





MANAGEMENT DISCUSSION
AND ANALYSIS
管理層討論及分析



Zhangjiang Tomson Garden Phase 1 (Apartments)
張江湯臣豪園一期(公寓)



GENERAL OVERVIEW

The Group recorded a consolidated loss after tax and minority interests of approximately HK\$28.64 million for the year ended 31st December, 2002 (2001: HK\$539.34 million). The basic loss per share for the year was 1.63 HK cents (2001: 40.24 HK cents). There was an improvement from the results in 2001 which have been adversely affected by a huge loss incurred in relation to the Group's investment in Tomson Group Limited ("TGL"), a listed company in Hong Kong.

概覽

本集團於截至二零零二年十二月三十一日止年度錄得除稅及少數股東權益後綜合虧損約28,640,000港元(二零零一年：539,340,000港元)。本年度每股基本虧損為1.63港仙(二零零一年：40.24港仙)。業績較二零零一年度為佳，該年度因有關本集團在湯臣集團有限公司(「湯臣集團」，一家香港上市公司)之投資產生巨大虧損而被拖累。



Zhangjiang Tomson Garden Phase 1 (Villas)
張江湯臣家園一期(別墅)

The operation of the Group during the year was attributable to the property development and investment in Macau and Shanghai and has yet to make any positive contribution to the results.

Administrative expenses were the major outlay for the year because additional professional fees and related expenses were incurred in share placements, issuance of warrants and other corporate transactions. In addition, there was an increase in daily operating expenses since the Group has directly involved in its property development projects in Shanghai.

For the Group's investment in TGL, an unrealised holding loss of approximately HK\$28.82 million was charged to while a gain on re-measurement to fair value of obligations under those outstanding warrants issued by the Group of HK\$10.66 million was credited to the income statement for the year in accordance with the Group's accounting policies.

OPERATIONS REVIEW

During the year, the Group was mainly engaged in property development and investment, and investment holding which was a strategic investment in listed securities. Property projects in Shanghai are either in progress or in planning stage, so the Group's operating results for the year under review were wholly attributable to property development and investment in Macau.

The Group holds a number of units of shops and carparks in Macau for sale and its turnover for the year was derived from car parking fees therein. An investment in a residential unit in Macau was realised in May 2002 and a loss on disposal was resulted. Besides, the Group has a 60% interest in a plot of land in Taipa, Macau of which development plan has yet to be concluded.

本集團於年內之業務營運來自澳門及上海之物業發展及投資，該等業務營運對於業績並未有任何正面貢獻。

有鑑於配售股份、發行認股權證及進行其他企業交易產生的額外專業費用及有關開支，行政費用乃本年度之主要開支。此外，自本集團直接參與其於上海的物業發展項目以來，日常營運開支亦有所增加。

至於本集團於湯臣集團的投資方面，根據本集團會計政策，一項未變現虧損約28,820,000港元在本年度利潤表內扣除，而一項有關該等由本集團發行而未獲行使之認股權證責任之公平值重算收益約10,660,000港元則撥入本年度之利潤表內。

業務回顧

本集團於年內主要從事物業發展及投資，與及投資控股(此乃一項於上市證券之策略性投資)。上海之物業項目均正值施工階段或籌劃階段，故本集團於回顧年內之營運業績全部來自澳門之物業發展及投資。

本集團於澳門持有多個舖位及停車位作出售用途，本年度之營業額皆來自該停車場之收費。於澳門的一項住宅單位投資於二零零二年五月變現，並錄得出售虧損。另外，本集團持有位於澳門氹仔一幅土地之60%權益，惟該土地發展計劃尚未落實。

Property Development and Investment in Shanghai

To strengthen the property development capacity in Shanghai, the Group has acquired interests in two companies incorporated in mainland China, namely 上海大道置業有限公司 and Shanghai Zhangjiang Micro-electronics Port Co. Ltd. during the year. These two companies are principally engaged in property development and investment in Zhangjiang Hi-Tech Park, Pudong, Shanghai.

上海之物業發展及投資

為加強於上海之物業發展能力，本集團於年內已收購兩間於中國內地註冊成立之公司之權益，分別為上海大道置業有限公司及上海張江微電子港有限公司。這兩間公司主要從事上海浦東張江高科技園區之物業發展及投資。



湯臣家庭一期



Zhangjiang Hi-Tech Park
張江高科技園區

Zhangjiang Gao Ke Station
張江高科站



上海大道置業有限公司

The Group became to hold a 93.53% interest in the registered capital of 上海大道置業有限公司 (“the Subsidiary”) upon completion of an acquisition of a further 32.75% interest in May 2002 at a consideration of US\$5.01 million (approximately HK\$39.08 million).

The Subsidiary plans to develop a residential project named as 湯臣豪庭 by three phases on two plots of land in Zhangjiang Hi-Tech Park, Pudong, Shanghai with a total gross floor area of approximately 131,000 square meters. The first phase of the development comprises 12 apartment houses of 5 or 7 storeys and its construction has commenced in October 2002 and is expected for completion in mid 2004. Marketing programme is scheduled in the third quarter of 2003.

Shanghai Zhangjiang Micro-electronics Port Co. Ltd.

Shanghai Zhangjiang Micro-electronics Port Co. Ltd. (the “Joint Venture”) is an associated company of the Group who acquired a 37% interest in the registered capital thereof in September 2002 at a consideration of RMB229.22 million (approximately HK\$214.22 million).

The Joint Venture has a land reserve of a site area of around 1.4 million square meters in Zhangjiang Hi-Tech Park, Pudong, Shanghai and is now developing a residential project called Zhangjiang Tomson Garden (Phase I) comprising three-storeyed villas and apartment houses of 8 to 16 storeys, a commercial centre and blocks of intellectual office buildings. It is expected that these three projects will be completed by the second half of 2003. The pre-sale of the residential villas was launched in October 2002 and was warmly received by the market.

上海大道置業有限公司

本集團於二零零二年五月以5,010,000美元(約39,080,000港元)之作價完成進一步收購上海大道置業有限公司(「附屬公司」)之32.75%股權後，本集團便持有該附屬公司註冊資本之93.53%權益。

附屬公司計劃於上海浦東張江高科技園區的兩幅地塊上分三期發展一項名為湯臣豪庭之住宅項目，總建築面積約131,000平方米。首期發展包括12幢5或7層高之公寓樓房，其建築工程已於二零零二年十月施工，並預計於二零零四年年中竣工。市場推廣計劃定於二零零三年第三季進行。

上海張江微電子港有限公司

上海張江微電子港有限公司(「合資公司」)乃本集團於二零零二年九月以人民幣229,220,000元(約214,220,000港元)之作價收購其註冊資本之37%權益後之聯營公司。

合資公司在上海浦東張江高科技園區擁有地盤面積約1,400,000平方米之土地儲備，而現正發展一項名為張江湯臣豪園一期之住宅項目(包括三層高之別墅及8至16層高之公寓樓房)、一幢商業中心及一組智能化辦公室大樓。預計此三個項目將於二零零三年下半年完成。住宅別墅已於二零零二年十月推出預售，市場反應熱烈。

Securities Investment

As at 31st December, 2002, the Group held 160,088,465 shares in TGL, representing 14.76% of the total issued share capital of TGL, as strategic investment.

To divest its passive investment in TGL and acquire additional capital to facilitate the Group's property development in mainland China, the Group issued on 6th May, 2002 a total of 134,045,542 warrants by way of an open offer to shareholders of the Company on the basis of one warrant for every ten shares held in the Company on 10th April, 2002 at an issue price of HK\$0.15 per warrant. The net proceeds from the issuance of the warrants were used as general working capital of the Group. Each warrant entitles its holder the right to purchase in cash one TGL share held by the Group at an exercise price of HK\$0.75 per share (subject to adjustment). Up till the date of this Report, 812,257 warrants were exercised.

Should the remaining 133,233,285 warrants be exercised in full before the expiry of their exercise period at 12:00 noon on 5th May, 2003, the Group's interest in the issued share capital of TGL will be further reduced to 2.48%. Any outstanding warrants would become void after the expiry of the exercise period and the relevant TGL shares will be retained by the Group.

INTRODUCTION OF NEW INVESTORS

The Company completed two placements of an aggregate of 1,268,091,085 shares in May and September 2002 and a total amount of capital of HK\$303.62 million was raised and mainly used for acquisition of interests in the Subsidiary and the Joint Venture mentioned above.

證券投資

於二零零二年十二月三十一日，本集團持有湯臣集團160,088,465股股份（佔湯臣集團已發行股本總額之14.76%）作為策略性投資。

為分散於湯臣集團之被動投資，以及獲取額外資金以應付本集團於中國內地物業發展的財務需要，本集團於二零零二年五月六日以公開發售形式向本公司股東發行合共134,045,542份認股權證，基準為於二零零二年四月十日每持有十股本公司股份可獲配發一份認股權證，每份認股權證之發行價為0.15港元。發行認股權證所得款項淨額已用於本集團之一般營運資金。每份認股權證賦予其持有人權利，按行使價每股0.75港元（可予以調整）以現金認購本集團持有之湯臣集團股份一股。截至本年報刊發之日，812,257份認股權證已獲行使。

倘餘下之133,233,285份認股權證於其行使期間屆滿（二零零三年五月五日正午十二時）前獲悉數行使，本集團於湯臣集團已發行股本之權益將進一步削減至2.48%。任何未行使的認股權證於行使期間屆滿後將失效，有關之湯臣集團股份將由本集團保留。

引入新投資者

本公司於二零零二年五月及九月完成兩次配售，合共1,268,091,085股股份，籌得資金總額約303,620,000港元，主要用於上述收購附屬公司及合資公司之權益。

Upon completion of the two placements, Best Central Developments Limited (“Best Central”), being one of the placees, became the single largest shareholder of the Company holding a 29.9% interest in the Company’s issued share capital. As announced by the Company in March 2003, a wholly-owned subsidiary of Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. (“Zhangjiang Hi-Tech”), a listed company in Shanghai, acquired the entire issued capital of the holding company of Best Central on 17th March, 2003. Hence, the Zhangjiang Group including Zhangjiang Hi-Tech together with its holding company, Shanghai Zhangjiang (Group) Co., Ltd. (a wholly state-owned enterprise in mainland China), became a 29.9% single largest shareholder of the Company. The Board was informed that the Zhangjiang Group intended to hold its interest in the Company as a long-term investment and maintain the listing status of the Company. There is no plan for the Zhangjiang Group to inject its assets or businesses into the Group or dispose of any of the Group’s asset or business or change the principal businesses of the Group. The Board welcomes the Zhangjiang Group to become a substantial shareholder and believes that the closer association with the Zhangjiang Group will be beneficial to the Group’s development in mainland China.

On the other hand, TGL through its wholly-owned subsidiary has subscribed for shares in the Company under the aforesaid placement in September 2002 and now holds a 9.8% interest in the issued capital of the Company.

FINANCIAL REVIEW

Liquidity and Financing

The Group’s capital expenditure and investments for the year ended 31st December, 2002 were mainly funded from subscription monies received from the share placements, cash on hand and borrowings.

在完成兩次配售後，其中一名承配人Best Central Developments Limited (「Best Central」) 成為本公司單一最大股東，持有本公司已發行股本權益29.9%。誠如本公司於二零零三年三月所公佈，上海張江高科技園區開發股份有限公司 (「張江高科技」) (上海一間上市公司) 之一間全資附屬公司於二零零三年三月十七日收購Best Central之控股公司所有已發行股本。因此，張江集團 (包括張江高科技及其控股公司上海張江 (集團) 有限公司 (一間在中國內地之全資國營企業)) 成為持有本公司29.9%權益之單一最大股東。張江集團知會董事局其有意持有本公司股權作為長線投資，並維持本公司之上市地位。張江集團並無計劃向本集團注入其資產或業務，或出售任何本集團之資產或業務，或改變本集團之主要業務。董事局歡迎張江集團成為主要股東，並相信與張江集團的緊密合作將令本集團在中國內地的發展獲益良多。

另一方面，湯臣集團透過其全資附屬公司在上述於二零零二年九月之配售事項中認購本公司股份，現持有本公司已發行股本權益9.8%。

財務回顧

流動資金及融資

本集團於截至二零零二年十二月三十一日止年度之資本開支及投資所需資金主要來自配售股份所得之認購款項、手頭現金及借貸。

At the balance sheet date, the cash and cash equivalents of the Group amounted to approximately HK\$11.26 million. During the year under review, the Group's operations absorbed a cashflow of approximately HK\$13.23 million. In the same year, cash of approximately HK\$288.69 million was spent in investing activities of the Group. After accounting for the cash inflow of approximately HK\$310.65 million from financing activities of the Group, the net cash inflow of the Group for the year amounted to approximately HK\$8.73 million (2001: net cash outflow of approximately HK\$14.86 million).

At the balance sheet date, all the liabilities of the Group were due for repayment within one year and the gearing ratio (total liabilities to shareholders' funds) of the Group was 8.39% (2001: 14.77%).

The Group's borrowings at the balance sheet date amounted to HK\$15.43 million, equivalent to 3.46% of the Group's shareholders' funds at the same date. Amongst the said borrowings, HK\$9.43 million was provided by a financial institution and was secured by a piece of land in mainland China while the remainder was an unsecured loan financed by a Director of the Company. All of these borrowings were due for repayment within one year from the balance sheet date. It is the current plan of the Group to repay these borrowings out of future operating revenue and sale of miscellaneous surplus assets/investments of the Group. The major shareholders of the Company have confirmed to continue their support to the Group and possible plans are being implemented to reduce the borrowings, hence the Board is confident with the solvency of the Group.

In addition, the Group had capital commitments in respect of construction of properties under development contracted for but not provided amounting to approximately HK\$2.96 million at the balance sheet date (2001: capital commitments of approximately HK\$177.66 million of which HK\$126.9 million was authorised but not contracted for).

於結算日，本集團之現金及等同現金項目約達11,260,000港元。於回顧年度內，本集團之經營業務共吸納流動現金約13,230,000港元，而投資活動所動用現金約288,690,000港元。經計及本集團融資活動帶來現金流入約310,650,000港元後，本集團於本年度之現金流入淨額約為8,730,000港元（二零零一年：現金流出淨額約14,860,000港元）。

於結算日，本集團全部債項均須於一年內到期償還，而本集團之資本負債率（即負債總額對股東資金比率）為8.39%（二零零一年：14.77%）。

本集團於結算日之借貸為15,430,000港元，相等於本集團同日之股東資金之3.46%。在上述借貸當中，約9,430,000港元乃由一間財務機構提供，並以位於中國內地一幅土地作抵押，其餘為本公司一位董事提供之無抵押貸款。該等借貸均須於結算日起計一年內到期償還。本集團現計劃以日後之經營收益及出售本集團之其他過剩資產／投資償還該等貸款。本公司主要股東已確認，彼等會繼續支持本集團，而本集團正進行若干可行計劃以減少借貸，因此董事局對本集團之償債能力充滿信心。

此外，於結算日，本集團有關已訂約但未撥備之發展中物業之建築工程之資本承擔約為2,960,000港元（二零零一年：約177,660,000港元資本承擔，當中包括約126,900,000港元為已獲授權但尚未訂約之資本承擔）。

Charge on Assets

As at 31st December, 2002, the Group pledged a piece of land in mainland China with a carrying value of approximately HK\$86.46 million to a bank to secure a short-term loan of the Group.

As at 31st December, 2001, the Group pledged certain shares in TGL with an aggregate carrying value of approximately HK\$108.56 million to secure a general banking facility of the Group. The charge was released upon full repayment of the facility in February 2002.

Foreign Exchange Exposure

As all of the assets and liabilities of the Group are denominated in Hong Kong Dollars or Macau Pataca or United States Dollars or Renminbi, the Group does not expect any significant exchange risk exposure.

Contingent Liabilities

The Group had no material contingent liabilities during the year under review.

PROSPECTS

The Board is confident in the future prospects of the property market in mainland China, especially in Shanghai. It also believes that the close association with the Zhangjiang Group, the single largest shareholder of the Company, will not only assist the Company in identifying investment opportunities in mainland China and consolidate the Group's relationship with the local government authorities therein, especially in the area of Pudong, Shanghai, but also create a better corporate identity which will enhance the Company's ability to raise financing for its development projects.

資產抵押

於二零零二年十二月三十一日，本集團將一幅位於中國內地而賬面值約86,460,000港元之土地抵押，作為本集團一項銀行短期信貸之擔保。

於二零零一年十二月三十一日，本集團將賬面總值約108,560,000港元之若干湯臣集團股份抵押，作為本集團獲授之一項一般銀行信貸之擔保。該項借貸在二零零二年二月全數清償後，有關抵押已獲解除。

匯兌風險

由於本集團所有資產及負債均以港元或澳門幣或美元或人民幣計算，故此本集團預期不會面對任何重大匯兌風險。

或然負債

本集團於回顧年度內並無重大或然負債。

前景

董事局對中國內地（尤其是上海）物業市場之未來前景充滿信心，並相信與張江集團（本公司之單一最大股東）之緊密合作將不僅有助本公司在中國內地物色投資商機，以及鞏固本集團與當地（特別是上海浦東地區）政府機關的關係，更能營造一個更佳的企业形象，有助提升本公司將來為其發展項目集資的能力。

On the other hand, the Group will be cautious in evaluating any feasible restructuring proposals for its property investment portfolio in Macau and also any development opportunities for the vacant site at Taipa.

DIRECTORS AND STAFF

The Board of Directors was pleased to appoint Mr Ji Jie Ping as Executive Director of the Company during the year and welcome the joining of Ms Hou Chun as Independent Non-executive Director of the Company after the resignation of Madam Tung Wai Yee in January 2003. The Company wishes to express its appreciation to Madam Tung for her valuable contribution to the Company during her tenure.

The Group employed 30 employees in its various offices in Hong Kong, Macau and Shanghai as at 31st December, 2002. The total staff cost for the year amounted to approximately HK\$614,000. Remuneration paid to salaried staff of the Group is determined by reference to market terms and individual performance and qualifications. In addition, the Company has adopted a share option scheme pursuant to which options are allowed to grant to directors and employees of the Company and its subsidiaries to subscribe for shares in the Company.

The Board would like to express its heartfelt gratitude to all the staff members of the Group for their dedication and loyalty over the years.

On behalf of the Board

Sung Tze Chun

Executive Director

Hong Kong, 15th April, 2003

另一方面，本集團將審慎評估澳門物業投資組合之任何可行性重組計劃，以及就氹仔空置地盤之任何發展機會作出仔細之評估。

董事及僱員

於年度內，董事局欣然委任季界平先生成為本公司執行董事，並歡迎郝君小姐在董慧儀女士於二零零三年一月請辭後，出任本公司獨立非執行董事。本公司謹藉此感謝董女士於在任期內對本公司所作之寶貴貢獻。

於二零零二年十二月三十一日，本集團在香港、澳門及上海多間辦事處共聘有三十名僱員。年度之總職工成本約為614,000港元。向本集團受薪僱員支付之薪酬乃經參考市場薪酬水平及個別職工之表現及資格釐定。此外，本公司已採納一項購股權計劃，據此可授出購股權予本公司及其附屬公司之董事及僱員，以供彼等認購本公司之股份。

董事局同寅謹向本集團各員工多年來之辛勤努力及忠誠服務衷心致謝。

代表
董事局
執行董事
宋四君

香港，二零零三年四月十五日