

# Management Discussion and Analysis

## 管理層討論及分析



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### Results and Business Review

#### Financial Performance

##### Overview

The market conditions for the year remained highly competitive. By adhering to Synergis' corporate values and "total solutions" approach in delivering its services, the Group continued to win the trust and confidence from customers. The outcome saw not only improved financial results for this year but also winning accolades from customers and the government authorities. Turnover increased by 2.1% to HK\$390.6 million and gross profit remained steady at a level close to HK\$80.0 million. Profit attributable to equity holders of the Company was HK\$31.2 million, which was 20.8% more than that achieved in the previous year. Return on shareholders' equity and earnings per share were 19.3% (2005: 16.9%) and 9.4 HK cents (2005: 7.8 HK cents) respectively.

### 業績及業務回顧

#### 財務表現

##### 概覽

於本年度，市場競爭仍然激烈。透過堅守新昌管理之企業價值，以及採取「全面解決方案」模式提供服務，本集團繼續贏得客戶的信任與信心。我們的努力不單令本年度之財務業績有所改善，更贏得客戶及政府機構之嘉獎。營業額上升2.1%至港幣390,600,000元，而毛利則保持穩定維持於接近港幣80,000,000元的水平。本公司股權持有人應佔溢利為港幣31,200,000元，較去年上升20.8%。股東權益回報率及每股盈利分別為19.3%（二零零五年：16.9%）及港幣9.4仙（二零零五年：港幣7.8仙）。

## Segment Results

### Property Management and Facility Management Services

87.9% of the Group's turnover were from its core property management and facility management business segment. Despite the expiration of a major service contract with the Government Property Agency ("GPA") (see discussion under the paragraph titled "Update on Significant Business and Operation Events for the Year under Review" below for detailed information), this segment reported an increase of 1.5% in turnover, as compared with the turnover of HK\$337.9 million last year. The newly awarded private sector lump sum contracts ("LS Contracts") and a new Property Service Contract ("PSC Contract") of Batch 3/2005 (also see paragraph titled "Update on Significant Business and Operation Events for the Year under Review" for more information) were the main drivers to the improved results.

The Group has continued to maintain a consistent contract-mix turnover ratio between LS Contracts and management remuneration contracts, and by achieving such was able to maintain a stable gross margin of 20.4%, compared to 20.7% in the last year. On the other hand, the Group has focused on the need to diversify and increase its customer base. The following chart shows the steady success in shifting the customer mix towards an increasing proportion of contracts in the private sector.

With effective cost controls, the Group managed to reduce the overall general and administration expenses by 9.3%. As a result, this business segment reported a pre-tax profit of HK\$30.0 million, an increase of 18.0% over that for the last year of HK\$25.4 million.

## 分部業績

### 物業管理及設施管理服務

本集團87.9%之營業額乃來自我們的核心業務分部—物業管理及設施管理業務。儘管與政府產業署（「政府產業署」）所訂立一份重大的服務合約經已屆滿（有關詳情請參閱下文「回顧年度內之重大業務及營運事項最新資料」一段的討論），惟此業務分部呈報之營業額仍較去年之營業額港幣337,900,000元增加1.5%。新近取得之私營項目全包賬式合約（「全包賬式合約」）及一項2005年第3號物業服務合約（「物業服務合約」）（有關詳情亦請參閱下文「回顧年度內之重大業務及營運事項最新資料」一段）為帶動業績改善之主要因素。

本集團之全包賬式合約與經理人酬金合約，分佔營業額之比例繼續保持穩定，透過達致上述穩定比例，毛利率得以保持平穩達20.4%，而去年則為20.7%。此外，本集團已將重點投放於拓展及擴充客戶基礎上。下圖反映我們成功逐步轉變我們的客戶組合，私營項目之合約比例不斷增加。

透過有效控制成本，本集團得以削減整體一般及行政開支達9.3%。因此，此業務分部錄得除稅前溢利港幣30,000,000元，較去年的港幣25,400,000元上升18.0%。

## Analysis of Turnover of Property Management and Facility Management Services by Customer

### 按客戶劃分物業管理及設施管理服務營業額之分析



## Management Discussion and Analysis 管理層討論及分析

### Supporting Services to Property Management and Facility Management Services

Turnover in this business segment, after inter-segment elimination, increased by 6.5% to HK\$47.4 million (2005: HK\$44.5 million) for the year. However, due to increasing costs of materials and labour, gross margin declined from 24.0% in the last year to 19.0% in this year, whilst pre-tax profit correspondingly decreased by 17.3% to HK\$6.1 million (2005: HK\$7.3 million) for the year under review.

### Jointly Controlled Entities

新昌瑞安物業管理(上海)有限公司 (Synergis Shui On Property Management (Shanghai) Co. Ltd.) (“Synergis Shui On”) succeeded in increasing the diversity and size of its portfolio. New projects are all flagship properties of Shui On Land Ltd. (“Shui On Land”) in Shanghai, including The Knowledge and Innovation Community (“KIC”) (創智天地), Lake Villa Phase 1 and 2 (翠湖天地第1、2期) and Rui Hong Xin Cheng Phase 2 (瑞虹新城第2期). The size of the Group’s portfolio in Shanghai has increased to 755,690 sq. m. from 446,000 sq. m. in the last year. This joint venture has reached a point in which it achieved a profit contribution to the Group of a pre-tax profit of HK\$95,000.

During the year, the Group disposed of its entire interest in 北京實創新昌物業管理有限責任公司 (Beijing Strong Synergis Property Management Co. Ltd.), a previous 50-50 equity joint venture established in Zhongguancun (中關村), Beijing, to its joint venture partner. Profit on disposal of HK\$378,000 was recorded in this year. This disposal has allowed Synergis to efficiently allocate its resources on development and implementation of management and information technology (“IT”) infrastructure and processes in other strategic joint ventures as well as the organic growth of its business through its wholly-owned foreign enterprises established in Shenzhen and Beijing.

### 物業管理及設施管理支援服務

於本年度，此業務分部在扣除分部間對銷後之營業額上升6.5%至港幣47,400,000元(二零零五年：港幣44,500,000元)。然而，由於材料及勞工成本不斷上升，致使毛利率由去年的24.0%下跌至本年度的19.0%，而回顧年度的除稅前溢利亦相應下跌17.3%至港幣6,100,000元(二零零五年：港幣7,300,000元)。

### 共同控制實體

新昌瑞安物業管理(上海)有限公司(「新昌瑞安」)成功增加其物業之組合類型及規模。新項目均為瑞安房地產有限公司(「瑞安房地產」)於上海之旗艦物業，包括創智天地、翠湖天地第1、2期及瑞虹新城第2期。本集團於上海之組合規模由去年的446,000平方米增至755,690平方米。此合資公司已發展至為本集團提供溢利貢獻，帶來除稅前溢利港幣95,000元。

年內，本集團出售其於北京中關村成立並由合資雙方各佔50%股權之共同控制實體——北京實創新昌物業管理有限責任公司之全部權益予其合營夥伴。於本年度錄得之有關出售溢利為港幣378,000元。是項出售讓新昌管理得以有效地分配資源，用於其他策略性合資公司，以發展及實施其管理和資訊科技基建及流程，並透過其在深圳與北京成立的全外資企業取得穩定的業務增長。

## Other Revenues

Other revenues of the Group increased by 72.0% to HK\$5.0 million, compared to the prior year, as interest income substantially increased as a result of rising interest rates and carefully monitored treasury management.

## Business and Operations Review

### Overview

In the year, Synergis managed a total portfolio of 205 sites in Hong Kong, which was slightly down by 4.7% compared to the last financial year end but a 6.8% increase from the six-month period ended 30 September 2005. The decline was mainly due to the expiration of the GPA contract in August 2005. The size of commercial facilities decreased 14.2% from 1.76 million sq. m. to 1.51 million sq. m., whereas the residential portfolio increased 7.6% from 141,331 units to 152,035 units. Taking into account of our portfolio in the Mainland of China (the "Mainland"), the Group managed a total of 215 sites and 2.05 million sq. m. of non-residential facilities.

## Update on Significant Business and Operation Events for the Year under Review

### Expiration of GPA Contract

As mentioned above, the GPA contract expired in August 2005. The Group was unsuccessful in its re-tender for this contract, despite the Group's ability to provide quality services as evidenced by high performance ratings received from the GPA throughout the contract period. We were unsuccessful in our re-tender because of the unusually high minimum wages for front line staff committed by the winning service provider, which was 47.5% higher than the minimum wage requirement set by GPA in the tender (more information was disclosed in the interim report for the six months ended 30 September 2005 of the Company). Nevertheless, the Group has been awarded several other sizeable contracts during the year, which have offset the impact from the expiration of the GPA contract.

## 其他收益

本集團之其他收益較去年上升72.0%至港幣5,000,000元，原因為利率上升令利息收入大幅增加及謹慎監察財務管理所致。

## 業務及營運回顧

### 概覽

於本年度，新昌管理在香港合共管理205個項目，較上一個財政年度年終時微跌4.7%，但較截至二零零五年九月三十日止六個月期間上升6.8%。出現上述跌幅，主要歸因於政府產業署合約於二零零五年八月屆滿所致。旗下商業設施之管理組合下跌14.2%，由1,760,000平方米減至1,510,000平方米，而住宅設施之管理組合則上升7.6%，由141,331個單位增至152,035個單位。經計入本集團之中國內地（「國內」）的物業組合後，本集團合共管理215個項目及2,050,000平方米的非住宅設施。

## 回顧年度內之重大業務及營運事項

### 最新資料

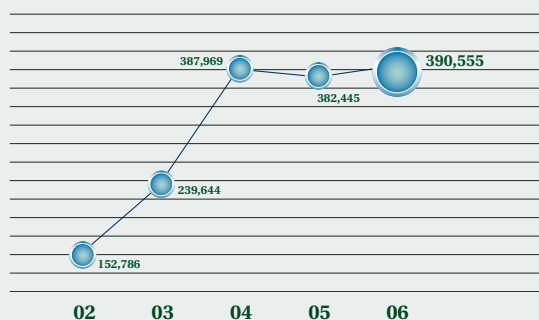
#### 政府產業署合約屆滿

如上文所述，政府產業署合約已於二零零五年八月屆滿。儘管本集團於合約期內一直提供優質服務並獲得政府產業署之卓越表現評級，惟本集團於再次投標時未能成功取得有關合約。我們未能再次中標的原因在於中標的服務供應商承諾給予前線員工之最低工資奇高，較政府產業署在招標時所訂的最低工資要求高出47.5%（詳情已於本公司截至二零零五年九月三十日止六個月之中期報告中披露）。然而，本集團於年內獲取數項其他大型合約，足以抵銷政府產業署合約屆滿之影響。

## Turnover

### 營業額

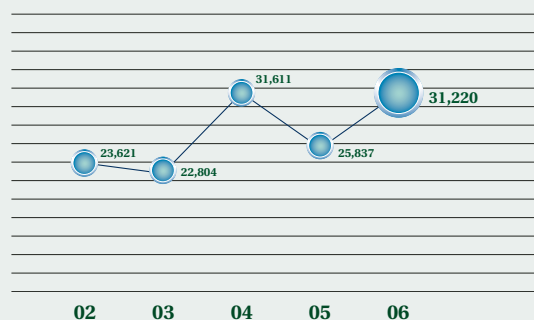
HK'000  
港幣千元



## Profit Attributable to Equity Holders of the Company

### 本公司股權持有人應佔溢利

HK'000  
港幣千元



## Management Discussion and Analysis 管理層討論及分析

### Successes in Changing the Group's Portfolio Mix

Our emphasis on process improvement and using technology to enhance operational efficiency and monitor performance and, most importantly, our commitment to recruiting and retaining the right people, have enabled us to implement our diversification strategies successfully. This is evidenced by projects secured by the Group in the year under review and up to the date of this annual report, as listed below:

- (a) **Up-market Residential Properties:** Our solutions-based approach has enabled us to expand our management portfolio in the up-market residential property segment. The Group has secured a number of up-market residential properties including Maiden Court (萬德閣), 52 Hollywood Road (荷里活道52號), Bellevue Court (碧蕙園), Emerald Palace (疊翠豪庭), Carnation Court (康馨園), Bay View Garden (威豪花園), and Rise Park Villa (麗沙灣別墅).
- (b) **Facility Management and Non-residential Projects:** The Group continues to expand its non-residential portfolio both by size and industry type. In addition to the existing projects, we are now providing facility management services to Cheerful Court (彩頤居), a senior citizen residence developed by Hong Kong Housing Society and managed by Sheng Kung Hui (聖公會), The Chinese University of Hong Kong – Tung Wah Group Hospitals Community College (香港中文大學 – 東華三院社區書院), an independent and intelligent campus, and various industrial premises including Hing Yip Factory Building (興業工廠大廈), Gold King Industrial Building (金基工業大廈), and Wah Ming Building (華明大廈). All these contracts continue to increase the diversity of the Group's portfolio and enhance Synergis' leadership position in the industry.

### 成功轉變本集團之物業管理組合

我們重視改善運作流程，以及利用科技提升營運效率及監察服務表現，更重要的是，我們致力招聘及挽留合適人才，此種種皆使我們得以成功實踐多元化策略，這點可由本集團於回顧年度內及截至本年報刊發日期止所取得的項目中得以引證。有關項目載列如下：

- (a) **高級住宅物業：**我們以提供解決方案為本的方針使我們得以擴展物業管理組合至高級住宅物業的領域。本集團已取得多項高級住宅物業項目，其中包括萬德閣、荷里活道52號、碧蕙園、疊翠豪庭、康馨園、威豪花園及麗沙灣別墅。
- (b) **設施管理及非住宅項目：**本集團不斷拓展非住宅物業管理組合的規模及行業種類。除現有項目外，我們現時亦為彩頤居（由香港房屋協會發展並由聖公會管理的長者屋）、香港中文大學—東華三院社區書院（一所獨立智能校園）及包括興業工廠大廈、金基工業大廈及華明大廈等工業大廈提供設施管理服務。該等合約均繼續使本集團的管理組合更趨多元化，並能提升新昌管理在業界內的領導地位。



Emerald Palace  
疊翠豪庭



Stanley Plaza  
赤柱廣場

- (c) **Facility Maintenance:** The Group has made substantial investments in technology since the end of 2003 to improve operational efficiency, provide objective measures of performance and enhance communications with its customers. The Synergis Customer Services Center (Call Center) and the Computerised Maintenance Management System (CMMS) have enabled Synergis to extend its services to include facilities maintenance for institutional and corporate clients with multi-outlets such as restaurant chains. After our partnership with Tao Heung Holding Limited (稻香集團有限公司), another large catering group, Hong Kong Catering Management Limited (香港飲食管理有限公司) also appointed Synergis to be its service provider in providing facility maintenance services to its restaurant and bakery outlets.
- (c) **設施維修保養:** 自二零零三年底以來, 本集團在科技方面不斷作出重大投資, 以提升營運效率、提供衡量表現的客觀標準及加強與客戶之間的溝通。新昌管理客戶服務中心(Call Center)及電腦化維修管理系統(CMMS)使新昌管理得以拓展設施維修保養服務範疇至設有多個銷售點(例如:連鎖餐廳)的機構及企業客戶。繼與稻香集團有限公司建立夥伴關係後, 另一大型飲食服務集團—香港飲食管理有限公司亦委任新昌管理為其服務供應商, 為其餐廳及麵包店提供設施維修保養服務。
- (d) **Property Service Contract:** Despite facing severe competition from smaller-scale management companies with an aggressive pricing approach in bidding PSC Contracts from the Hong Kong Housing Authority, the Group successfully secured a PSC Contract in the Batch 3/2005 tender, which covers the management of 6 public rental estates with a total of 18,320 residential units. Synergis was also awarded the contract with Kin Sang Estate (建生邨), another public rental estate which is under the Tenant Purchase Scheme.
- (d) **物業服務合約:** 雖然本集團面對來自小型管理公司於競投香港房屋委員會之物業服務合約時所採取非常激烈之價格競爭, 惟本集團仍能成功取得2005年第3號的物業服務合約, 該合約包括6個公共租住屋邨合共18,320個住宅單位。此外, 新昌管理亦取得在租者置其屋計劃項目下的另一個公共租住屋邨—建生邨之管理合約。
- (e) **Government Sports Centre:** We secured our first large scale recreational facility contract with the award of the management contract of Wong Chuk Hang Sports Centre by the Leisure and Cultural Services Department. This extends our expertise to managing recreational facilities.
- (e) **政府體育館:** 我們獲康樂及文化事務署授予黃竹坑體育館的管理合約, 此為新昌管理獲授的首項大型康樂設施合約。這項合約將我們的專業範疇拓展至管理康樂設施。

#### Continued and Focused Growth in the Mainland of China

Synergis continued to build its brand presence in the Mainland and achieved a number of milestones in the Group's two major city footholds, Beijing and Shanghai.

##### (a) **Shanghai Joint Venture Operations**

With an experienced and dedicated management team in Shanghai, Synergis Shui On began providing facility management services for the KIC Village (創智坊) and pre-management services to the KIC Plaza (創智天地廣場) of KIC. KIC is the centrepiece of Shui On Land's development in Shanghai's Yangpu District and a multi-function knowledge community focused on education, technology, culture, research and business incubation, and designed to attract academics and entrepreneurs alike.

#### 中國內地的持續重點發展

新昌管理一直致力在國內建立品牌地位, 並於本集團之兩個大型城市據點—北京及上海, 建立多項里程碑。

##### (a) **上海合資公司之業務**

憑藉在上海資深盡責的管理隊伍, 新昌瑞安已開始為創智天地之創智坊提供設施管理服務, 並為創智天地廣場提供前期管理服務。創智天地為瑞安房地產於上海楊浦區的重點發展項目, 乃集教育、科技、文化、研究及業務培育於一身的多功能社區, 專為學者及企業家等人士而設。

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Apart from the KIC project, Synergis Shui On also took up the pre-management work for The Lakeville Regency (翠湖天地御苑), a premier residential development of Shui On Land, in January 2006. The Lakeville Regency is a luxury residential complex, covering a total gross floor area of approximately 136,000 sq. m. encompassing art deco high-rises, 645 residential units as well as a 7,000-square-metre luxurious residents' clubhouse. The development is on the doorstep of the world renowned lifestyle and commercial area – Shanghai's "Xintiandi".

### (b) *Beijing Joint Venture Operations*

As noted in our Chairman's Statement, with the invaluable experience and knowledge we accumulated in Shanghai, we have been able to effectively and efficiently "transfer" our quality management systems and processes to our another joint venture – 北京金融街新昌物業管理有限公司 (Beijing Financial Street Synergis Property Management Co., Ltd.). After a 9-month pre-management period, our management team has commenced providing professional and quality property and facility management services to the owners and tenants of Beijing Xihuan Plaza (北京西環廣場), including Capitaland.

To accelerate our growth in the Beijing market, in March 2006, Synergis has entered into an agreement to form a new 50% owned joint venture with 北京金網絡物業管理有限公司 (Beijing GoldenNet Property Management Co., Ltd.) ("GoldenNet"). Beijing Capital Land Ltd. (首創置業股份有限公司) is a significant shareholder of the GoldenNet group. The first project of the new joint venture, 新昌金網絡物業管理(北京)有限公司 (Synergis Goldennet Property Management (Beijing) Co., Ltd) ("Synergis Goldennet"), is the A-Z Town in Chaoyang District (朝陽區) of Beijing. A-Z Town is a project jointly developed by Beijing Capital Land Ltd. and GIC Real Estate

除了創智天地項目外，新昌瑞安亦已於二零零六年一月接管瑞安房地產之高級住宅發展項目—翠湖天地御苑之前期管理工作。翠湖天地御苑為總樓面面積約136,000平方米的豪華住宅綜合建築物，包括多幢「雅迪高」式設計風格的多層大廈，合共645個住宅單位及一個7,000平方米的豪華住客會所。此發展項目毗鄰世界知名的優質生活及商業區—上海「新天地」。

### (b) *北京合資公司之業務*

如主席報告書所述，憑藉我們在上海累積所得之寶貴經驗及知識，我們得以有效及具效益地把新昌管理之優質管理系統及運作流程「轉移」至我們旗下另一家合資公司—北京金融街新昌物業管理有限公司。在九個月的前期管理過去後，我們的管理隊伍已開始為北京西環廣場之業主及租戶，包括凱德置地，提供專業及優質的物業及設施管理服務。

為了加速我們在北京市場之發展，新昌管理於二零零六年三月與北京金網絡物業管理有限公司（「金網絡」）簽訂合同，成立一家各佔50%權益之新合資公司。首創置業股份有限公司乃金網絡集團之重要股東。新合資公司—新昌金網絡物業管理(北京)有限公司（「新昌金網絡」）之首個項目為位於北京朝陽區之A-ZTown。A-ZTown乃由首創置業股份有限公司及新加坡政府投資產業公司共同發展之項目。該項目之總樓面面積約為400,000平方米，乃首個採用「豪布斯卡」（即集酒



Beijing Xihuan Plaza  
北京西環廣場



Shanghai Corporate Avenue  
上海企業天地

Pte. Ltd. The project, with a gross floor area of approximately 400,000 sq. m., is the first integrated mid-end to high-end residential community adopting the HOPSCA (hotels/offices/parking/shopping/conventions/apartments) design concept with comprehensive facilities such as park, apartments, shopping mall, office buildings, restaurants, entertainment facilities, club house, and kindergarten. Synergis Goldenet has already started pre-management work for the A-Z Town and the project will be ready for handing over to Synergis Goldenet in March 2007.

(c) **Shenzhen Wholly-Owned Foreign Enterprise**

With an established business platform, our institutional knowledge of the peculiarities of the Mainland market and the operational intricacies of providing property and facilities management services, our wholly-owned foreign enterprise in Shenzhen secured contracts to provide consulting and management service to other renowned developers. Synergis has provided management consultancy service to Novel Garden Phase 2.5 and 3 (永新花苑第2.5期及第3期) in Shanghai. The projects are developed by Novel group, a Hong Kong based developer in Shanghai. In April 2006, our Shenzhen wholly-owned foreign enterprise started providing management services to Novel Garden Phase 1, 2 & 2.5 (永新花苑第1期、第2期及第2.5期), a luxurious house-type residential property with over 127,760 sq. m. located in Xujiahui (徐家匯). In addition, the Group successfully secured a property management consultancy contract for a luxurious residential development, Elite Plaza (領世華府), with 97,600 sq. m. in the consulate area of Qingdao (青島), Shangdao (山東).

## OUTLOOK

### Hong Kong

Synergis is a total solutions service provider in asset and facility management. The Group consistently makes significant investments in people and IT infrastructure to enhance its capabilities and enable it to meet the ever changing needs of its diverse customer base. We are also actively looking for quality acquisition opportunities to continuously augment our service capabilities and offering the benefits of vertical integration.

Despite the recent corrections in the global stock markets and, barring exceptional unforeseen circumstances, we hold a positive view on the general business environment in Hong Kong in 2006. However, private and public organisations will continue to concentrate on cost controls and development of their core businesses, given the uncertainties surrounding interest rates, energy costs and politics in the current world economic environment. Such business conditions will exert significant pressures on the property and facility management industry, both in terms of price and competition. Nevertheless, it should provide more outsourcing opportunities for facility management business. Given the

店／辦公室／停車場／購物商場／會議中心／住宅於一身)的設計概念之綜合中高檔住宅社區,並配備公園、住宅、購物商場、辦公大樓、食肆、娛樂設施、會所及幼兒園等全面設施。新昌金網絡已著手為A-Z Town提供前期管理工作,並將於二零零七年三月接管該項目之管理工作。

(c) **深圳全外資企業**

憑藉已建立之業務平台、我們對國內市場特性之深入了解,以及提供物業及設施管理服務在運作上的複雜性,我們在深圳的全外資企業獲得數項合約,為其他著名發展商提供顧問及管理服務。新昌管理為上海永新花苑第2.5期及第3期提供管理顧問服務。該項目由一個植根香港之上海發展商—永新集團發展。於二零零六年四月,我們的深圳全外資企業開始為位於上海徐家匯面積逾127,760平方米之豪華別墅式住宅物業—永新花苑第1期、第2期及第2.5期提供管理服務。此外,本集團成功取得一項位於山東省青島市領事館區內面積達97,600平方米的豪華住宅發展項目—領世華府的物業管理顧問合約。

## 展望

### 香港

新昌管理為資產及設施管理之「全面解決方案」服務供應商。本集團不斷在人力資源及資訊科技方面作出重大投資,旨在提升實力,使本集團得以配合不同類型客戶瞬息萬變的需求。此外,我們亦積極物色優質收購機會,以不斷提升我們的服務質素以及提供縱合服務之好處。

儘管近期全球證券市場作出調整,除非出現特殊的不可預見情況,否則我們對香港二零零六年之整體營商環境表示樂觀。然而,鑑於環球經濟環境存在有關利率、能源成本及政治等方面之不明朗因素,故私營及公營機構仍將主力控制成本以及發展彼等之核心業務。上述營商氣氛將會加重物業及設施管理業在價格及競爭等方面之壓力。儘管如此,此情況將帶來更多有關外判設施管理業務之商機。憑藉本集團之先進科技及優秀人才,我們於來年將全力發展特定的優質市場,此等市場之客戶所認同及重視的不單是新昌管理之經驗及營運專業知識,



## Management Discussion and Analysis

### 管理層討論及分析

Group's well tested state-of-the-art technology and our people capabilities, we will focus our efforts in the coming year on the niche markets, where the clients understand and value not only Synergis' experience and operational expertise, but also our management philosophy of "total asset" management through the use of technology and our ability to understand the unique needs of our clients and to deliver meaningful results to their businesses or improve their lifestyle. One such client is The Link Management Limited ("The Link").

As our Chairman noted in his Statement, Synergis was awarded two management contracts from The Link in April 2006. These contracts cover 21 shopping centres with a total gross floor area over 245,200 sq. m. and 10,480 car park spaces. These contracts are in the key markets of Hong Kong Island (where Synergis will manage all of The Link's facilities, such as Stanley Plaza and Siu Sai Wan Shopping Centre) and Kowloon (where we account for 23.4% of their portfolio). The contracts are for a 3-year term with staged contract commencement in June and July 2006. Synergis was able to secure this business opportunity because it has an established platform of management solutions which can readily be tailored to meet the high standards and expectations of The Link's management, its tenants and customers.

We will continue to invest resources, including recruitment and retention of talented and committed individuals, and enhancement of our IT platform to ensure that our client service infrastructure remains client-focused and cost effective.

#### Mainland of China

We continue to identify strategic opportunities to grow our businesses in the Mainland. Given our knowledge and experience gained from our joint venture operations in Beijing and Shanghai, the Group is well positioned to quickly increase our business development in the Mainland market by setting up a wholly-owned foreign enterprise in Beijing. Looking for a soft landing of the sometimes overheated property markets in the Mainland, the government has recently announced some measures to regulate the property market. We believe that the impact on the overall property market will be moderate and the demand for high quality property management services will not be dampened. In particular, with the development of the public markets for real estate investment trusts, especially those with the Mainland portfolios, we believe outsourcing to professional asset managers is the critical requirement of these financial institutions and the real estate developers if they wish to sustain the quality and value of their property portfolios as well as their own branding. With our highly-rated track record in Hong Kong and the Mainland, combined with our well established IT infrastructure and professional service model, we are confident that we are well positioned to capture the fast growing business opportunities in the Mainland.

還有我們「全面資產管理」的管理哲學，即透過使用科技及專業技能，了解客戶之獨特需要，並為客戶之業務帶來深遠成果或提升客戶之生活質素。其中一位此類客戶為領匯管理有限公司（「領匯」）。

如主席報告書所述，新昌管理於二零零六年四月獲領匯授予兩項管理合約。該等合約涉及總樓面面積逾245,200平方米之21個商場及10,480個泊車位。該等合約均屬於港島區（新昌管理將負責管理領匯在該區之所有設施，包括赤柱廣場及小西灣邨商場）及九龍區（我們負責管理領匯在該區之組合的23.4%）之主要市場。有關合約為期3年，分別於二零零六年六月及七月開始生效。新昌管理能取得上述商機，在於其擁有的管理解決方案平台，可提供合適的方案滿足領匯管理層、其租戶及客戶的更高標準與期望。

我們將繼續投放資源，包括招攬及挽留具卓越才幹且竭誠投入之人才，並提升我們的資訊科技平台，確保我們的服務乃以客為本，兼具成本效益。

#### 中國內地

我們將繼續尋找有助我們發展國內業務之策略性良機。憑藉我們從北京及上海合資公司的業務所獲得之知識與經驗，本集團正處於有利位置，透過在北京成立一家全外資企業，加快我們在國內市場之業務發展。為了令間歇出現過熱情況之國內物業市場能軟著陸，中國政府最近公佈若干措施調控物業市場。我們相信，此舉只會對整體物業市場構成溫和影響，而市場對優質物業管理服務之需求不會減低。特別是，隨著有關房地產投資基金（特別是具有內地物業組合者）之公眾市場不斷發展，我們相信，如要保持物業組合之質素、價值，以及企業之品牌地位，有關金融機構及房地產發展商必須外聘專業資產管理公司。鑑於我們在中港兩地之優秀往績，加上我們既有的資訊科技基建及專業服務模式，我們有信心我們正處於有利位置去抓緊國內不斷湧現之商機。

## REVIEW OF FINANCIAL POSITION

### Capital Resources and Liquidity

Shareholders' funds of the Group increased by 6.1% to HK\$166.8 million as at 31 March 2006 (2005: HK\$157.2 million). Detailed movement of shareholders' funds during the year was shown in the Consolidated Statement of Changes in Equity. Out of the total assets of HK\$227.9 million as at 31 March 2006, HK\$216.7 million were liquid assets with current ratio stated at 3.6:1. Total cash and cash equivalents at the balance sheet date increased by HK\$31.3 million to HK\$137.4 million (2005: HK\$106.1 million). The cash balances and available banking facilities as noted below have provided the Group with sufficient fundings to serve the needs of its business operations and also allow it to undertake business acquisitions when the opportunity arises.

### Accounts Receivables

As reported in the 2004/05 annual report, we have made significant progress in expediting the payment process with the Hong Kong Housing Authority to shorten the settlement of accounts receivables in relation to PSC Contracts. Accounts receivables had been reduced from HK\$59.9 million as at 31 March 2005 to HK\$56.6 million at the balance sheet date, of which debts over 90 days were significantly reduced by HK\$9.2 million to HK\$6.2 million as at 31 March 2006.

### Major Cash Flow Items in Operating and Financing Activities

Net cash generated from operating activities during the year improved by HK\$12.1 million to HK\$42.4 million as compared to HK\$30.3 million in the last year. Free cash flow per HK\$1 operating profit correspondingly increased by 37.5% to HK\$1.1 (2005: HK\$0.8). The Group's strong cash generating capability remained intact. Other major cash outflows including payment of dividends in aggregate of HK\$21.6 million (2005: HK\$16.6 million) and capital expenditure on system software and equipments amounted to HK\$2.0 million (2005: HK\$5.9 million).

### Banking Facilities

The Group generally finances its operations with internally generated financial resources. The Group has sufficient internal cash and banking facilities to finance its operations and takes advantage of potential business opportunities. As at 31 March 2006, the Group had HK\$109.2 million (2005: HK\$96.0 million) of unutilised banking facilities provided by its relationship banks. The Group had no borrowings as at 31 March 2006.

### Treasury Policy

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign exchange risk. When appropriate, hedging instruments including forward contracts may be used to manage any foreign exchange exposure. The majority of assets and liabilities are denominated in HK dollars and the Group therefore has limited exposure to foreign exchange risk.

## 財務回顧

### 資本資源及流動現金

於二零零六年三月三十一日，本集團之股東資金增加6.1%至港幣166,800,000元（二零零五年：港幣157,200,000元）。股東資金於年內之變動詳情載於綜合權益變動表。本集團於二零零六年三月三十一日之資產總值為港幣227,900,000元，當中港幣216,700,000元為流動資產，流動比率為3.6:1。於結算日，現金及現金等值總額增加港幣31,300,000元至港幣137,400,000元（二零零五年：港幣106,100,000元）。下文所載之現金結餘及可供動用之銀行融資為本集團提供充裕的資金，足以應付業務運作所需；並讓本集團得以把握未來發展機遇。

### 應收賬款

如二零零四／二零零五年度年報所載，關於物業服務合約應收賬款的問題，我們與房屋委員會就改善收回程序一事取得重大進展。應收賬款由二零零五年三月三十一日的港幣59,900,000元，減至結算日的港幣56,600,000元。當中超過90日之欠款大幅減少港幣9,200,000元，減至二零零六年三月三十一日的港幣6,200,000元。

### 營運及融資活動之主要現金流量項目

年內，經營業務所得現金淨額增加港幣12,100,000元至港幣42,400,000元，而去年則為港幣30,300,000元。每港幣1元經營溢利之自由流動現金相應增加37.5%至港幣1.1元（二零零五年：港幣0.8元）。本集團繼續維持穩固現金來源。其他主要現金流出包括支付合共港幣21,600,000元（二零零五年：港幣16,600,000元）之股息及有關系統軟件及設備之資本開支港幣2,000,000元（二零零五年：港幣5,900,000元）。

### 銀行融資

本集團一般以內部產生之財務資源為業務運作提供所需資金。本集團具備充裕的內部現金及銀行融資，足以融資營運所需及把握潛藏商機。於二零零六年三月三十一日，本集團獲往來銀行提供而尚未動用之銀行融資為港幣109,200,000元（二零零五年：港幣96,000,000元）。此外，本集團於二零零六年三月三十一日並無借貸。

### 庫務政策

本集團監察其資產與負債之相對外匯情況，盡量減低外匯風險。在適當情況下，本集團會使用遠期合約等對沖工具管理外匯風險。由於本集團大部份資產與負債均以港幣為單位，故本集團面對之外匯風險甚微。

## Management Discussion and Analysis

### 管理層討論及分析

The Group's banking facilities are principally on a floating rate basis and interest rate swaps will be used to manage the interest rate risk for any short to medium term borrowings when deemed appropriate. In light of the net cash position with no bank debt, the Group's exposure to interest rate fluctuation is minimal.

It is the policy of the Group not to use financial derivatives for speculative purpose.

### HUMAN RESOURCES

As at 31 March 2006, the Group employed a total of approximately 4,100 (2005: 4,600) staff in Hong Kong and the Mainland.

The Group sets its remuneration policy by reference to the prevailing market conditions and to formulate a performance-based reward system with a view to sustaining market competitiveness for attracting and retaining high calibre staff. The remuneration packages of Hong Kong staff include basic salaries, discretionary bonuses and other benefits such as medical scheme and retirement funds. Staff in the Mainland are remunerated in line with the domestic market terms and welfare policy.

Incentive bonus scheme is set up for senior management staff in order to provide them with initiatives to align their performance with the overall profitability and development of the Group. Such management bonus is calculated on a pre-approved formula tied in with the Group's profitability.

The management sees it as an important task to maintain a close relationship with its staff. Emphasis is put on enhancing internal communication through workshops and publicising regular internal newsletters. Staff development programmes and training sessions are provided to enhance staff skill and knowledge as a whole.

**Fan Cheuk Hung**  
*Managing Director*

本集團之銀行融資主要按浮動息率計息。於有需要時，本集團會利用利率掉期合約來管理中短期借貸之利率風險。鑑於本集團具備現金淨額並無任何銀行負債，故本集團面對之利率波動風險甚微。

本集團之一貫政策是不會利用金融衍生工具作投機用途。

### 人力資源

於二零零六年三月三十一日，本集團在香港及國內僱用員工總人數約為4,100名（二零零五年：4,600名）。

本集團在訂定薪酬政策時會參考當時之市場情況，並制定一套與表現掛鈎的獎賞制度，旨在維持市場競爭力，並吸引及挽留具有卓越才幹之人才。香港員工之薪酬待遇包括基本薪金、酌情花紅，以及如醫療計劃及退休金等其他福利。國內員工按照內地市場條款及福利政策付酬。

本集團為高層管理人員推行花紅計劃，激勵彼等努力使其表現達到本集團之整體盈利及業務發展目標。有關管理層花紅按既定算式根據本集團溢利計算。

管理層認為與員工維繫緊密關係至為重要，並透過工作坊及刊發定期內部通訊加強內部溝通。此外，本公司亦提供員工發展計劃及培訓課程，以提升員工的整體技術及知識。

**董事總經理**  
**樊卓雄**