

BUSINESS REVIEW

For the year ended 31 December 2004, turnover of the Group amounted to HK\$15,207,000 (31 December 2003: HK\$25,287,000). Net profit for the year was HK\$12,262,000 (31 December 2003: net loss of HK\$107,791,000) and earnings per share was HK\$0.06 (31 December 2003: loss per share of HK\$0.73).

During the year, the Group, through its wholly owned subsidiary, completed its acquisition of 51% interest in Lucky Green Limited (“Lucky Green”). The sole asset of Lucky Green is the 100% interest in Zhuhai S.E.Z. Rui Nong Plant Protection Technology Co. Ltd. which is principally engaged in the production and sale of fertilizers.

During the reporting period, revenue from production and sale of fertilizers amounted to HK\$6,420,000 (31 December 2003: Nil), representing approximately 42.2% of the Group’s total revenue. Investment in securities shared approximately 3.6% of the Group’s total revenue. Rental income from 1 Lyndhurst Tower amounted to HK\$8,235,000, representing approximately 54.2% of the Group’s total revenue and over 95% of the total gross floor area was leased out.

FINANCIAL REVIEW

Liquidity and Financial Resources

In April 2004, the Company placed 39,700,000 shares at HK\$0.2898 per share and the net proceeds received were approximately of HK\$11,000,000 which was applied as general working capital of the Group.

The Group has a current ratio of approximately 0.16 as at 31 December 2004 (as at 31 December 2003: 0.42) and the gearing ratio was 1.01 as at 31 December 2004 (as at 31 December 2003: 1.40). The calculation of gearing ratio was based on the total borrowings of HK\$134,026,000 which would be due within one year (31 December 2003: HK\$142,453,000) and the net assets of HK\$133,062,000 as at 31 December 2004 (31 December 2003: HK\$101,648,000).

There were no significant capital commitments as at 31 December 2004 which would require a substantial use of the Group’s present cash resources or external funding.

業務回顧

本集團截至二零零四年十二月三十一日止年度之營業額為15,207,000港元(二零零三年十二月三十一日: 25,287,000港元)。溢利淨額為12,262,000港元(二零零三年十二月三十一日: 虧損淨額107,791,000港元); 而每股盈利為0.06港元(二零零三年十二月三十一日: 每股虧損: 0.73港元)。

本集團在本年度透過全資附屬公司收購Lucky Green Limited(「Lucky Green」) 51%權益。Lucky Green的唯一資產為珠海經濟特區瑞農植保技術有限公司全部權益, 該公司主要生產及銷售肥田料。

於報告期內, 生產及銷售肥料為本集團帶來之收益為6,420,000港元(二零零三年十二月三十一日: 無), 佔本集團總收益約42.2%。證券投資佔本集團總收益約3.6%。一號廣場物業之租金收入為8,235,000港元, 佔本集團總收益約54.2%, 逾95%樓面已經出租。

財務回顧

流動資金及財務資源

於二零零四年四月, 本公司以每股0.2898港元配售39,700,000股股份, 所得款項淨額約為11,000,000港元並已撥作本集團一般營運資金。

於二零零四年十二月三十一日, 本集團之流動比率約為0.16(二零零三年十二月三十一日: 0.42), 而負債資本比率為1.01(二零零三年十二月三十一日: 1.40)。負債資本比率乃以一年內到期的借貸總額134,026,000港元(二零零三年十二月三十一日: 142,453,000港元)及於二零零四年十二月三十一日止之淨資產133,062,000港元(二零零三年十二月三十一日: 101,648,000港元)計算。

於二零零四年十二月三十一日並無重大投資承擔須動用本集團現有大量現金資源或須就此舉債。

The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are denominated in Hong Kong dollars and RMB.

Charge on Assets

As at 31 December 2004, all the Group's investment properties and the issued shares of China Faith Limited, a wholly owned subsidiary of the Company are pledged and the rental income in respect of the investment properties under operating leases are assigned to a bank against a bank loan of HK\$127,750,000 (as at 31 December 2003: HK\$138,300,000) granted to the Group.

Other investments of HK\$19,166,000 (31 December 2003: HK\$14,695,000) are pledged against margin loan facilities granted to the Group.

Property, plant and equipment of HK\$6,795,000 (31 December 2003: Nil) are pledged against a bank loan granted to the Group.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2004.

Employees and Remuneration Policies

As at 31 December 2004, the Group has 24 employees. Remuneration is determined by reference to their qualifications and experience of the staff concerned. Besides salary payments, other staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme.

Liu Ming Hui

Managing Director

20 April 2005

本集團預期並不會面對重大匯兌風險，蓋因手持現金、借貸、收益及開支均以港元及人民幣計算。

資產抵押

於二零零四年十二月三十一日，本集團之投資物業及本集團之全資附屬公司紀昌有限公司已發行股份全數抵押而投資物業在經營租約之租金收入亦已轉讓予銀行以獲銀行批授予本集團127,750,000港元之銀行貸款(於二零零三年十二月三十一日：138,300,000港元)。

19,166,000港元(於二零零三年十二月三十一日：14,695,000港元)之其他投資已就本集團獲授孖展貸款而予抵押。

6,795,000港元(於二零零三年十二月三十一日：無)之物業、廠房及設備已抵押予銀行以獲銀行貸款。

或然負債

本集團於二零零四年十二月三十一日並無任何重大或然負債。

僱員及薪酬政策

於二零零四年十二月三十一日，本集團約僱用24名員工，而薪酬根據員工之履歷及經驗釐定。除基本薪金外，其他職員福利包括強制性公積金、不定額花紅計劃及購股期權計劃。

劉明輝

董事總經理

二零零五年四月二十日