

Chairman's Statement

主席報告書

I now present the results and operations of the Group for the year ended 31 December 2003.

RESULTS

The audited consolidated loss of the Group for the year ended 31 December 2003 was HK\$5,702,000 and the loss per share was HK0.42 cent, as compared to the consolidated loss of HK\$188.08 million and loss per share of HK14 cents for last year.

DIVIDENDS

The directors do not recommend payment of dividend for the year (2002: Nil).

NET ASSET VALUE

The consolidated net asset value per share of the Group as at 31 December 2003 was HK\$0.113 based on 1,360,000,000 shares in issue, as compared to HK\$0.075 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 79,901 square meter, which is located at Shang Xia Jiu Road, Liwan District, Guangzhou, the People's Republic of China (the "PRC"). During the year ended 31 December 2003, there was no sale of investment properties at Liwan Plaza.

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 2003 have generated a sales of approximately HK\$1.82 million. This has reduced the accounts receivable of the Group.

Property Development

The Group currently has interests in three property development projects and owns a land bank of approximately 259,000 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 eighth floor of the commercial arcade. The project is expected to be wholly completed by the end of 2005 and the presale activities will commence upon the completion of construction works scheduled in the first half of 2005.

本人謹提交截至二零零三年十二月三十一日止年度之業務報告。

業績

本集團截至二零零三年十二月三十一日止年度之經審核綜合虧損為5,702,000港元，每股虧損為0.42港仙，而去年之綜合虧損為1億8,808萬港元及每股虧損為14港仙。

股息

董事會建議本年度不派發股息(二零零二年：無)。

資產淨值

於二零零三年十二月三十一日，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0.113港元，而去年為0.075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79,901平方米，截至二零零三年十二月三十一日止年度，沒有任何出售於荔灣廣場之投資物業收入。

物業銷售

本集團之梅州商業街在二零零三年出售住宅及部份非重要位置的商舖，總額為約182萬港元，並以此減低本集團的應收賬款負擔。

物業發展

本集團擁有三個主要物業發展項目，土地儲備約259,000平方米，其中發展中物業越秀廣場已全面開工，工程進度已到第八層，預計於二零零五年上半年封頂並對外售樓，並計劃在二零零五年底完工。

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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 will commence at 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.

PROSPECTS

In our drive to adapting to the current economic conditions, establishing a favorable environment for the development of the Group and capitalizing on our strengths, the Group determined to adopt the development policy of "Streamlining Structure and Focusing on Core Strengths".

The Group concentrated on niche operations. A substantive reorganization was made to asset portfolio and group structure. As a result of which ten subsidiaries were sold and some projects with doubtful prospects were terminated. The Group retained the high quality core assets and streamlined its management structure.

On the other hand, for the purpose of enhancing its strength, the Group emphasized on management team building. The Group added high calibre professionals to its management through different ways. Comprehensive management systems were established and operating practices regulated.

It can be sure that the various measures are to bring in impetus for new development.

For the recent years, the PRC economy envisages strong growth. An economic landscape based on the Pearl River Delta and Yangtze River Delta economic districts has been formed. As the core of the Pearl River Delta, Guangzhou and its surrounding areas are considered to have immense development potential. Since last year, the profitability of housing and commercial projects has been on the rise. All of the Group's current projects under development are situated in the prime commercial area of Guangzhou and should possess excellent potential. The Group will deploy all resources to expedite the progress of the project so as to realize profits as fast as possible.

With the continued high-flying growth of the domestic economy, I believe that given the valuable experience accumulated for years in the real estate industry, the Group is heading towards a bright future.

另一發展中物業位於昌崗路南方花園第二期，有關動工手續正在辦理中，並計劃二零零四年年底開工。

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。

展望

為不斷適應當前的經濟形勢，營造集團良好的發展環境，突出集團的優勢，本集團在過去的一年中通過總結過去、分析現狀，確立了「精減結構、集中優勢」的發展方針。

本集團集中力量發展優勢項目，於2003年中，對資產以及集團架構進行實質性的重組，出售了十家附屬公司，削減了部份前景不夠明朗的項目，保留了核心的優質資產，簡化了集團管理架構。

另外，為充實本集團實力，本集團在過去一年中更加注重集團管理團隊的建設，通過不同渠道擴大了集團專業人才隊伍，並進一步設立了各方面的完善管理制度，規範了集團運營。

可以肯定，我們所進行的種種管理措施均將會為本集團帶來新的發展契機。

近幾年來，中國經濟持續呈現強勁發展的態勢，目前，以珠江三角洲、長江三角洲為主要經濟區域的國內經濟格局已經形成，廣州以及周邊地區作為珠江三角洲的核心，其發展前景一直被各方面看好。自去年以來，房地產行業中的住宅以及商業項目，其盈利能力大多處於上升趨勢之中。目前，本集團所持有的發展中物業均處於廣州地區核心經濟地帶，具有不可估量的發展潛力，集團將調動一切資源，加大力度推進項目的建設速度，使其儘快投入回報期。

隨著本地區經濟的不斷迅速發展，本集團憑藉多年來積累於本行業中的寶貴管理經驗，相信集團未來將可開關喜人的局面。



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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, 27 April 2004

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，二零零四年四月二十七日