

# Management Discussion and Analysis

## 管理層討論及分析



Tomson Golf Villas  
湯臣高爾夫別墅

### GENERAL OVERVIEW

It is delighted to report to all shareholders that the Group has made a record of a consolidated net profit after taxation and minority interests of approximately HK\$243.60 million (2003: HK\$83.38 million) and a basic earnings per share of 21.88 HK cents (2003: 7.63 HK cents) for the year ended 31st December, 2004. The drastic improvement in results for the year was mainly attributable to a sound increase in the turnover together with a favourable profit margin in the business of property development and trading of the Group, which had a contribution of approximately HK\$210.38 million to the Group's results. The Group also shared a profit of jointly controlled entities of approximately HK\$12.12

### 概覽

本公司欣然向各股東報告，本集團於截至二零零四年十二月三十一日止年度之除稅及少數股東權益後綜合溢利淨額約為243,600,000港元（二零零三年：83,380,000港元）及每股基本盈利為21.88港仙（二零零三年：7.63港仙）。本年度之業績錄得大幅改善主要由於本集團之物業發展及銷售業務之營業額錄得穩健增長，且利潤可觀，為本集團業績帶來貢獻約210,380,000港元。本集團於本年度亦分佔合營企業約12,120,000港元之溢利。此外，由於在年度結束日對位於上海之投資物業作出市值

million for the year. In addition, a surplus of approximately HK\$27.62 million on revaluation of investment properties in Shanghai was credited to the income statement for the year under review to recover revaluation deficits previously charged as a result of a market valuation of the properties at the year end date.

## DIVIDEND

For the year ended 31st December, 2004, the Board of the Company would like to recommend a payment of a final dividend of HK\$0.10 per share while no interim dividend was declared (2003: a special dividend of HK\$0.32 per share). The final dividend would be payable to the shareholders whose names appear on the register of members of the Company on Friday, 27th May, 2005 and dividend warrants are expected to be despatched on Friday, 3rd June, 2005.

評估，一項重估投資物業之盈餘約達27,620,000港元已計入於回顧年度之利潤表，以彌補往年扣除之重估虧絀。

## 股息

本公司董事局建議派付截至二零零四年十二月三十一日止年度之末期股息每股0.10港元，而年度中並無宣派中期股息（二零零三年：特別股息每股0.32港元）。末期股息將派發予於二零零五年五月二十七日（星期五）名列本公司股東名冊之股東，而股息單預期於二零零五年六月三日（星期五）寄發。



## OPERATIONS REVIEW

The Group has started its investment in mainland China since early 1990's and Shanghai has long been the Group's development base. Property sector is always the focal point of the Group while leisure activities have increased their importance in the Group's business portfolio. In terms of contribution to the Group's results for the year ended 31st December, 2004, property development and trading was at the top, property investment was the second while leisure activities and industrial operations ranked the third and the fourth respectively.

## 業務回顧

本集團早於一九九零年代初期已開始於中國國內進行投資，並長期以上海為本集團之發展基地。物業業務一直為本集團之發展重點，而消閒業務佔本集團業務組合之比重亦日漸提高。就對本集團截至二零零四年十二月三十一日止年度業績之貢獻而言，物業發展及銷售仍高踞首位，而物業投資次之，消閒業務及工業業務則分別排名第三及第四位。



Tomson Harbour View Mansions (under decoration)

湯臣海景大廈(裝修中)

Besides, the Company has completed the acquisition of the minority interests in two subsidiaries in December 2004 and March 2005 respectively and now wholly owns the developers of Tomson Golf Villas and Tomson Harbour View Mansions and also the operator of Tomson Shanghai Pudong Golf Club.

### Property Development and Investment

Of the turnover of approximately HK\$765.35 million for the year ended 31st December, 2004, property development and investment accounted for nearly 86% and high-end residential property development was and is expected to remain the major source of revenue of the Group.

#### Tomson Golf Villas and Garden

The Group has already completed construction of seven phases of Tomson Golf Villas and a development of apartment houses named as Tomson Golf Garden around the periphery of Tomson Shanghai Pudong Golf Club in Huamu District of Pudong. This residential property project accounted for over 70% of the gross profit of the Group during the year under review.

此外，本公司於二零零四年十二月及二零零五年三月分別完成收購兩間附屬公司之少數股東權益，現時全資擁有湯臣高爾夫別墅及湯臣海景大廈兩個項目之發展商以及湯臣上海浦東高爾夫球會之營辦商。

### 物業發展及投資

截至二零零四年十二月三十一日止年度約765,350,000港元之營業額中，接近86%乃來自物業發展及投資，而高檔住宅物業發展乃及預期仍為本集團之主要收入來源。

#### 湯臣高爾夫別墅及花園

湯臣高爾夫別墅及花園位處於浦東花木區湯臣上海浦東高爾夫球會之周邊。本集團已完成湯臣高爾夫別墅共七期之工程，以及名為湯臣高爾夫花園之公寓樓房發展項目。於回顧年度內，該項住宅物業項目佔本集團毛利逾70%。

Up to 31st December, 2004, nearly 85% of the latest three phases of Tomson Golf Villas of a total gross floor area of over 93,000 square meters has been sold while the saleable area of the first four phases of the development has already been sold out. Of the total gross floor area of Tomson Golf Garden of approximately 53,000 square meters, a sale of almost 97% was recorded.

### Tomson Harbour View Mansions

Tomson Harbour View Mansions, a luxurious residential development in Pudong along the Huangpu River, will be the premier project of the Group to be launched in 2005. The development is composed of four residential towers of 40 to 44 storeys and a clubhouse with a total gross floor area of nearly 142,000 square meters. Its superstructure was completed and it is now under decoration. The project is targeted for completion by the end of 2005 and will be ready for hand-over in the first half of 2006. The management is in the process of selecting suitable professional property management team for the project.

截至二零零四年十二月三十一日，總樓面面積逾93,000平方米之最新三期湯臣高爾夫別墅已售出接近85%，而該項目首四期之可出售面積已經全部售罄。湯臣高爾夫花園約53,000平方米之總樓面面積亦已售出差不多97%。

### 湯臣海景大廈

位於浦東黃浦江畔之豪華住宅發展項目——湯臣海景大廈將為本集團於二零零五年推出之重點項目。此發展項目包括四幢分別為40至44層高之住宅大廈及一所會所，總樓面面積接近142,000平方米，經已結構封頂及現正進行裝修。預期此項目將於二零零五年年底竣工，並將於二零零六年上半年交付使用。管理層現正為此項目揀選合適之專業物業管理隊伍。



Tomson Harbour View Mansions  
湯臣海景大廈



Tomson Golf Garden  
湯臣高爾夫花園

### Other Residential Property Projects

Apart from the above two key property projects, the Group has completed two more residential property projects in recent years, one in Pudong while another in Puxi.

Tomson Garden is a large-scale residential development in Zhangjiang Hi-Tech Park of Pudong and next to Tomson Shanghai Pudong Golf Club. Of the total gross floor area of approximately 141,000 square meters, 99% has been sold with only 5 units remaining for sale.

Xingguo Garden, a development of low-rise apartment houses in Changning District of Puxi, has concluded sales of 70% of the total gross floor area of approximately 10,000 square meters.

### Commercial and Industrial Buildings

During the year under review, the Group received a steady rental income from its commercial and industrial property portfolio in Pudong, which includes Tomson Financial Building, Tomson International Trade Building, Tomson Waigaoqiao Industrial Park and the commercial podium of Tomson Business Centre.

### 其他住宅物業項目

除上述兩項主要物業項目外，本集團近年亦完成另外兩項分別位於浦東及浦西之住宅物業項目。

湯臣豪園為一項大型住宅發展項目，位於浦東張江高科技園區內及湯臣上海浦東高爾夫球會側。約141,000平方米之總樓面面積中已售出99%，僅餘下5個單位可供出售。

湯臣怡園為一項位於浦西長寧區之低層式公寓樓房之發展項目，約10,000平方米之總樓面面積中經已售出70%。

### 商業及工業大廈

於回顧年度內，本集團透過其位於浦東之商業及工業物業組合收取穩定之租金收入。本集團之商業及工業物業組合包括湯臣金融大廈、湯臣國際貿易大樓、湯臣外高橋工業園區以及湯臣商務中心大廈之商場部份。



Tomson Garden  
湯臣豪園

## Land Bank

The Group has a land bank of a site area of over 900,000 square meters in Pudong, Shanghai for low-density residential development of around 600,000 square meters in gross floor area term.

A development of a series of detached villas plus auxiliary facilities of a total gross floor area of approximately 122,000 square meters on a site near Tomson Shanghai Pudong Golf Club is being planned. Construction works are now scheduled to commence within 2005.

## Hospitality and Leisure Industry

### Tomson Shanghai Pudong Golf Club

Tomson Shanghai Pudong Golf Club has reported a heartening improvement in both its club operation and sale of its membership debentures during the year, in particular, the sale proceeds of membership debentures accounted for approximately 60% of the total operating revenue of the Golf Club for the year ended 31st December, 2004.

## 土地儲備

本集團於上海浦東擁有地盤面積超過900,000平方米之土地儲備，可作為發展總樓面面積約600,000平方米之低密度住宅項目。

本集團現計劃於湯臣上海浦東高爾夫球會附近一幅地塊上發展一系列獨立式別墅及配套設施，總樓面面積約122,000平方米，建築工程預計於二零零五年動工。

## 款客及消閒業務

### 湯臣上海浦東高爾夫球會

年內，湯臣上海浦東高爾夫球會之會所業務及會籍債券銷售均錄得顯著改善，當中會籍債券之銷售所得款額更佔高爾夫球會截至二零零四年十二月三十一日止年度總經營收益約60%。



Xingguo Garden  
湯臣怡園



During the year under review, 2004 BMW Asian Open was held in the Golf Club. The successful organization of the tournament not only enhanced the popularity of the Golf Club but also led to an increase in its operating revenue and sale of its club membership. It is affirmed that 2005 BMW Asian Open will also be held in the Golf Club.

In addition to the 18-hole golf course, the Golf Club has completed the construction of an additional 9-hole mini golf course that will be ready for service in mid 2005.

於回顧年度內，二零零四年BMW亞洲公開賽於高爾夫球會舉行。成功舉辦此項賽事不僅提高高爾夫球會之知名度，更帶動增加會所之經營收益及會籍之銷售。目前已確認二零零五年BMW亞洲公開賽將繼續於高爾夫球會舉行。

高爾夫球會除設有一個18洞之高爾夫球場外，其新興建之9洞小型高爾夫球場亦已竣工，並將於二零零五年年中投入服務。

Tomson Shanghai Pudong Golf Club  
湯臣上海浦東高爾夫球會





Hotel Inter-Continental Pudong Shanghai  
上海新亞湯臣洲際大酒店

### Hotel Inter-Continental Pudong Shanghai

After completion of the renovation of the hotel in 2003 and relief of the impact of Severe Acute Respiratory Syndrome in mainland China, there was a big jump in the turnover of the hotel operation for the year 2004, especially in the room rental. The average occupancy rate of the hotel for 2004 was 79%, a growth rate of 30% over that for last year.

The Group holds a 50% interest in the hotel and shared a profit of approximately HK\$12.20 million for the year under review.

### Industrial Operations

Under the effort of the staff and management, the operation of manufacturing PVC pipes and fittings in Shanghai, in which the Group has a 58% interest, reported profit for the year under review though facing a significant increase in its material cost. The PVC products of the operation were honoured as one of the “Top 100 Brands of Products in Shanghai” in 2004. The management will endeavour not only to reinforce both the cost control and quality control of the operation but also to develop new products so as to enhance the competitive advantage of the operation.

### 上海新亞湯臣洲際大酒店

於二零零三年完成酒店翻新工程，以及嚴重急性呼吸系統綜合症在中國國內之影響日漸減退後，酒店業務於二零零四年度之營業額大幅增長，尤其是房間租金。酒店於二零零四年之平均入住率為79%，較上年度增幅達30%。

於回顧年度內，本集團持有酒店50%權益，並分佔其溢利約12,200,000港元。

### 工業業務

儘管材料成本大幅增加，惟在員工及管理層不懈努力下，本集團擁有58%權益之上海膠管及配件製造業務於回顧年度錄得溢利。此業務之塑膠產品於二零零四年獲評為「上海名牌產品100強」之一。管理層將不單致力加強對該業務之成本控制及品質控制，更會開發新產品，藉以提高該業務之競爭優勢。



## Investment Holding

In addition to its own property development projects, the Group has an indirect investment in the property market in Pudong by holding a 9.8% interest in the issued capital of Rivera (Holdings) Limited (“RHL”), a listed company in Hong Kong, and a 13.5% interest in the registered capital of an associated company of RHL established in mainland China. Both RHL and its associated company are principally engaged in property development and investment in Zhangjiang Hi-Tech Park, Pudong, Shanghai.

## ISSUE OF ZERO COUPON CONVERTIBLE BONDS DUE 2009

On 4th June, 2004, the Company issued zero coupon convertible bonds due 2009 in an aggregate principal amount of US\$50 million (the “Bonds”) at par to professional investors under a subscription agreement entered into with Deutsche Bank AG London (the “Global Co-ordinator”) dated 27th May, 2004. An option has also been granted to the Global Co-ordinator to subscribe for additional convertible bonds of an

## 投資控股

除本集團本身之物業發展項目外，本集團亦透過持有川河集團有限公司（「川河」，一間香港上市公司）之已發行股本9.8%權益及於川河在中國國內成立之聯營公司之註冊資本中擁有13.5%權益，而間接投資於浦東之物業市場。川河及其聯營公司之主要業務均為於上海浦東張江高科技園區進行物業發展及投資。

## 發行二零零九年到期之零息可換股債券

於二零零四年六月四日，本公司根據於二零零四年五月二十七日與德意志銀行（「全球協調人」）訂立之認購協議，按面值向專業投資者發行本金總額為50,000,000美元之二零零九年到期之零息可換股債券（「債券」）。本公司亦已向全球協調人授予一項期權，可向本公司認購本金總額最多達

Tomson International Trade Building  
湯臣國際貿易大樓



Tomson Waigaoqiao Industrial Park  
湯臣外高橋工業園區



aggregate principal amount up to US\$4.307 million from the Company but was lapsed without exercise. The net proceeds of the bond issue were and will be used by the Company to, inter alia, finance asset acquisition and repayment of bank loans owed by its subsidiaries.

The Bonds are listed on The Stock Exchange of Hong Kong Limited as selectively marketed securities and do not bear any interest. Unless previously redeemed, converted or purchased and cancelled, the Bonds will, at the option of their holders, be convertible into fully paid ordinary shares of HK\$0.50 each in the capital of the Company at an initial conversion price of HK\$1.95 per share (subject to adjustment) during the period from 4th July, 2004 to 20th May, 2009. All or some of the Bonds may also be redeemed at the option of their relevant holders on 4th June, 2006 at 106.66% of their principal amount. Otherwise, the Bonds will be redeemed on their maturity on 4th June, 2009 at 117.49% of their principal amount.

4,307,000美元之額外可換股債券，惟該項期權未被行使及已經失效。發行債券之所得款項淨額已經及將會供本公司用作(其中包括)收購資產及償還其附屬公司欠負之銀行貸款。

債券現以選擇性銷售證券形式在香港聯合交易所有限公司上市，並且無附帶任何利息。除非債券提前已被贖回、兌換或購回及註銷，否則債券持有人有權於二零零四年七月四日至二零零九年五月二十日止期間按每股股份1.95港元之初步換股價(可予調整)將其債券兌換為本公司股本中每股面值0.50港元之已繳足普通股。債券持有人亦有權要求本公司於二零零六年六月四日按本金金額之106.66%贖回全部或部份債券。否則，債券將於二零零九年六月四日到期時按其本金金額之117.49%贖回。

Tomson Financial Building  
湯臣金融大廈



Tomson Business Centre  
湯臣商務中心大廈



Up to the date hereof, a US\$5.25 million aggregate principal amount of the Bonds were converted into fully paid ordinary shares in the capital of the Company and none of the Bonds were redeemed or purchased. Upon completion of the registration and allotment process, the Company will have a total of 1,134 million ordinary shares in issue and the Bonds in the aggregate principal amount of US\$44.75 million outstanding.

## FINANCIAL REVIEW

### Liquidity and Financing

The Group's capital expenditure and investments for the year were funded from cash on hand, operating revenue, net proceed from bond issue and bank borrowings.

At the balance sheet date, the cash and cash equivalents of the Group amounted to approximately HK\$1,531.04 million. During the year under review, the Group generated a net cash inflow of approximately HK\$538.55 million from its operations while cash of approximately HK\$326.68 million was spent in investing activities of the Group. After taking into account a net cash inflow of approximately HK\$611.81 million from its financing activities, the Group recorded a net cash inflow of approximately HK\$823.68 million (2003: cash outflow of HK\$205.03 million) for the year under review. The net cash inflow was attributable to not only an increase in turnover but also the issue of convertible bonds and an addition of a long-term bank loan during the year.

The Group's borrowings as at 31st December, 2004 amounted to approximately HK\$842.53 million (2003: HK\$203.45 million), equivalent to 23.71% (2003: 6.38%) of the Group's shareholders' funds at the same date. Amongst those borrowings, 98.23% was due for repayment within five years from the balance sheet date and on the other hand, in view of the nature, 52.45% was financed by bank loans under security and 45.78% was generated from the issue of zero coupon convertible bonds. The remaining 1.77% of the total borrowings was an unsecured advance from a jointly controlled entity of the Company and had no fixed terms of repayment.

截至本報告日期，債券本金總額共5,250,000美元已兌換為本公司股本中之已繳足普通股，且並無贖回或購回任何債券。待登記及配發程序完成後，本公司將有已發行普通股合共約1,134,000,000股及尚未償還之本金總額合共44,750,000美元之債券。

### 財務回顧

#### 流動資金及融資

本集團於本年度之資本開支及投資所需之資金均來自手頭現金、營運收益、發行債券之所得款項淨額及銀行借貸。

於結算日，本集團之現金及等同現金項目約為1,531,040,000港元。於回顧年度內，本集團來自經營業務所得之現金流入淨額約為538,550,000港元，而本集團之投資業務則已動用約326,680,000港元之現金。於計入融資活動之現金流入淨額約611,810,000港元後，本集團於回顧年度內錄得現金流入淨額約為823,680,000港元（二零零三年：現金流出約為205,030,000港元）。錄得現金流入淨額之原因不僅因營業額上升，亦由於年內發行可換股債券及新增長期銀行貸款所致。

於二零零四年十二月三十一日，本集團之借貸總額約為842,530,000港元（二零零三年：203,450,000港元），相等於本集團於同日之股東資金之23.71%（二零零三年：6.38%）。在上述借貸中，98.23%須於結算日起計五年內到期償還；另一方面，按性質而言，52.45%乃已有抵押之銀行貸款，而45.78%則來自發行零息可換股債券。借貸總額餘下1.77%乃本公司一間合營企業之無抵押墊款，且並無固定還款期。

At the balance sheet date, the Group's capital commitments in relation to expenditure on properties under development, which were contracted but not provided for, amounted to approximately HK\$952.98 million (2003: HK\$1,023.89 million). The Group anticipates to fund those commitments from its future operating revenue, bank borrowings and other sources of finance where appropriate.

The Group recorded a current ratio of 5.23 times (2003: 4.49 times) and a gearing ratio (total liabilities to shareholders' funds) of 37.28% (2003: 19.60%) as at 31st December, 2004. The significant increase in the gearing ratio was resulted from the issue of the convertible bonds and the addition of the long-term bank loan during 2004.

#### Charge on Assets

As at 31st December, 2004, assets of the Group with an aggregate carrying value of approximately HK\$878.72 million (2003: HK\$653.16 million) were pledged to banks to secure general banking facilities of the Group and mortgage finance granted to buyers of properties developed by the Group or its jointly controlled entity.

#### Foreign Exchange Exposure

The Group does not anticipate any material foreign exchange exposure since its cash and cash equivalents held, borrowings, revenue and expenses are denominated either in Hong Kong Dollars or Renminbi or United States Dollars.

#### Contingent Liabilities

As at 31st December, 2004, the Group had contingent liabilities in the following aspects:

- (a) a provision of a guarantee to indemnify the management company of Hotel Inter-Continental Pudong Shanghai for the renovation fund;
- (b) a provision of undertaking to various banks in relation to mortgage finance granted to buyers of properties developed by the Group and its jointly controlled entity; and

於結算日，本集團有關發展中物業開支之已訂約惟尚未撥備之資本承擔約為952,980,000港元(二零零三年：1,023,890,000港元)。本集團預期以日後之經營收益、銀行借貸及其他適用之融資來源應付該等承擔。

於二零零四年十二月三十一日，本集團錄得流動比率為5.23倍(二零零三年：4.49倍)及資本負債比率(即債項總額對股東資金之比率)為37.28%(二零零三年：19.60%)。資本負債比率大幅上升乃由於在二零零四年內發行可換股債券及新增長期銀行貸款所致。

#### 資產抵押

於二零零四年十二月三十一日，本集團總賬面值約878,720,000港元(二零零三年：653,160,000港元)之資產已抵押予銀行，以作為本集團之一般銀行信貸以及本集團或其合營企業所發展物業之買家所獲按揭融資之擔保。

#### 匯兌風險

由於本集團持有之現金及等同現金項目、借貸、收入及開支均以港元或人民幣或美元列值，故本集團預期不會承受任何重大匯兌風險。

#### 或然負債

於二零零四年十二月三十一日，本集團擁有涉及下列各項之或然負債：

- (a) 向上海新亞湯臣洲際大酒店之管理公司就翻新工程所需資金而提供之擔保；
- (b) 向若干銀行提供就本集團及其合營企業所發展之物業之買家所獲按揭融資之承擔；及

- (c) a possible levy of land appreciation tax by the tax authorities in mainland China in respect of the Group's sale of properties there.

The Board is of the opinion that it would be unlikely for the Group to suffer any material financial loss owing to the provision of the aforesaid guarantee and undertaking and the chance that the land appreciation tax might be levied is less than probable. Details of the contingent liabilities of the Group are shown in Note 26 to the financial statements of the Group for the year under review on pages 92 to 94.

### PROSPECTS

Having confidence in the future development of Shanghai, the Group desires to keep up its business focus in fields of property development and investment and leisure activities there. It is believed that the property market will sustain a steady and long-term growth after the adjustment originating from the recent measures of the government to halt property speculation. The Board is optimistic to the prospect of the Group's business in the property sector in Shanghai even though there may be a possibility that the tax authorities may strictly enforce the levy of land appreciation tax on property developers. The management will nevertheless be cautious in formulating the future business plan of the Group in the presence of its sufficient land bank and ample capital fund for business development. The Group also considers holding certain quality properties as long-term investments to increase its recurrent rental income.

Apart from actively developing its core business in the property sector, the Group will seriously contemplate any other potential investment opportunities to further its development and diversify its business portfolio.

### CHANGE IN CONTROLLING SHAREHOLDER

It is regretful that the controlling shareholder of the Company, Mr Tong Cun Lin has passed away in October 2004 and the Board would like to extend its condolences to Mr Tong's family and its sincere appreciation to Mr Tong for his past contribution to the Group.

- (c) 中國國內稅務機關就本集團在當地出售物業而可能徵收之土地增值稅。

董事局認為，本集團不大可能就提供上述擔保及承擔而招致任何重大財務虧損，而徵收土地增值稅之可能性亦屬輕微。本集團或然負債之詳情載於第92至第94頁本集團於回顧年度內之財務報表附註26內。

### 展望

本集團對上海之未來發展充滿信心，故有意繼續專注於當地之物業發展及投資以及消閒業務。本集團相信，政府近期推行壓抑物業投機活動之措施後，物業市場已稍作調整，並將會有持續穩定而長遠之增長。儘管稅務機關可能對物業發展商嚴格徵收土地增值稅，惟董事局仍對本集團於上海物業市場之業務前景持樂觀態度。然而，管理層將審慎地善用本集團充足之土地儲備及充裕的資本資金以制訂本集團之未來業務發展計劃。本集團亦考慮持有若干優質物業作為長期投資以增加其經常性租金收入。

除積極於物業市場發展其核心業務外，本集團將認真物色任何其他潛在投資機會，從而進一步發展及擴大其業務組合。

### 控股股東之變動

本公司控股股東湯君年先生於二零零四年十月不幸辭世，董事局謹向湯先生之家屬致以深切之慰問，並衷心感激湯先生過往對本集團所作出之寶貴貢獻。

Madam Hsu Feng, in her capacity as an executrix of the estate of Mr Tong, her late husband, is deemed to be a controlling shareholder of the Company. Together with her parties acting in concert, Madam Hsu holds more than 50% interest in the issued share capital of the Company.

## DIRECTORS AND STAFF

The Board would like to welcome the joining of Mr Cheung Siu Ping, Oscar as an independent non-executive Director of the Company during 2004 and there are now three executive Directors and three independent non-executive Directors on the Board.

As at the end of the year 2004, the Group engaged over 800 employees in total in its various offices in Hong Kong, Shanghai and Taiwan excluding those associates and jointly controlled entities. The total staff costs including emoluments paid to the Directors during the year under review amounted to approximately HK\$38.22 million. Remuneration and benefit packages are generally structured with reference to market terms together with individual responsibilities, performance and qualification. Discretionary bonus was paid to employees based on individual contribution. In addition, the Company has established a share option scheme pursuant to which options are allowed for granting to directors and employees of the Group 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 valuable services and devotion to the Group over the years.

On behalf of the Board

**Hsu Feng**

*Managing Director*

Hong Kong, 14th April, 2005

徐楓女士(作為其先夫湯先生之遺產執行人)被視為本公司之控股股東。徐女士與其行動一致人士合共持有本公司已發行股本中超過50%權益。

## 董事及僱員

董事局謹此歡迎張兆平先生於二零零四年加入成為本公司獨立非執行董事，本公司董事局現時由三位執行董事及三位獨立非執行董事組成。

於二零零四年年底，本集團在香港、上海及台灣多個辦事處共聘用逾800名員工(不包括聯營公司及合營企業)。總員工成本(包括於回顧年度內付予董事之酬金)約為38,220,000港元。酬金及有關福利一般根據市場條款及個別僱員之職責、表現與履歷而釐訂，並按個別員工之貢獻而發放花紅。此外，本公司設有一項購股權計劃，據此，可向本集團之董事及僱員授出購股權以認購本公司股份。

董事局謹此對本集團各員工多年來之竭誠服務及忠誠支持表示衷心謝意。

代表

董事局

董事總經理

**徐楓**

香港，二零零五年四月十四日