

本人欣然向股東提呈卓能(集團)有限公司(「本公司」, 連同其附屬公司, 統稱「本集團」)截至二零零六年六月三十日止年度之年報。

業績及股息

本集團截至二零零六年六月三十日止年度錄得之綜合除稅後溢利為120,968,000港元(二零零五年: 373,294,000港元), 較去年下調67.6%。業績已詳列於綜合收益表中。

董事會現建議派發末期股息每股17港仙(二零零五年: 15港仙)予於二零零六年十月三十一日在股東名冊內登記之股東, 連同已派發之中期股息每股4.5港仙(二零零五年: 3港仙), 本年度合共派發股息每股21.5港仙(二零零五年: 18港仙), 較去年增加19.4%。

待股東於週年大會上批准後, 末期股息將於二零零六年十一月二十一日派發。

I have pleasure to present to shareholders the annual report of Cheuk Nang (Holdings) Limited (the "Company", together with its subsidiaries, the "Group") for the year ended 30 June 2006.

RESULTS AND DIVIDEND

The consolidated profit after taxation of our Group for the year ended 30 June 2006 is HK\$120,968,000 (2005: HK\$373,294,000), representing a decrease of 67.6% when comparing to last year. Details are set out in the consolidated income statement.

The Directors resolved to recommend the payment of a final dividend of HK17 cents per share (2005: HK15 cents) payable to shareholders whose names appeared on the register of members at the close of business on 31 October 2006, which together with the interim dividend of HK4.5 cents per share (2005: HK3 cents), makes a total distribution of HK21.5 cents per share (2005: HK18 cents) this year, representing an increment of 19.4% when comparing to last year.

After approval by the shareholders at the Annual General Meeting, the final dividend will be paid on 21 November 2006.



配售及追加認購股份

欣然有限公司(「欣然」)，本公司之主要股東，與Citigroup Global Markets Limited(「Citigroup」)在二零零六年七月二十八日簽署一份配售協議，欣然同意出售而Citigroup同意購入本公司11,000,000股(約佔本公司在二零零六年七月二十八日已發行股份14.33%)，總代價為44,000,000港元。

同日，欣然與本公司簽署一份認購協議，欣然同意購入而本公司同意分配及發行11,000,000股(約佔本公司在二零零六年七月二十八日已發行股份14.33%及本公司在分配及發行股份後的已擴大已發行股份12.54%)，總代價為44,000,000港元，發行新股已獲香港聯合交易所有限公司上市委員會批准。

配售股份已於二零零六年八月一日完成而認購股份已於二零零六年八月十一日完成。

以股代息

本公司建議凡登記地址位於香港的股東可以選擇以現金代替股份股息。以股代息計劃詳情將於稍後公佈。

PLACEMENT AND TOP-UP SUBSCRIPTION OF SHARES

Yan Yin Company Limited ("Yan Yin"), a substantial shareholder of the Company has entered into a Placing Agreement with Citigroup Global Markets Limited ("Citigroup") on 28 July 2006 whereby Yan Yin agreed to sell and Citigroup agreed to purchase 11,000,000 shares in the Company (approximately 14.33% of the issued share capital of the Company on 28 July 2006) at a total consideration of HK\$44,000,000.

On the same day, the Company has entered into a Subscription Agreement with Yan Yin whereby Yan Yin will subscribe and the Company will allot and issue 11,000,000 shares (approximately 14.33% of the issued share capital of the Company on 28 July 2006 and 12.54% of the issued share capital of the Company as enlarged by the allotment and issue of the shares) at a total consideration of HK\$44,000,000. The issue of new shares has been approved by the Listing Committee of The Stock Exchange of Hong Kong Limited.

The Placement of Shares was completed on 1 August 2006 and the Subscription of Shares was completed on 11 August 2006.

SCRIP DIVIDEND

The Company proposes that a scrip dividend with cash option be offered to shareholders with Hong Kong addresses. Details of the scrip dividend scheme will be announced later.

業務回顧及展望

香港物業

香港的經濟在二零零六年第二季增長達5.2%，是過去十年內連續第十一個月國民生產總值平均增長超過3.9%，在經濟的帶動下，豪華住宅穩定增長。

1. 卓能橋景灣，荃灣汀九寶豐臺8號

上蓋工程現正進行中，預期第一期將於二零零七年中落成，銷售活動將於明年展開。

2. 趙苑二期，薄扶林域多利道192號
趙苑二期所有單位已全部租出並獲得滿意的租金。3. 趙苑三期，薄扶林域多利道216號
第一座的建築工程已完成，正等待批出入伙紙，第二座的建築工程正等待經修改的圖則批出，以獲增更好的發展潛力。4. 卓能廿一世紀廣場，軒尼詩道250號
大廈的租用率仍維持在90%。5. 卓能山莊，山頂施勳道30號
完全租出。

REVIEW OF OPERATIONS AND PROSPECTS

Hong Kong Properties

The Hong Kong economy was grew by 5.2% in the second quarter of 2006 and is the eleventh consecutive quarter that the Gross Domestic Product growth exceeded the average trend growth of 3.9% in the past ten years. With the bloom of the economy, the property market is growing in a steady way particularly the deluxe residential sector.

1. *Cheuk Nang Bridgeview Bay, No. 8 Po Fung Terrace, Ting Kau, Tsuen Wan*

The superstructure work is now in progress and it is anticipated that the 1st phase will be completed by mid-2007. The marketing will start next year.

2. *Villa Cecil Phase II, 192 Victoria Road, Pokfulam*
Units in Villa Cecil Phase II are fully leased with satisfactory income.3. *Villa Cecil Phase III, 216 Victoria Road, Pokfulam*
The construction of Tower 1 is completed awaiting issuance of Occupation Permit. The construction of Tower 2 is pending for our new revised submission scheme to allow better development potential.4. *Cheuk Nang 21st Century Plaza, 250 Hennessy Road*
The occupancy of the building remains 90%.5. *Cheuk Nang Lookout, 30 Severn Road, The Peak*
Fully rented.



澳門物業

根據澳門政府最近公佈的統計數字，預計澳門的人口將接近500,000人，由澳門特別行政區政府成立至今增加了16%，根據澳門土地面積27.5平方公里計算，澳門人口的平均密度為每平方公里超過18,000人，鑒於此數字，澳門人口的快速增長將使政府增加在教育、交通上的開支及增加供應土地。

最近的研究反映出澳門的通脹在二零零六年第一季已接近5.22%，唯是利率卻只有2.5%，由於通脹及利息之間有大的差距，澳門人將會尋找其他投資機會，尤其是物業可獲約5%至6%的回報，我們相信物業市場有長期增長空間。

路環石排灣

銷售活動現正準備中並將於二零零七年中開展。

地盤平整及爆石工程現正進行中，已修改的建築圖則在八月已提交澳門有關部門審批。

Macau Properties

According to the statistic released by the Macau Government, it is anticipated that the Macau's resident population has reached nearly 500,000 which represent 16% increase since the set up of the Macau Special Administrative Region. Based on its land area of 27.5 square kilometres, the Macau's population density per square kilometre is over 18,000 per square kilometres. Viewing these figures, the rapid growth of Macau population will give rise to the increase in government expenditure on education, transportation and demand for supply of properties.

Recent research also reflected that the inflation rate of Macau in the first quarter of 2006 has reached 5.22% p.a., however, interest rate is only 2.5% p.a. Since there is large gap in interest rate and the inflation rate, the Macau people will, find other investment opportunity especially properties which has achieved a return of 5% to 6% p.a. We believe there are room for the further growth of property market.

Estrada de Seac Pai Van, Coloane

The marketing campaign is now under preparation and will be launched by the mid of 2007.

The demolition, site formation and the rock excavation work is now under progress. Revised building plans were submitted to the Macau authorities for approval in August 2006.

中國物業

中國政府去年實施宏觀調控，以規範市場及打擊炒賣活動，有助地產物業長遠之協調及正常運作。在深圳，政府在二零零六年九月推出了六塊土地，總土地面積為38,510平方米(相等於414,521平方呎)而建築面積為1,085,681平方米(相等於11,686,270平方呎)，均以高價成交。所有土地位於寶安及龍崗區，可見龍崗在興建地下鐵路及火車鐵路後將發長成為第二個市中心。去年深圳物業增漲達17%為全國之冠。

卓能雅苑

深圳龍崗龍華鎮

上蓋工程合約已批出，預期建築工程將於二零零八年完成。

馬來西亞物業

馬來西亞經濟穩定增長，國民生產總值在第二季達5.9%，經濟活動由個人部份及本土需求加上日用品價格高企所帶動。服務、製造及農業為該季度增長之主要部份。

China Properties

The Chinese Government has introduced measures to damp the property price fluctuation and discouraged speculation and this will regulate the market in long run. In Shenzhen, the Government has introduced six pieces of land with land area of 38,510 square metres (equivalent to 414,521 square feet) and total gross floor area is 1,085,681 square metres (equivalent to 11,686,270 square feet) to the market in September, 2006 and all sold with good results. All these properties are situated in Bao-An and Longgang. It seems that Longgang will be developed another new centre with the provision of subway and train stations in the district. Last year the property sales price in Shenzhen increased by 17% which is the highest in China.

Cheuk Nang Garden

Longhwa, Longgang, Shenzhen

The superstructure contract was awarded and it is anticipated that the construction will be finished by 2008.

Malaysia Properties

The Malaysian economy strengthened, with real gross domestic product expanding at 5.9% in the second quarter. Economy activity continued to be driven by the private sector and domestic demand plus the external high commodity price. The services, manufacturing and agriculture sectors were the key contributors to growth during the quarter.



趙世曾廣場

馬來西亞吉隆坡霹靂路第57段第690、849、851及1280段

第一期名為「Parkview」

Parkview之建築工程已完成並已於二零零六年七月二十一日隆重開幕，12樓至41樓的所有單位已經由合作伙伴全部售出，餘下由地面至11樓單位之銷售活動已告展開。

第二期名為「中央廣場」

由於正等候建築發展圖則批出，該土地現正用作臨時停車場及娛樂中心，臨時停車場由本公司自行管理，至於娛樂中心則租予一當地的娛樂集團營辦商。

董事及員工

本人謹代表本集團向我們的董事及員工感謝他們多年來忠誠貢獻。

於公佈日期，本公司執行董事為趙世曾博士（主席）、翁峻傑先生及何秀芬女士；獨立非執行董事為洪承禧先生、梁榮江先生及林家威先生。

承董事會命

趙世曾

執行主席

香港，二零零六年九月二十一日

Cecil Chao Centre

Lot 690, 849, 851 and 1280, Section 57, Lorong Perak, Kuala Lumpur, Malaysia

Phase I named "Parkview"

The construction of Parkview was completed and a grand opening was held on 21 July 2006. All units at the 12th floor to the 41st floor were fully sold by the Joint Venture party. The marketing of the units at Ground Floor to the 11th Floor of Parkview has been launched recently.

Phase II named "Central Plaza"

Pending for approval of submission of architectural plan for the Development Order of Phases II and III, the land is now used as a temporary car park and entertainment center. The car park is operated by our own management and the entertainment center is leased to the local entertainment operator.

DIRECTORS AND STAFF

On behalf of our Group, I would like to express our gratitude to the loyal contribution of our Directors and staff.

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Mr. Yung Philip and Ms. Ho Sau Fun Connie; the Independent Non-Executive Directors are Mr. Hung John Terence, Mr. Leung Wing Kong, Joseph and Mr. Lam Ka Wai, Graham.

By order of the Board

CECIL CHAO

Executive Chairman

Hong Kong, 21 September 2006