

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

GENERAL OVERVIEW

The Company and its subsidiaries (altogether the “Group”) have reported a consolidated net profit after taxation attributable to shareholders of the Company of approximately HK\$18.76 million (2004: HK\$163.30 million) and a basic earnings per share of 0.72 HK cent (2004: 6.26 HK cents) for the year ended 31st December, 2005. The slump in results for the year under review was mainly because the property development projects of the Group in Shanghai are under construction, therefore, neither sale proceeds nor profit derived from that business segment could be recognised in the results for 2005 according to accounting policies of the Group.

During the year under review, the turnover of the Group solely represented the proceeds from securities trading in Hong Kong and securities investment was also the principal source of profit of the Group. A dividend income of HK\$15.95 million from a listed securities investment in Hong Kong was recorded in the consolidated income statement of the Group in 2005. Besides, the Group shared a profit of approximately HK\$7.09 million from an associated company in Shanghai.

概覽

本公司及其附屬公司（統稱「本集團」）截至二零零五年十二月三十一日止年度錄得本公司股東應佔除稅後綜合溢利淨額約18,760,000港元（二零零四年：163,300,000港元）和每股基本盈利0.72港仙（二零零四年：6.26港仙）。回顧年度業績下跌主要由於本集團位於上海之物業發展項目仍在興建中，故根據本集團之會計制度，來自該項業務之銷售收益或溢利均未可計入二零零五年度業績中。

在回顧年度內，本集團的營業額單一來自香港之證券買賣收入，而證券投資也是本集團的主要溢利來源。一項香港上市證券投資的股息收入約15,950,000港元已計入本集團二零零五年度之綜合利潤表內。此外，本集團應佔一家於上海的聯營公司的溢利約為7,090,000港元。



Tomson Beautiful Space (Phase 1) 湯臣豪庭一期



OPERATIONS REVIEW

The Group's principal activities are property development and investment in Shanghai and Macau together with securities trading and investment in Hong Kong. Securities trading in Hong Kong contributed to the entire turnover of the Group of approximately HK\$1.70 million for the year under review, nevertheless, property development and investment in Shanghai remains the principal business of the Group and represented around 52.81% of the net asset value of the Group as at 31st December, 2005. Besides, the Group holds an investment property and trivial properties for sale in Macau.

業務回顧

本集團之主要業務為位於上海及澳門之物業發展及投資，以及在香港之證券買賣及投資業務。於回顧年度內，香港之證券買賣業務貢獻本集團之全部營業額共約1,700,000港元。然而，上海之物業發展及投資仍然為本集團之主要業務，佔本集團於二零零五年十二月三十一日之資產淨值約52.81%。此外，本集團於澳門持有一項投資物業及可供出售之少量物業。

Tomson Beautiful Space (Phase 2) 湯臣豪庭二期



Property Development and Investment

上海大道置業有限公司 (Shanghai Boulevard Real Estate Co., Limited)

Shanghai Boulevard Real Estate Co., Limited is the principal subsidiary of the Group and is engaged in development of a residential project, namely Tomson Beautiful Space, in Zhangjiang Hi-Tech Park, Pudong, Shanghai, the People's Republic of China ("PRC").

物業發展及投資

上海大道置業有限公司

上海大道置業有限公司為本集團的主要附屬公司及於中華人民共和國（「中國」）上海浦東張江高科技園區內從事發展一項住宅項目，名為湯臣豪庭。

Phase 1 of Tomson Beautiful Space of a total gross floor area of approximately 47,500 square meters was completed and sold out in 2004 while construction of Phase 2 of the project was in progress and is scheduled for completion in the second half of 2006. Phase 2 is composed of 22 blocks of apartment houses of four to six storeys, a clubhouse and other facilities with a total gross floor area of approximately 96,000 square meters. The project received a warm welcome by the market and nearly a quarter of the units were sold as at 31st December, 2005. Pre-sale deposits of HK\$140.49 million were received and are expected to be recognised in the annual results of the Group for 2006.

Shanghai Zhangjiang Micro-electronics Port Co. Ltd.

Through Shanghai Zhangjiang Micro-electronics Port Co. Ltd. (“SZMP”), a joint venture in Shanghai and in which the Group holds a 37% interest, the Group not only has an interest in substantial residential and commercial property development and investment projects in Zhangjiang Hi-Tech Park, but also occupies a land bank of a site area of over 250,000 square meters for further development therein. During the year under review, rental income from business centre and intellectual office buildings was SZMP’s principal source of income and the Group shared a profit of approximately HK\$7.09 million from SZMP.

總樓面面積約為47,500平方米的湯臣豪庭第一期已於二零零四年落成，並於同年沽清，而第二期項目的建築工程正在進行中，預期於二零零六年下半年竣工。第二期包括合共22幢4至6層高公寓樓房、一個會所和其他設施，其總樓面面積約為96,000平方米。市場對該項目反應熱烈，於二零零五年十二月三十一日，近四分之一單位已經售出。本集團已收取預售訂金約140,490,000港元，預期將於本集團二零零六年度全年業績中確認該筆款項。

上海張江微電子港有限公司

本集團透過持有一家位於上海的合營企業—上海張江微電子港有限公司（「張江微電子港」）之37%權益，不但於張江高科技園區持有重大住宅及商業物業發展和投資項目的權益，也擁有一幅地盤面積超過250,000平方米的土地儲備，以供進一步發展之用。在回顧年度，來自商業中心和智能化辦公大樓的租金收入為張江微電子港的主要收入來源。本集團應佔張江微電子港的溢利約為7,090,000港元。

Zhangjiang Tomson Garden (Phase 1) 張江湯臣豪庭一期



Zhangjiang Tomson Garden (Phase 2)(under construction) 張江湯臣豪園二期(在建中)



Zhangjiang Tomson Garden

After achieving a success in selling Phase 1 of Zhangjiang Tomson Garden, SZMP is developing Phase 2 of Zhangjiang Tomson Garden. Phase 2 is a residential development of a total gross floor area of approximately 233,000 square meters, comprising 34 blocks of apartment buildings of eight to sixteen storeys, a clubhouse, a commercial building and other facilities. The development is carried out by three stages. It is targeted that the first two stages of a total gross floor area of around 152,000 square meters will be ready for handover in the third quarter of 2006. The last stage of Phase 2 of a gross floor area of approximately 81,000 square meters has started its construction in December 2005 and is targeted for completion in the first half of 2007. Up till the end of 2005, nearly 40% of the units of Phase 2 have been pre-sold.

The management of SZMP is now planning for development of Phase 3 of the project of an estimated gross floor area of around 161,000 square meters.

Intellectual Office Buildings

Phase 1 of the intellectual office buildings comprises 3 office blocks and provides a total gross floor area available for lease of approximately 42,700 square meters. The leasing rate of those buildings reached 100% as at 31st December, 2005.

Construction of Phase 2 of the project of a gross floor area of over 80,000 square meters has commenced in December 2005 and is targeted for completion by the end of the first quarter of 2007.

張江湯臣豪園

繼張江湯臣豪園第一期的銷售取得成功後，張江微電子港正在開發張江湯臣豪園第二期。第二期乃一項住宅發展項目，總樓面面積約為233,000平方米，包括合共34幢8至16層高公寓樓房、一個會所、一幢商業大廈和其他設施。該項發展項目分三個階段進行，預計總樓面面積約共152,000平方米的首兩個階段將於二零零六年第三季交付使用，而樓面面積約為81,000平方米的第二期最後階段的建築工程已於二零零五年十二月展開，預計於二零零七年上半年完成。至二零零五年年底為止，第二期近40%單位已預售。

張江微電子港的管理層現正計劃發展預計總樓面面積約161,000平方米的第三期項目。

智能化辦公大樓

智能化辦公大樓第一期包括3幢辦公大樓，可供出租之總樓面面積約共42,700平方米。該等大廈的出租率於二零零五年十二月三十一日達100%。

總樓面面積超過80,000平方米的第二期項目已於二零零五年十二月開始興建，預計在二零零七年第一季末落成。

Business Centre

The business centre (Phase 1) opened for business in 2005 and a majority of its tenants is engaged in dining and beverage. Of the total gross floor area of nearly 26,500 square meters of the business centre, approximately 70% was on lease as at 31st December, 2005.

Securities Trading and Investment

The Group has invested in various listed securities in Hong Kong during the year under review to diversify its investment and maximize its return to cash balance. In addition to a trivial profit generated from securities trading, a dividend income of HK\$15.95 million was contributed by Tomson Group Limited (“TGL”), a listed company in Hong Kong and one of the major property developers in Pudong, Shanghai.

As at 31st December, 2005, the Group held an approximately 13.55% interest in the total issued capital of TGL as a long-term investment and several securities investments for short-term trading. The fair value of those investments was reported in the consolidated balance sheet of the Group at the year end date. According to new accounting standards issued by the Hong Kong Institute of Certified Public Accountants and applied for the first time in 2005, an unrealised gain on change in fair value of the securities investment in TGL of HK\$72.57 million was credited to the investment revaluation reserve while an unrealised loss on change in fair value of those investments held for trading of HK\$0.08 million was charged to the consolidated income statement of the Group for the year under review.

商業中心

商業中心(第一期)於二零零五年開業，其租客主要從事餐飲行業。於二零零五年十二月三十一日，商業中心總樓面面積近26,500平方米中約70%已租出。

證券買賣及投資

本集團在回顧年度內投資於多項香港上市證券，使其投資多元化及增加現金結餘的回報。除了從證券買賣中獲得少量溢利外，湯臣集團有限公司(「湯臣集團」)亦為本集團帶來約15,950,000港元的股息收入。該公司為一家香港上市公司及上海浦東之主要房地產發展商之一。

於二零零五年十二月三十一日，本集團持有湯臣集團全部已發行股本中約13.55%權益，作為長期投資，並持有各項證券投資作短期買賣。該等投資的公平值在年底錄入本集團綜合資產負債表內。根據香港會計師公會頒佈，並於二零零五年首次採用的新會計準則，於回顧年度，所持有湯臣集團的證券投資之公平值變動時產生的未變現收益約72,570,000港元已計入投資重估儲備，而待售投資的公平值變動時產生的未變現虧損約80,000港元則已記入本集團的綜合利潤表中。

Intellectual Office Buildings at Zhangjiang Micro-electronics Port 張江微電子港智能化辦公大樓



FINANCIAL REVIEW

Liquidity and Financing

The Group's capital expenditure and investments for the year ended 31st December, 2005 were mainly funded by its cash on hand and revenue from investing activities.

At the balance sheet date, the cash and cash equivalents of the Group amounted to approximately HK\$183.43 million. During the year under review, the Group's operations absorbed a net cash outflow of approximately HK\$19.25 million. After accounting for a net cash inflow of approximately HK\$18.69 million generated from investing activities of the Group, the net cash outflow of the Group for the year amounted to approximately HK\$0.56 million (2004: inflow of HK\$11.83 million). The drop in the cash inflow in 2005 was mainly attributable to an increase of HK\$110.51 million in investment in properties under development in Shanghai.

財務回顧

流動資金及融資

本集團截至二零零五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手頭現金及投資業務之收益。

於結算日，本集團之現金及等同現金項目約為183,430,000港元。於回顧年度內，本集團之經營業務共吸納現金流出淨額約19,250,000港元，而經計及本集團之投資業務產生的現金流入淨額約18,690,000港元後，本集團於本年度之現金流出淨額約為560,000港元（二零零四年：流入約11,830,000港元）。二零零五年度現金流入額下跌主要由於本集團增加位於上海之發展中物業投資約110,510,000港元。

Business Centre at Zhangjiang Micro-electronics Port 張江微電子港商業中心



The Group did not have any borrowing at the balance sheet date (2004: nil) and all the liabilities of the Group were due for repayment within one year from the balance sheet date.

As at 31st December, 2005, the Group recorded a current ratio and a gearing ratio (total liabilities to equity attributable to equity holders of the Company) of 2.74 times and 18.94% (2004: 7.77 times (restated) and 5.19%) respectively. The drop in the current ratio and rise in gearing ratio were resulted from receiving an amount of HK\$140.49 million from pre-sale of the properties under construction in Shanghai, which has been classified as pre-sale deposits under current liabilities during the year under review.

In addition, the Group had capital commitments amounting to approximately HK\$108.97 million (2004: HK\$99.69 million) in respect of expenditure on construction of properties under development in Shanghai which have been contracted for but not provided in the financial statements for 2005.

Charge on Assets

No asset of the Group was subject to any charge as at 31st December, 2005 (2004: nil).

Foreign Exchange Exposure

The majority of the Group's assets and liabilities are denominated in Renminbi while most of those liabilities are pre-sale deposits. The management therefore expects that the change in value of Renminbi will not have any adverse effect to the Group since Renminbi has generally been perceived as having appreciation in value relative to Hong Kong Dollars. On the other hand, all of the other assets and liabilities of the Group are denominated in either Hong Kong Dollars or Macau Paraca or United States Dollars, hence, the Group does not expect any significant exchange risk exposure.

本集團於結算日並無任何借貸(二零零四年：無)，而本集團所有負債均須於結算日起計一年內到期償還。

於二零零五年十二月三十一日，本集團錄得流動比率2.74倍，而資本負債比率(即負債總額對本公司股東應佔權益之比率)則為18.94%(二零零四年：分別為7.77倍(重列)及5.19%)。流動比率下跌及資本負債比率上升是由於收取預售上海發展中物業之款項約140,490,000港元(該款項已被歸類為回顧年度內流動負債項下之預售訂金)所致。

此外，本集團有關於上海的發展中物業之已訂約但未於二零零五年度財務報表中撥備之建築開支之資本承擔約為108,970,000港元(二零零四年：99,690,000港元)。

資產抵押

於二零零五年十二月三十一日，本集團並無任何資產已予抵押(二零零四年：無)。

匯兌風險

由於本集團大部份資產及負債均以人民幣列值，而這些負債大部份為預售訂金，因此，管理層預期人民幣幣值變動將不會對本集團產生任何負面影響，因為相對於港元，人民幣一般被視為會升值。另一方面，本集團所有其他資產及負債均以港元、澳門元或美元列值，故本集團並不預期有任何重大匯兌風險。

Contingent Liabilities

In 2004, the State Administration of Taxation in the PRC promulgated a circular to all local tax bureaus requiring them to levy land appreciation tax on property developers. The Board of Directors of the Company (the “Board”) considers the chance that land appreciation tax might be levied by the local tax bureaus on the Group in respect of its sales of properties is less than probable notwithstanding the Group has not been able to secure any written confirmation from the local tax bureaus up to the end of year under review. Accordingly, no provisions for land appreciation tax have been made in the financial statements of the Group for the year under review. Should such levies take place, then land appreciation tax attributable to the Group will amount to approximately HK\$25.29 million (2004: HK\$24.74 million).

PROSPECTS

The performance on the pre-sale of the residential properties and the tenancy level of the office buildings and business centre developed by the Group and its associate in Pudong is encouraging, even though under the impact of implementation by the PRC government of certain austerity measures in regulation of the property market in Shanghai. The Board is optimistic to the demand in the property market in Shanghai and confident to the Group’s property development and investment business therein. The management will nevertheless be cautious in setting up development plan and marketing strategy of the property projects of the Group and its associate in Zhangjiang Hi-Tech Park, Pudong while it will keep an eye on exploring any other investment opportunities for generating recurrent income to the Group.

On the other hand, the Group will consider and map out any feasible plan in respect of its property portfolio in Macau with due care.

或然負債

於二零零四年，中國國家稅務總局向所有地方稅務局頒佈通函，要求向物業發展商徵收土地增值稅。儘管截至回顧年度末，本集團未能取得由當地稅務局發出之任何書面確認，本公司董事局（「董事局」）認為本集團就其物業銷售可能被當地稅務局徵收土地增值稅之機會極微。故此，本集團並無於回顧年度內就土地增值稅於財務報表中作出撥備。倘須徵收土地增值稅，則本集團應付之土地增值稅約為25,290,000港元（二零零四年：24,740,000港元）。

前景

縱然在中國政府實施某些規管上海物業市場的緊縮措施所造成的影響下，本集團與其聯營公司在浦東發展之住宅物業之預售成績以及辦公大樓和商業中心之出租率均仍然非常理想。董事局對上海的物業市場的需求抱樂觀態度，並對本集團在該區之物業發展和投資業務充滿信心，然而，管理層將會審慎地制訂本集團與其聯營公司在浦東張江高科技園區的物業項目的發展計劃和市場推廣策略，同時尋求其他任何投資機會，以為本集團帶來經常性收入。

另一方面，就本集團在澳門的物業組合而言，本集團將會審慎考慮和規劃任何可行計劃。

HUMAN RESOURCES

The Group engaged around 30 employees in its various offices in Hong Kong, Macau and Shanghai as at 31st December, 2005. The total staff cost for the year under review amounted to approximately HK\$1.96 million. Remuneration paid to salaried staff and director of the Group is determined by reference to market terms, individual responsibilities and performance. In addition, the Company has adopted a share option scheme pursuant to which options are allowed for granting to directors and employees of the Company and its subsidiaries to subscribe for shares in the Company.

Taking this opportunity, the Board would like to thank for all the staff members of the Group for their devotion and loyalty over the years. In addition, the Board wishes to welcome two new Directors, Messrs Liu Xiaolong and Sung Tze-Chun and express its appreciation to Messrs Chen Jianbo and Tung Ming-Hsun, the ex-directors, for their contribution to the Group during their tenures of office.

On behalf of the Board

Liu Xiaolong

Chairman

Hong Kong, 12th April, 2006

人力資源

於二零零五年十二月三十一日，本集團於香港、澳門及上海之多個辦事處共僱用約30名僱員。於回顧年度內，員工總成本約為1,960,000港元。本集團之受薪僱員及董事之薪酬，乃參考市場條款及個別人士所承擔之責任及表現而釐定。此外，本公司已採納一項購股權計劃，據此，可向本公司及其附屬公司之董事及僱員授出購股權，以認購本公司股份。

董事局謹此機會向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。此外，董事局謹此歡迎兩位新董事－劉小龍先生及宋四君先生，並向前任董事陳劍波先生及董明遜先生於任期內對本集團所作出之貢獻致謝。

代表董事局

主席

劉小龍

香港，二零零六年四月十二日