

財政業績

本人欣然宣布本集團截至二零零五年三月三十一日止年度之經審核業績。於本年度，本集團之經營溢利約為港幣173,700,000元，較上一財政年度上升約37.9%，而股東應佔溢利則約為港幣82,400,000元，較上一財政年度上升約21.4%。本年度之營業額約為港幣448,200,000元，較上一財政年度上升約30.3%。

業務回顧及財政業績之評論

由本公司擁50.01%股權的附屬公司——凱聯國際酒店有限公司（「凱聯」）持有的香港凱悅酒店（「本酒店」）於截至二零零五年三月三十一日止年度的業績令人滿意。來自本酒店經營的營業額與上一財政年度，當本酒店經營受非典型肺炎的爆發嚴重影響時比較，上升43.8%，而截至二零零五年三月三十一日止年度，來自本酒店經營的分部溢利則較上一財政年度上升89.1%。該大幅度上升的主要原因是酒店業在非典型肺炎過後復甦所致。除此以外，因「自由行」旅遊安排而增加的內地旅客和在香港舉行數個大型貿易會和旅遊推廣項目，如「香港繽紛冬日節」及中國農曆新年花車巡遊，均有助促進香港酒店房間入住率和房租於本年度上升。

截至二零零五年三月三十一日止年度，本酒店之平均房租為港幣911元，較上一財政年度上升約17.5%。

截至二零零五年三月三十一日止年度，本酒店之房間平均入住率為89.9%，而上一財政年度則為66.5%。

本年度，本酒店商場租金收入為港幣101,600,000元，較上一財政年度上升11.9%。除因非典型肺炎對上一財政年度所造成的負面影響過後的回升外，本酒店商場租金收入的增加是因為香港零售業市場因旅遊業復甦及香港經濟穩定回升而受惠所致。

FINANCIAL RESULTS

I am pleased to report the audited results of the Group for the year ended 31 March 2005. During the year, the Group achieved a profit from operations of approximately HK\$173.7 million, representing an increase of approximately 37.9% compared with the previous financial year. The Group recorded a profit attributable to shareholders of approximately HK\$82.4 million, representing an increase of approximately 21.4% as compared with the previous financial year. The turnover for the year was approximately HK\$448.2 million, representing an increase of approximately 30.3% from the previous financial year.

BUSINESS REVIEW AND COMMENTARY ON FINANCIAL RESULTS

Hyatt Regency Hong Kong (the "Hotel"), owned by the Company's 50.01% owned subsidiary, Associated International Hotels Limited ("AIHL"), had a satisfactory year during the financial year ended 31 March 2005. The turnover derived from the Hotel operation increased by 43.8% compared with the previous financial year when the Hotel operation was severely affected by the outbreak of SARS. The segment profit from the Hotel operation for the financial year ended 31 March 2005 increased by 89.1% compared with the previous financial year. The substantial increment was mainly due to the recovery of the hotel business after the SARS period. In addition, the increase of mainland visitors following the introduction of the "Individual Visit Scheme", the hosting of a number of major trade shows and tourist events in Hong Kong such as Hong Kong WinterFest and the Chinese New Year Parade, helped to improve both room occupancy rate and room rate of hotels in Hong Kong during the year.

The average room rate obtained at the Hotel during the year ended 31 March 2005 was HK\$911, representing an increase of approximately 17.5% in comparison with the previous financial year.

The average room occupancy rate of the Hotel during the year ended 31 March 2005 was 89.9% as compared to 66.5% for the previous financial year.

Rental income from the Hotel's shopping arcade amounted to HK\$101.6 million for the year under review, representing an increase of 11.9% over the previous financial year. Apart from recovery from the adverse impact caused by SARS in the last financial year, the increment was attributable to the growth of the retail market in Hong Kong which benefited from the resurgence in tourism and the steady economic rebound in Hong Kong.

本集團位於荔枝角好運工業中心之其中四層及位於中國廣州之一層寫字樓之投資物業，於本年度繼續為本集團帶來穩定的租金收入。

資本結構及流動資金

於二零零五年三月三十一日，本集團之非流動負債約為港幣4,100,000元，而股東權益則達港幣2,462,000,000元，反映本集團擁有強大的資本基礎。本集團沒有負債比率。本集團之股東權益增加約港幣347,400,000元，主要原因是本集團之投資物業和本酒店出現重估盈餘所致。本集團之資本結構之詳細資料載於截至二零零五年三月三十一日止年度之財務報表附註22及23。

本集團於二零零五年三月三十一日之流動資產淨值約為港幣407,000,000元，於二零零四年三月三十一日則約為港幣322,400,000元。

展望

根據香港旅遊發展局的資料顯示，二零零四年的來港人次達21,800,000，較二零零三年上升40.4%，而二零零五年首季度的增長亦有10.8%。由於將在港舉行的數個國際性貿易項目和會議及在本年度後期開幕的迪士尼樂園將為來港人次帶來新刺激，管理層預期，在無不可預見的情況下，本酒店收入於未來數月將令人滿意。

如二零零四年十月二十日刊登之公告指出，董事會已決定著手進行為凱聯持有，並由本酒店和本酒店商場所組成的物業重建為一幢以零售為主的大廈之計劃。本酒店和本酒店商場的經營現時是本集團的主要業務部分，並預期在二零零六年一月一日起開始停止運作；現有的物業將被拆除，且興建一幢以零售商舖為主的新大廈。在無不可預見的情況下，董事會預計重建事宜將自有關工程展開後起計三至四年內完成。終止本酒店和本酒店商場的經營將會在重建期間對本集團的收入和業績帶來非常重大的負面影響。然而，董事會相信，零售物業在長遠而言可能為本

The Group's investment properties comprising four floors of Goodluck Industrial Centre in Lai Chi Kok and one floor of a commercial building in Guangzhou in the PRC, continued to generate steady rental income during the year.

CAPITAL STRUCTURE AND LIQUIDITY

As at 31 March 2005, the non-current liabilities of the Group were approximately HK\$4.1 million which compared with the shareholders' funds of HK\$2,462.0 million, indicates the Group's strong equity base. The Group's gearing ratio is nil. The Group's shareholders' funds increased by approximately HK\$347.4 million which was mainly due to the surpluses on revaluation of the Group's investment properties and the Hotel. Detailed information on the Group's capital structure are set out in notes 22 and 23 on the financial statements for the year ended 31 March 2005.

The Group's net current assets were approximately HK\$407.0 million as at 31 March 2005 compared with approximately HK\$322.4 million on the same date of the previous financial year.

OUTLOOK

According to the Hong Kong Tourism Board, tourist arrivals to Hong Kong for the year 2004 reached 21.8 million, growing by 40.4% compared with the year 2003 and the growth for the first quarter of 2005 stood at 10.8%. Looking ahead, the staging of a number of international trade events and conferences and the opening of Hong Kong Disneyland later this year will provide further impetus to arrivals growth. The management anticipates, barring unforeseen circumstances, the Hotel's revenue for the coming months will be satisfactory.

As announced on 20 October 2004, the Directors have resolved to proceed with the proposal to redevelop the property comprising the Hotel and the Hotel's shopping arcade owned by AIHL into a building comprising mainly retail components. The operations of the Hotel and the Hotel's shopping arcade which are currently the main business segments of the Group are expected to cease from 1 January 2006 and the existing property will be demolished and a new building comprising mainly retail components will be constructed. Barring unforeseen circumstances, the time period for the redevelopment will be three to four years from commencement of the redevelopment work. The cessation of the Hotel and the Hotel's shopping arcade operations will have a very substantial negative impact on the revenue and results of the Group during the redevelopment period. However, the Directors consider that upon completion of the redevelopment,

集團帶來較經營酒店更高的資金回報，故認為在重建工程竣工後將提升本集團的長線回報，並可為股東爭取更高的價值。

有關本酒店終止運作的交接安排現正進行。管理層將竭力減低可能因本酒店終止運作而對本酒店運作造成的負面影響。

董事會預期整項重建工程將於二零零九年年初完成，現估計有關的建築費用約為港幣1,000,000,000元。董事會現階段計劃向外借貸支付該等費用。

股息

董事會欣然建議派發截至二零零五年三月三十一日止年度之末期股息每股3仙予二零零五年九月十四日星期三名列股東名冊之股東，連同中期股息每股3仙，本年度共派息每股6仙(二零零四年：每股8仙)。建議派發之股息經股東周年大會通過後，將約於二零零五年十月六日星期四派付。

僱員

本酒店乃本集團之主要資產，由凱悅國際(亞太區)有限公司管理，並負責日常經營。於二零零五年三月三十一日，除本酒店員工外，本集團僱員(包括執行董事及本集團位於馬來西亞 Johor Bahru 渡假村發展計劃一 Austin Hills Golf Resort 之僱員)人數合計共153人。

除工資、醫療及退休福利外，本集團亦酌情向員工發放花紅。此外，本集團亦贊助員工參加所需之外間進修課程。

最後，本人謹代表董事會對各同事在過去一年之忠誠及辛勤貢獻致以謝意。

主席
鍾輝煌

香港，二零零五年七月五日

it will increase the return to the Group in the long run and will enhance value for shareholders because it is believed that a retail development is likely to generate a higher return on capital in the long term than the hotel operation.

The transitional arrangement for the closure of the Hotel is in progress. The management will take steps to endeavour to reduce adverse impact on the Hotel's operations which may arise owing to the Hotel's imminent closure.

The entire redevelopment project is scheduled for completion by early 2009. The present estimated cost of construction for this project is around HK\$1 billion and it is presently intended that this will be financed by external borrowings.

DIVIDEND

The Board is pleased to recommend the payment to shareholders on the register of members on Wednesday, 14 September 2005 of a final dividend of 3 cents per share for the year ended 31 March 2005. As the Company paid an interim dividend of 3 cents per share during the year, the total dividend for the year ended 31 March 2005 will be 6 cents per share (2004: 8 cents per share). The proposed dividend will be paid on or about Thursday, 6 October 2005 following approval at the Annual General Meeting.

STAFF

The Hotel, the principal asset of the Group, is managed by Hyatt International - Asia Pacific, Limited which has responsibility for its day-to-day operations. As at 31 March 2005, the total number of employees of the Group, which does not include employees of the Hotel but includes executive directors and employees of Austin Hills Golf Resort, the Group's resort development project in Johor Bahru, Malaysia, was 153.

In addition to salaries, medical and retirement benefits, the Group pays discretionary bonuses to its staff. Sponsorships for necessary outside training courses are also provided by the Group to its staff.

Finally, on behalf of the Board, I wish to thank all our staff for their devotion and dedication in the past year.

Cheong Hooi Hong
Chairman

Hong Kong, 5 July 2005