



I would like to present the audited consolidated financial results of Zhu Kuan Development Company Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 April 2003. The consolidated turnover for the Group and net loss attributable to shareholders were approximately HK\$208,637,000 and HK\$6,405,000 respectively, representing a decrease of approximately 18% and 132% compared with the consolidated turnover and net profit attributable to shareholders of the previous year.

Business Review

In mid March 2003, there was an outbreak of atypical pneumonia ("SARS") in Guangdong Province of the PRC and in Hong Kong. Both the Group's tourism business in Zhuhai and its marine passenger business running from Hong Kong to Zhuhai received serious impact and suffered a substantial shrink. Overshadowed by the general oversupply in the hotel industry of Zhuhai, hotel operators were vying for customers with cutthroat prices. Travel agencies business also face fierce competition from operators in the industry. All these led to a substantial deterioration of the results of the Group's hotel business. During the year under review, the number of visitors to Fantasy Water World also dropped due to the prevalence of conjunctivitis in Zhuhai. In addition, since the accumulated provision for staff benefits of approximately HK\$8,554,000 previously made by the New Yuanming Palace Tourist Co., Ltd. of Zhuhai S.E.Z. was written back during the corresponding period last year due to the enactment of new regulations in relation to housing reform, while no similar event occurred during the year, the profit contribution of the New Yuanming Palace shrank substantially. As for the passenger transportation business, the number of passenger trips of the ferry services running between Zhuhai and Hong Kong recorded a decrease of approximately 12% under the impact of SARS. During the year under review, since Zhuhai High-Speed Passenger Ferry Co., Ltd. ("High-Speed Passenger Ferry Company") and Zhuhai Jiuzhou Port Passenger Traffic Service Co., Ltd. were penalized after being discovered by the State Administration of Foreign Exchange ("SAFE") Guangdong Branch that they did not observe the provisions of foreign exchange control in the PRC, the overall profit of the two companies dropped as compared with the corresponding period last year.

1. Hotel Business

During the year under review, Zhuhai Holiday Resort Hotel recorded a further drop in market share amid the increasing number of new hotels in Zhuhai. With the supply and demand of hotel rooms getting seriously unbalance, the average occupancy rate of member hotels of the Group recorded a decrease of approximately 3% to 64% as compared with the corresponding period last year. Meanwhile, its room occupancy was slightly reduced in order to maintain

本人謹此提呈珠光發展有限公司(「本公司」)及其附屬公司(「本集團」)截至二零零三年四月三十日止年度經審核之綜合全年業績。本集團之綜合營業額及股東應佔虧淨額損分別約為港幣208,637,000元及港幣6,405,000元，較去年之綜合營業額及股東應佔純利相比分別下跌約18及132%。

業務回顧

於二零零三年三月中，中國廣東省地區及香港均爆發了非典型肺炎(「非典」)病毒，本集團在珠海之旅遊業務及往來香港與珠海之海上客運業務均受到嚴重的影響，業務大幅下滑。珠海酒店業同時亦受到整體供應過盛影響，酒店業內互相削價競爭以爭取客源，及旅行社業務面對同業之激烈競爭，亦造成本集團酒店業務之業績大幅倒退。夢幻水城亦由於在回顧年內受珠海流行紅眼症所影響而使入場人數下降，加上往年同期珠海經濟特區圓明新園旅遊有限公司有因住房改革實施新例致使早前計提之員工福利數約港幣8,554,000元得回撥的關係，而本年則沒有此等事項，導致本年與往年同期相比，圓明新園之盈利貢獻大幅下滑。而在客運業務方面，珠海與香港航線之客流量由於受到非典影響，比去年同期下跌約12%。在回顧年內，珠海高速客輪有限公司(「高速客輪公司」)及珠海九洲港客運服務有限公司因被國家外匯管理局(「外匯管理局」)廣東省分局發現未有遵守中國之外匯管理規條而遭罰款，故導致該兩間公司之整體營業與往年同期相比有所下跌。

1. 酒店業務

於回顧年內，由於珠海市新開的酒店不斷增加，使珠海度假村酒店的市場佔有率再次下降，房間供求關係嚴重失衡，使旗下酒店之平均入住率與往年同期相比下降約3%至64%，而房租亦須輕微下調以保持與同業之競爭力，直接影響其房務及附帶之餐飲及

competitiveness in the market, directly resulting in a drop in revenues from accommodation services and the related catering and recreational facilities. In addition, the profit margin of travel agencies business operated by Zhuhai Holiday Resort Hotel Co., Ltd. shrank due to fierce competition. During the peak of the SARS epidemic, impact on the business was even more severe. As such, the overall performance of the hotel business registered a substantial loss.

2. New Yuanming Palace and Fantasy Water World

During the year under review, the number of visitors to the New Yuanming Palace and Fantasy Water World totaled about 580,000 and 160,000 respectively, representing a drop of approximately 12% and 33% respectively as compared with the corresponding period last year. The drop in the number of visitors to Fantasy Water World was mainly due to the prevalence of conjunctivitis in Zhuhai during the summer season last year, which resulted in a substantial decrease in ticket income and the consumption from the use of facilities in the park. The average ticket price of New Yuanming Palace also had a negative adjustment of over 10%, with the objective of retaining its number of visitors on mind. In addition, since the accumulated provision for staff benefits of approximately HK\$8,554,000 previously made by the New Yuanming Palace Tourist Co., Ltd. of Zhuhai S.E.Z. was written back during the corresponding period last year due to the enactment of new regulations in relation to housing reform, while no such event occurred during the year, the profit contribution of the tourist attraction business shrank substantially.

3. Marine Passenger Transportation Business/ Terminal Operation

As for the passenger transportation business, the number of passenger trips of the ferry services between Zhuhai and Hong Kong run by High-Speed Passenger Ferry Company recorded a decrease of approximately 12% as compared with last year due to the influence of SARS, while the number of passenger trips of the ferry services between Zhuhai and Shekou was similar to that of the corresponding period last year. Nevertheless, during the year under review, High-Speed Passenger Ferry Company and Zhuhai Jiuzhou Port Passenger Traffic Service Co., Ltd. were penalized after being discovered by the SAFE Guangdong Branch that they did not observe the provisions of foreign exchange control in the PRC. An accumulated provision for the penalty was made and reflected in the results of the year. In addition, during the year, the increases in border inspection and quarantine fees and fuel prices resulted in an increase in the operating cost of Zhuhai High-Speed Passenger Ferry Company.

康樂設施收入下降。而珠海度假村酒店有限公司所經營之旅行社業務也因競爭激烈而大幅下滑，特別於非典肆虐期間，影響更深，故整體酒店業務於本年內錄得很大虧損。

2. 圓明新園及夢幻水城

於回顧年內，圓明新園及夢幻水城的入場人數分別約為58萬人次及16萬人次，與往年同期相比分別減少約12%及33%。夢幻水城之入場人數下降乃主要由於受到在去年夏季期間遇上珠海流行紅眼症之影響，使門票收入及場內使用設施消費大幅減少。而圓明新園之平均門票價格亦下調逾10%以保持其入園人數，加上往年同期珠海經濟特區圓明新園旅遊有限公司有因住房改革實施新例致使早前計提員工福利數約港幣8,554,000元得以回撥的關係，而本年內則沒有此等事項，導致旅遊景點業務本年出現虧損。

3. 海上客運交通及碼頭業務

海上客運業務方面，高速客輪公司經營之珠海與香港之客運航線之客流量與往年相比，由於受非典影響，減少約12%，而珠海與蛇口之客運航線的客流量與往年同期相若。但於回顧年內，高速客輪公司及珠海九洲客運服務有限公司因被廣東省外匯管理局分局發現未有遵守中國之外匯管理規條而遭罰款，該罰款已計提並反映在本年度之業績內。另加上於本年內，邊檢疫費及燃料費增加導致珠海高速客輪公司經營成本上升，故該兩間公司

Accordingly, the overall profit of the two companies dropped as compared with the corresponding period last year.

Prospects

After the SARS epidemic, the tourism business and marine passenger transportation business have gradually returned to normal, and the business position of the Company has shown an almost full recovery to the pre-SARS situation. However, looking ahead, the outlook for the hotel industry remains dismal in the coming year. In light of this, the management will devise more food and drink events targeting on different consumer clusters and different locations, and explore more extensively into the conference markets in the PRC. Obsolete recreational facilities will be updated or new recreational program will be added in order to maintain the competitiveness of Zhuhai Holiday Resort Hotel. Moreover, the travel agencies department of the hotel has recently obtained the approval to operate outbound travel for the PRC citizens, which the management believes, provided new opportunities for the development of travel agencies business. As for New Yuanming Palace and Fantasy Water World, "Chinese Herbs Treasure Valley" has opened for business to public since November 2002. It is expected that such efforts would help to attract more visitors to the theme parks. More importantly, the ongoing economic growth in the PRC and the tourism promotion of Zhuhai are poised to give a further boost to business and tourist activities between Hong Kong and Zhuhai. Accordingly, the Board of Directors believes that the passenger transportation business will maintain steady growth.

Subsequent to the balance sheet date, on 14 August 2003, provisional liquidators have been appointed by the High Court of Hong Kong Special Administrative Region (the "Court") to the controlling shareholders of the Company, namely, Zhu Kuan (Hong Kong) Company Limited and Zhu Kuan Group Company Limited, to safeguard their assets for the benefit of creditors in general, pending the Court's decision as to whether winding-up orders will be made. The Directors wish to clarify that the Company is not a subject of the winding-up proceedings and are not aware of the latest progress of the said proceedings. Up to the date of the report, the Company's business and financial operations have been carried on in the normal manner. Please refer to the Company's press announcement dated 18 August 2003 and note 3 to the financial statements for details.

By Order of the Board

Ouyang Guoliang

Chairman

Hong Kong

26 August 2003

之整體營利與往年同期相比有所下跌。

展望

非典過後，本集團之旅遊業務及海上客運業務亦逐步恢復正常，距非典前之業務狀況相差不遠。展望來年度，酒店業務的前景仍十分嚴峻，管理層亦將針對不同消費群及不同地方而策劃更多餐飲活動，並進一步開拓國內會議市場，且對殘舊的康樂設施亦將更新替換或加插新的康樂節目以保持競爭力。酒店之旅行社部門亦於最近獲准經營組織中國公民出境旅遊的業務，管理層相信這對旅行社業務發展提供了新的機遇。圓明新園及夢幻水城方面，「中葯谷」亦於二零零二年十一月開始對外營業，預料可帶動入園遊客。而隨著中國的經濟持續增長及珠海市之旅遊推廣，往來香港及珠海兩地的商務及遊客亦將更趨頻繁，故董事局相信客運業務將可保持穩定發展。

於結算日後，香港特別行政區高等法院（「高院」）於二零零三年八月十四日委任臨時清盤人到本公司之控股股東，即珠光（香港）有限公司及珠光（集團）有限公司保護彼等之資產，從而保障債權人之一般利益，待法院決定是否下達清盤令。董事謹此澄清，本公司並非面臨清盤程序，對上述程序之最新進展亦不知悉。截至本報告日期，本公司之業務及財務經營仍正常運作。謹請參閱本公司於二零零三年八月十八日刊發之新聞公佈及本財務報表附註3所載之詳情。

承董事會命

歐陽國樑

主席

香港

二零零三年八月二十六日