend for the year (2001: Nil).

## NET ASSET VALUE

The consolidated net asset value per share of the Group as at 31 December 2002 was HK\$0.075 based on 1,360,000,000 shares in issue, as compared to HK\$0.27 per share for last year.

## BUSINESS REVIEW

### Property Investment

The Group's major property investment remained at Liwan Plaza, with a gross floor area of 79,625 square meter, which is located at Shang Xia Jiu Road, Liwan District, Guangzhou, the People's Republic of China (the "PRC").

### Sale of Property

The sales of the remaining residential units and some of the arcade units at non-prime location of the Group's Wanhao Bazaar in the year of 2002 have generated a sales of approximately HK\$12.55 million.

本人謹提交截至二零零二年十二月三十一日止年度之業務報告。

## 業績

本集團截至二零零二年十二月三十一日止年度之經審核綜合虧損為1億8,808萬港元，每股虧損為14港仙，而去年之綜合虧損為4億7,294萬港元及每股虧損為35港仙。

## 股息

董事會建議本年度不派發股息（二零零一年：無）。

## 資產淨值

於二零零二年十二月三十一日，以已發行1,360,000,000股股數計算，本集團之綜合資產淨值每股為0.075港元，而去年為0.27港元。

## 業務回顧

### 物業投資

本集團主要的物業投資保留於中國廣州市上下九路荔灣廣場商場樓面面積約79,625平方米。

### 物業銷售

本集團之梅州商業街在二零零二年出售住宅及部份非重要位置的商舖，總額為約1,255萬港元。

### Property Development

The Group currently has interests in seven property development projects and owns a land bank of approximately 480,000 square meter. The construction works of Yue Xiu Plaza project, one of Group's properties under development (PUD), has commenced with full speed, progressing to the fifth floor of the commercial arcade. The project is expected to be wholly completed by the end of 2004 and the presale activities will commence upon the completion of construction works scheduled at the end of 2003.

Another PUD project, Phase II of Jiangnan Nam Fong Garden which is located at Chang Gang Road, will commence its construction once all the documentation procedures required by the local authority are completed. The project is scheduled for completion by the end of 2004.

The management will pursue its identification for quality sites, including sites located in the prime area in Guangzhou, Shanghai, Beijing and Shenzhen, to replenish its land bank.

### LIQUIDITY AND FINANCIAL RESOURCES

To finance the project development, the Group considers that support can be derived from its rental income and also from the proceeds from sales of non-core property assets. In the meantime, the Group will strengthen its effort to collect the outstanding receivables, in particular the receivables arising from the sales activities. Appropriate actions will also be considered to recover the amount due. For the outstanding receivables arising from the disposal of a property development project, the board is still in the process of negotiation with the purchaser for the settlement of the outstanding balance by instalments. In the event of the failure to reach an agreement with the purchaser, the Group will take appropriate actions with a view to recovering the amount due.

The Group does not anticipate any material foreign exchange exposure since its cash or cash equivalent held, borrowings, revenue and expenses are denominated either in Hong Kong dollars or Renminbi or United States dollars.

### 物業發展

本集團擁有七個主要物業發展項目，土地儲備約48萬平方米，其中發展中物業越秀廣場已全面開工，工程進度已到裙樓第五層，預計於二零零三年底封頂並對外售樓，並計劃在二零零四年底完工。

另一發展中物業位於昌崗路南方花園第二期，準備在向有關當局辦妥手續後開始動工，並計劃在二零零四年底完工。

管理層同時亦考慮在廣州、上海、北京及深圳等主要城市物色發展位於黃金地段的優質地皮，以補充本集團的土地儲備量。

### 流動資金及財務資源

本集團正考慮除以正常的租金收入外，將會出售非核心地區物業地皮及部份商場以滿足目前項目的發展需要。同時抓緊追收應收款項，特別對已出售樓宇的應收款，抓緊追收。並將採取適當行動追收。對已出售的物業發展項目，由於買家未能按期支付餘款，董事會正與買方商討分期支付款項，如在短期內雙方未能達成協議，本集團將會採取適當的行動解決。

由於本集團的現金及現金等價物、借貸、收入及開支皆以港元或人民幣或美元計算，故本集團並不預見任何重大外匯風險。

## PROSPECTS

Since the joining of the PRC into the World Trade Organisation, the property market in the PRC has been picking up, with a constant increasing demand for residential and commercial properties, a minor but steady increase in overall property prices and rentals, and a sustained fall in vacancy rate. The prolonged downturn in the PRC's property market has eased, particularly in major cities such as Beijing, Shanghai, Guangzhou and Shenzhen.

Rental from investment properties will continue to be the Group's main source of recurring income and the approaches of the property development have been fine-tuned – possible sales of non-core property assets and the development of identified projects in Beijing, Shanghai, Guangzhou and Shenzhen would be a major target of the Group. With the overall improvement of the economy and the gradual growth of the property market in the southern part of China, and in line with the long-term strategy of increasing its recurring rental income, the Group will continue to invest in good quality properties located in prime area which can be used for rental purposes. We are optimistic that sales proceeds will likely be generated from the disposal of several projects and this may help reduce further the level of borrowings, and hence the interest burden of the Group.

## APPRECIATION

On behalf of the Board, I would like to thank our shareholders for their continued support to the Group and the dedicated management and staff for their valuable contributions during the year.

**Tong Shi Jun**  
*Chairman*

Hong Kong, 24 May 2003

## 展望

隨著國內經濟持續增長及中國已加入世界貿易組織的良好因素下，國內房地產市場漸趨活躍，住宅及辦公樓宇的需求持續增加，整體房價及租金微升並維持向上，空置率續降，國內樓房長期積壓的狀況得以改善，此現象尤以北京、上海、廣州及深圳等主要城市最為明顯。

本集團仍繼續以投資物業的租金收入作為主要經常性收益，並調整項目發展方向，將出售非核心區項目。發展以北京、上海、廣州及深圳為主要的項目。隨著中國華南地區的經濟全面改善及物業市場的穩定增長，並為了配合增加持續租金收入的長期策略，本集團將繼續物色並投資於位處黃金地段並可用作租賃用途之優質物業。對於可能出售部份的項目我們仍抱持樂觀的態度，這可進一步降低本集團的借貸額，繼而可減輕利息的負擔。

## 感謝

本人謹代表董事會對一直支持本集團之股東及於本年度盡心作出寶貴貢獻之管理人員與員工，衷心致謝。

主席  
佟世均

香港，二零零三年五月二十四日