

I now present the results and operations of the Group for the year ended 31 December 2004.

## RESULTS

The audited consolidated loss of the Group for the year ended 31 December 2004 was HK\$54,892,000 and the loss per share was HK4.04 cents, as compared to the consolidated loss of HK\$5,702,000 and loss per share of HK0.42 cents for last year.

## DIVIDENDS

The directors do not recommend payment of dividend for the year (2003: Nil).

## NET ASSET VALUE

The consolidated net asset value per share of the Group as at 31 December 2004 was HK\$0.042 based on 1,360,000,000 shares in issue, as compared to HK\$0.115 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 71,278 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 2004, the net proceeds from the sale of investment properties at Liwan Plaza amounted to approximately HK\$38,381,000.

本人謹提交截至二零零四年十二月三十一日止年度之業務報告。

## 業績

本集團截至二零零四年十二月三十一日止年度之經審核綜合虧損為54,892,000港元，每股虧損為4.04港仙，而去年之綜合虧損為5,702,000港元及每股虧損為0.42港仙。

## 股息

董事會建議本年度不派發股息(二零零三年：無)。

## 資產淨值

於二零零四年十二月三十一日，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0.042港元，而去年為0.115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71,278平方米。截至二零零四年十二月三十一日止年度，出售荔灣廣場之投資物業淨收入約為38,381,000港元。

## CHAIRMAN'S STATEMENT 主席報告書

**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 2006 and the presale activities will commence upon the completion of construction works scheduled in the first half of 2006.

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 2005.

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.

**PROSPECT**

In 2004, the PRC implemented austerity financial policies, thereby tightening the funding source of the property sector. In addition, state-owned lands have been sold by way of public tender since 31 August 2004 and the supply of available lands in the market has been reduced accordingly. Macro-economic policies have inevitably material impact on developers sourcing funds in the finance market instead of building on land reserves. As a result, the original relationships between market supply and demand will be ruined likely. The shortage in market supply will bring about a prolonged upward trend of property prices. In 2004 to 2005, property prices in Guangzhou increased by an average of 23% with some areas increased by even more than 30%.

The Group has devoted to upgrade the roll over of its capital in recent years. After several years of operation, an encouraging pattern featured by development on a rolling basis, self-financing and incessant capital chain has been basically established. In addition, the market value of properties held by the Group was continuously on the rise last year with an estimated increase of over 25%. Furthermore, the liquidity of these properties also

**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，計劃於二零零六年上半年封頂並對外售樓，並預計在二零零六年底完工。

另一發展中物業位於昌崗路江南南方花園第二期，得辦完當局要求的所有文件手續後即開工，並計劃二零零五年年底開工。

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**

二零零四年，國家實施了適當緊縮的金融政策，減少了房地產行業的金融資金來源。另，自二零零四年八月三十一日起，國有土地招標出讓的方式也相應減少了市場上流動土地的供應。宏觀經濟政策對於以金融手段獲取資金，不做土地儲備的開發商來講無疑衝擊較大，市場供求環境也將可能因此打破原有的供求關係，市場供應相對偏於緊缺，房價將會迎來一個相對較長的上升期，二零零四年至二零零五年廣州房價平均上升23%，個別區域房價上漲超過了3成。

本集團近年以來一直力圖改善自己的資金滾動方式，經過幾年的運作，已基本形成了滾動發展、資金自籌，資金鏈條不斷的良好局面。另，本集團所持有物業在過去一年中市場價值不斷提高，估計升幅超過25%，變現能力也進一步加強，在集團新物業的發展過程中，部份

improved. During the development process of the Group's new properties, some capital demand can be satisfied by disposals of certain properties. Therefore, sufficient capital sources are available to the Group, thereby outperforming its peers obviously.

The land reserve of the Group is invaluable, which generates invincible competitiveness amongst other players in the sector. It is expected that development of new properties will bring about fruitful return to the Group.

Over the last year, the Group has streamlined its management mechanism and workflow based on the belief of scientific management, thus improving the leasing activities of Liwan Plaza and other business divisions. At present, a simple, efficient and scientific management system is shaping up. The Company will also work together with remarkable funds in all aspects. We believe that the resources and talented personnel of the Group retained these years will have the opportunity to give full play to their abilities on this new management platform, enabling the Group to turn to a new page in future.

#### 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, 26 April 2005

資金需求可以通過出讓部份物業實現，故本集團資金來源暢通，與同行相比優勢明顯。

本集團儲備的土地已成為不可多得的資源，同時也成為本集團在同行中的優質來源，可以預見新物業的發展必將為本集團帶來更加巨大的利益。

本集團在過去的一年中，一直以科學管理為依據，整合集團的管理架構流程，荔灣廣場租賃業務以及其他業務相應比去年都有所提升。目前，程式簡潔、效率較高、流程科學的管理體系正在形成，公司也將與資金實力雄厚的基金進行全面合作，相信本集團近年所儲備的資源及專業人才將有機會在新管理平臺上大展宏圖，本集團也將因此迎來一個全新的發展階段。

#### 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，二零零五年四月二十六日