

主席報告

經營業績

本集團之主要溢利來自股票及債務證券之投資、收回源自添發慶豐(集團)有限公司重組之部份債款，以及本集團於旺角中心(旺角區一個購物商場)之權益。

財政狀況

本年度內，本集團坐擁巨資，財政狀況穩健，負債相對資產而言僅屬輕微。

業務回顧

於二零零三年，本集團之主要投資為香港股票、環球債券及旺角中心之投資項目。

旺角中心乃一個位於旺角區之商場，座落於人流最旺之購物地帶，現已全部租出。此投資項目之租金收入穩定，而由於擁有該商場之聯營公司之資金部份來自銀行借款，因應利率向下調整而促使該項目回報有所提升。惟應佔該聯營公司之溢利受非現金重估虧損影響而下降，因此租金收入之貢獻並無充份反映。

本集團於二零零三年出售大部份股票組合及債務證券，為本集團帶來可觀溢利。

於二零零三年八月，本集團聯同一個私人財團(「合營企業」)，隨同香港特別行政區政府及機場管理局投資發展及經營位於香港國際機場之香港國際展覽中心(「國際展覽中心」)。國際展覽中心將提供全層面積達66,000平方米之展覽場地，乃全港最大型之無柱位展覽設施，預期將於二零零五年底作試點開幕。國際展覽中心更可擴展至成為面積達100,000平方米之展覽場地。於二零零三年十二月三十一日，本集團擁有該合營企業37.85%權益，而直至二零零四年八月二十三日止亦有權向一名關連人士支付所涉及之成本，以增加其於該合營企業之權益至60%。而該合營企業則擁有國際展覽中心13.5%權益。

於二零零三年十二月三十一日，本集團之大部份投資均以港元及美元定值，因而毋須面對重大外匯風險。本集團不時投資於以歐羅計值之債務證券，並計劃對沖該等債務證券之貨幣風險至投資經理認為適當之水平。

CHAIRMAN'S STATEMENT

RESULTS OF OPERATION

The Group derived most of its profits from investments in equity and debt securities, and partial recovery of debt from the restructuring of Tem Fat Hing Fung (Holdings) Limited, and the Group's interests in Argyle Centre, a shopping mall in Mongkok.

FINANCIAL POSITION

During the year, the Group retains a strong liquidity and financial position, with little gearing.

OPERATION REVIEW

In 2003, the Group's major investments were in Hong Kong equity, international debts and the investment in Argyle Centre.

Argyle Centre is a fully leased shopping mall located in a prime spot in Mongkok, the busiest shopping district in Kowloon. Stable rental income benefited from low interest rates through a leveraged structure in an associated company. Share of profit from this associated company was lowered by non-cash revaluation deficit and therefore did not fully reflect the contribution of the rental income.

The Group disposed of a significant portion of the equity portfolio and debt securities in 2003, realizing good profit for the Group.

In August 2003, the Group joined a private sector consortium ("JV") to invest with the Hong Kong Government and the Airport Authority to develop and operate the Hong Kong International Exhibition Centre ("IEC") at the Hong Kong International Airport. IEC will have 66,000 sqm of exhibition space on one level, the largest column-free exhibition facility in Hong Kong. Soft opening is expected by the end of 2005. IEC has a capacity of expanding into a 100,000 sqm exhibition facility. As at 31st December, 2003, the Group had 37.85% interest in JV and has a right until 23rd August, 2004 to increase its interest in JV to 60% at cost from a connected person. That JV in turn has 13.5% interest in IEC.

As at 31st December, 2003, most of the Group's investments are based in Hong Kong dollar and United States dollar and are therefore not exposed to significant foreign currency risks. The Group invests in Euro denominated debt securities from time to time, and it is the Group's intention to hedge the currency exposure of debt securities to an extent considered appropriate by the investment manager.

主席報告

本集團於本年度之員工成本總額合共約390,000港元。

本公司就持有旺角中心之聯營公司所欠之未償還債項向一間銀行提供33 $\frac{1}{3}$ %之擔保，而本集團擁有該聯營公司33 $\frac{1}{3}$ %權益。該聯營公司於二零零三年十二月三十一日欠該銀行之未償還債項約為393,000,000港元（於二零零二年十二月三十一日：約為421,000,000港元）。

本公司為一間全資附屬公司所獲一間財務機構提供之不超逾15,000,000美元之信貸額提供擔保。於二零零三年十二月三十一日之未償還債務約為7,400,000歐羅（二零零二年十二月三十一日：無）。

前景

本集團對旺角中心及國際展覽中心之前景十分樂觀。隨著本港零售業務好轉，加上物業市道復甦，預期有利提升旺角中心之回報及價值。而毗鄰香港國際機場之國際展覽中心更佔盡地利，藉著多達75家航空公司的眾多航線連繫至全球超逾140個城市；加上本港為其中大部份城市提供免簽證入境安排，勢將令國際展覽中心成為地區內具競爭力之展覽場地。目前，香港乃區內展覽業之翹楚，管理層相信國際展覽中心將可與本港其他展覽設施相輔相承，從而令香港繼續保持其在展覽業之優勢。

本集團將會繼續投資於環球債務證券，同時將審慎評估香港股票市場的發展，以待於最佳時機作出投資。

主席
馮永祥

香港，二零零四年三月十五日

CHAIRMAN'S STATEMENT

The Group's total staff costs for the year amounted to approximately HK\$390,000.

The Company has given a guarantee to a bank to secure 33 $\frac{1}{3}$ % of the outstanding indebtedness due by an associated company holding the Argyle Centre, of which the Group controlled 33 $\frac{1}{3}$ % interest in it. The amount of outstanding indebtedness due by the associated company to this bank at 31st December, 2003 was approximately HK\$393 million (at 31st December, 2002: approximately HK\$421 million).

The Company has given a guarantee to a financial institution to secure borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding equivalent US\$15 million. The outstanding indebtedness at 31st December, 2003 was approximately Euro 7.4 million (at 31st December, 2002: nil).

PROSPECTS

The Group is optimistic about the prospects of Argyle Centre and IEC. The recovery of the retail activities in Hong Kong and the property market is expected to enhance the return and value of Argyle Centre. The location of IEC next to the Hong Kong International Airport connects it to more than 140 cities worldwide on some 75 airlines. Visa-free entry to a majority of those cities makes IEC a competitive exhibition facility in the region. Hong Kong already enjoys a leading position in exhibition business in the region, we believe IEC will complement Hong Kong's other exhibition facilities to continue its preeminence.

The Group will continue to invest in international debt securities, while at the same time cautiously approach the Hong Kong equity market.

Fung Wing Cheung, Tony
Chairman

Hong Kong, 15th March, 2004