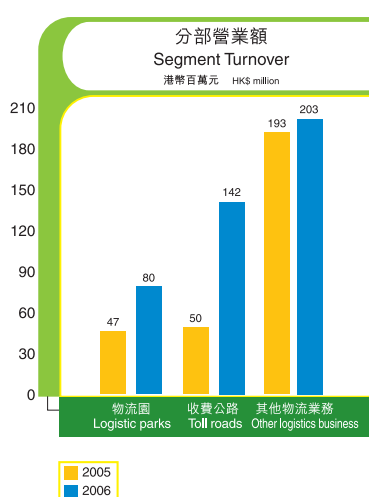


業績回顧

截至二零零六年十二月三十一日止年度（「本年度」），本集團之營業額為港幣4.26億元（二零零五年：港幣3.17億元），較去年上升34%；股東應佔盈利為港幣2.2億元（二零零五年：港幣3.6億元）。本集團本年度因收購、出售資產及回撥減值準備等非經常性收益為港幣3,800萬元，較去年同性質的收益港幣9,400萬元減少港幣5,600萬元，導致本集團二零零六年度的除稅及財務成本前盈利港幣3.68億元，較去年同期下降4%。撇除此類非經常性項目的因素，除稅及財務成本前盈利為港幣3.3億元，較去年同期上升13%。每股基本盈利港幣1.91仙（二零零五年：港幣3.16仙）。

本集團的主營業務物流園、收費公路及其他物流業務於二零零六年分別錄得營業額約港幣8,000萬元、1.42億元及2.03億元（二零零五年：港幣4,700萬元、5,000萬元及1.93億元），上升70%、1.8倍及5%，除稅及財務成本前盈利分別約港幣2,404萬元、2.34億元及1,056萬元（二零零五年：港幣1,257萬元、1.76億元及971萬元），分別上升91%、33%及9%。

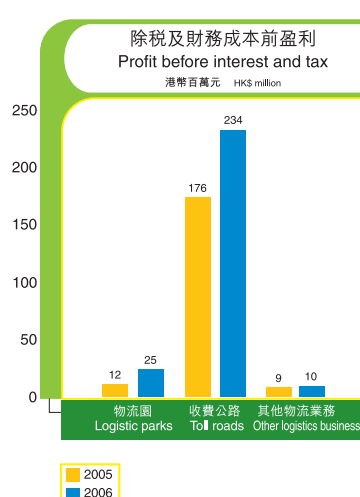


於二零零六年十二月三十一日，本集團的總資產及淨資產分別為港幣53.80億元（二零零五年：港幣44.68億元）及港幣36.90億元（二零零五年：港幣31.72億元），較二零零五年十二月三十一日分別上升20%及16%。

REVIEW OF RESULTS

For the year ended 31 December 2006 (the “Year”), turnover of the Group amounted to HK\$426 million (2005: HK\$317 million), representing an increase of 34% over the corresponding period of 2005 and profit attributable to shareholders amounted to HK\$220 million (2005: HK\$360 million). The non-recurring profit arising from acquisitions and disposals of assets as well as write-back of impairment provisions of the Group during the Year amounted to HK\$38 million, representing a decrease of HK\$56 million over the profit with the same nature of HK\$94 million in 2005. This results in profit before interest and tax of the Group for the year 2006 to HK\$368 million, representing a decrease of 4% over that of 2005. Excluding these non-recurring items, the 2006 profit before interest and tax was HK\$330 million, representing an increase of 13% over the corresponding period of 2005. Basic earnings per share of the Group was HK 1.91 cents (2005: HK 3.16 cents).

The core business of the Group includes logistic parks, toll roads and other logistics business, which recorded a turnover of approximately HK\$80 million, HK\$142 million and HK\$203 million (2005: HK\$47 million, HK\$50 million and HK\$193 million) respectively, representing respective increases of 70%, 1.8 times and 5%. Their respective profit before interest and tax amounted to HK\$24.04 million, HK\$234 million and HK\$10.56 million (2005: HK\$12.57 million, HK\$176 million and HK\$9.71 million), representing increases of 91%, 33% and 9% respectively.



On 31 December 2006, total assets and net asset value of the Group were HK\$5,380 million (2005: HK\$4,468 million) and HK\$3,690 million (2005: HK\$3,172 million) respectively, representing increases of 20% and 16% respectively over those of 31 December 2005.

董事會建議向股東派發截至二零零六年十二月三十一日止年度之末期股息每股港幣0.6仙(二零零五年：港幣0.55仙)，合共港幣7,253萬元(二零零五年：港幣6,246萬元)。

本集團的發展重點物流園業務於二零零六年開始實施規模化經營，業務發展情況理想，令本年度物流園的營業收入增長70%至港幣8,000萬元(二零零五年：港幣4,700萬元)，達到了預期的經營目標。

本集團的收費公路業務於二零零六年的日均路費收入及日均車流量分別增長24%及3%，主營業務收入達港幣1.42億元(二零零五年：港幣5,000萬元)，上升1.8倍。連同應佔收費公路聯營公司部份，本集團的收費公路除稅及財務成本前盈利為港幣2.34億元(二零零五年：港幣1.76億元)，上升33%。

於本年度，本集團的其他物流業務在激烈的市場競爭環境下，緊緊圍繞效益優先的原則，繼續鞏固和發展優質的現有客戶，積極開創新的業務模式，不斷改善自身業務結構，使主營業務收入錄得港幣2.03億元(二零零五年：港幣1.93億元)，較去年同期增長5%，盈利貢獻約港幣1,056萬元(二零零五年：港幣971萬元)，上升9%。

本集團的主要聯營公司中國南玻集團股份有限公司(「南玻集團」)本年度的營業額為人民幣29.58億元(二零零五年：人民幣22.94億元)，較去年同期上升29%，股東應佔盈利為人民幣3.26億元(二零零五年：人民幣3.19億元)，較去年同期上升2%。目前南玻集團正處於調整與發展的關鍵時期，以大力發展建築節能產品以及可再生能源產品為重點目標，將形成建築節能玻璃在全國生產的格局，有效地耗用自產的浮法玻璃原片，徹底改變現有的浮法產業受市場大幅波動的影響。

The board of directors recommended a final dividend to shareholders of HK 0.6 cent (2005: HK 0.55 cent) per share for the year ended 31 December 2006, totalling HK\$72.53 million (2005: HK\$62.46 million).

In 2006, the key logistic parks business of the Group commenced operations with scale and satisfactory development has been achieved. This resulted in an increase of 70% in turnover of the core logistic parks business during the Year, which amounted to HK\$80 million (2005: HK\$47 million) and met with our operating target.

The average daily toll revenue and the average daily mixed traffic volume of the Group's toll road business recorded increases of 24% and 3% in 2006 respectively. Turnover amounted to HK\$142 million (2005: HK\$50 million), representing an increase of 1.8 times. Together with the Group's share of toll-road associate, profit before interest and tax of the Group's toll road business amounted to HK\$234 million (2005: HK\$176 million), representing an increase of 33%.

Given the intense market competition, other logistics business of the Group for the Year stuck to the principle of "cost-efficiency comes first" by maintaining and developing relationships with existing and quality customers, exploring new business and improving its own business structure continuously. As a result, its turnover amounted to HK\$203 million (2005: HK\$193 million), representing an increase of 5% over the corresponding period of 2005. Profit contribution amounted to approximately HK\$10.56 million (2005: HK\$9.71 million), representing an increase of 9%.

During the Year, CSG Holding Co., Ltd. ("CSG"), a major associate of the Group, recorded a turnover of RMB2,958 million (2005: RMB2,294 million), representing an increase of 29% over the corresponding period of 2005 and a profit attributable to shareholders of RMB326 million (2005: RMB319 million), representing an increase of 2% over the corresponding period of 2005. CSG is currently at a critical moment for its adjustment and development. It mainly aims at the development of energy saving architectural products and products capable of recycling energy. As a result, the production of energy saving architectural glass will become nationwide, thereby enabling an efficient utilisation of the self-produced floating glass. Consequently, the impact of the volatile market on the floating glass industry will be eradicated basically.

於本年度的重點事項

1. 參與股權分置改革，體現深圳市政府的大力支持，避免了約港幣1.54億元的巨額虧損

根據中國政府機構頒佈的有關規則及規例的要求，本集團自去年十二月底至本年度上半年內，參與了兩家在國內上市的聯營公司深圳高速公路股份有限公司（「深圳高速」）及南玻集團的股權分置改革方案。按深圳市政府的安排，本集團在參與深圳高速股權分置改革的同時，僅須支付名義代價，無須轉讓所持有的任何深圳高速股份，由深圳市政府的直屬機構代替本集團轉讓股份予深圳高速的A股股東。此外，為支持本集團參與南玻集團股權分置改革，深圳市政府安排深圳市國有資產監督委員會向本集團支付一筆現金，作為對本集團的一項資助，使本集團因參與南玻集團股改方案支付對價而產生的資產流失，僅約為港幣40.8萬元。

深圳市政府通過統籌安排，使本集團原來需要支付的對價由深圳市政府的直屬機構直接承擔，使本集團因支付對價所產生的資產流失大幅縮減，避免了約港幣1.54億元的巨額虧損，不僅體現了深圳市政府對本集團的大力支持，同時使得本公司的全體股東可以分享旗下上市公司股權分置改革帶來的直接利益。隨著深圳高速及南玻集團均已完成股權分置改革，本集團所持的深圳高速股權轉換成為A股股份，全數654,780,000股深圳高速股份可自二零零九年三月二日起於證券交易所流通，有關股份的投資

MAJOR EVENTS DURING THE YEAR

1. **Participation of share segregation reform, thereby materialising support from Shenzhen Municipal Government and avoidance of substantial loss of approximately HK\$154 million**

Pursuant to the relevant rules and regulations issued by the PRC authorities, the Group, from the end of December 2005 to the first half of the Year, participated in the share segregation reform schemes of Shenzhen Expressway Co., Ltd. ("Shenzhen Expressway") and CSG, two associates of the Group whose shares are listed in the PRC. According to the directions of the Shenzhen Municipal Government, the Group, by paying only a nominal consideration, was able to participate in the share segregation reform of Shenzhen Expressway without the need to transfer any shares in Shenzhen Expressway. An organisation which was directly supervised by the Shenzhen Municipal Government has transferred, on behalf of the Group, the consideration shares to holders of A shares in Shenzhen Expressway. In addition, to support the Group to participate in the share segregation reform of CSG, the Shenzhen Municipal Government had made an arrangement that Shenzhen Municipal State-owned Assets Supervision and Administration Commission paid to the Group an amount in cash as subsidy to the Group. As a result, the total asset losses, resulting from the Group's payment of consideration for participating in the share segregation reform scheme of CSG, only amounted to approximately HK\$408,000.

The Shenzhen Municipal Government has made arrangements so that the consideration payable by the Group was borne by organisations which were directly supervised by the Shenzhen Municipal Government. These help to reduce significantly the asset losses resulting from the Group's payment of consideration and avoided a substantial loss of approximately HK\$154 million. These arrangements not only materialised the Shenzhen Municipal Government's strong support for the Group, but also enabled all shareholders of the Company to share the direct benefits resulting from the share segregation reform of the Group's listed investment. As the share segregation reform schemes of Shenzhen Expressway and CSG have

價值將得以進一步提升；本集團所持的南玻集團219,019,761股股份也轉換成為A股股份，並分三個階段於深圳證券交易所逐步流通，其中101,546,312股(46%)、203,092,624股(93%)及全數219,019,761股股份可分別於二零零七年五月二十四日、二零零八年五月二十四日及二零零九年五月二十四日起流通，本集團投資的南玻集團的可變現程度將逐步提高，這將有利於本集團未來資產的整合和提升。

2. 發行可換股債券，為集團籌集資金，但同時增加了賬面財務成本，影響本年度業績

本集團於二零零六年二月發行本金額為港幣6億元並將於二零一一年到期的零息可換股債券以籌集額外資金，作為未來投資於優質物流基建項目及營運資金的用途，並藉此加強本集團的財務能力及擴闊其資本基礎，進一步擴大本公司的股東層面，藉此引入更多大型機構及策略性投資者，為本集團創造更大的效益。

由於二零零六年股票市場興旺，本公司的股價亦大幅上升，使可換股債券的衍生負債的公允價值相應增長，按照香港財務報告準則的條文規定，本公司需體現賬面虧損約港幣8,200萬元，並同時計提名義利息成本港幣3,700萬元，導致本年度的財務成本大幅增加港幣1.19億元，使本年度的股東應佔盈利較二零零五年度下降39%。確認此衍生負債公允價值變動產生的賬面虧損是嚴格按照適用會計準則的要求所致，相關的虧損在債券轉換為本公司股份時將增加本公司的股本溢價，對股東權益並不造成實質影響，更不影響本集團的經營情況

been completed, the whole of the 654,780,000 Shenzhen Expressway shares held by the Group became A shares and will be tradable in the stock exchange from 2 March 2009 onwards. This will contribute to enhance the investment value of the Group's relevant shareholdings. The 219,019,761 CSG shares held by the Group also became A shares and will gradually be tradable in the Shenzhen Stock Exchange in three phases, of which 101,546,312 shares (46%), 203,092,624 shares (93%) and the whole of 219,019,761 shares will be tradable from 24 May 2007, 24 May 2008 and 24 May 2009 respectively. The liquidity level of the Group's investment in CSG will become higher. This will facilitate the integration and enhancement of the Group's assets and business structure in the future.

2. Issuance of convertible bonds to raise funds for the Group, but increased nominal finance costs which affected the results for the Year

In February 2006, the Group issued zero coupon convertible bonds due 2011 with an aggregate principal amount of HK\$600 million to raise additional funds for the future investment in quality logistics infrastructure projects and for working capital purposes, thereby strengthening the financial capacity and expanding the capital base of the Group. The Company's shareholder coverage was further enlarged accordingly, thus attracting more sizable institutional and strategic investors to bring about maximum benefits for the Group.

The buoyant stock market in 2006 resulted in a significant increase in the share price of the Company. The fair value of the derivative liability of the convertible bonds recorded corresponding growth. According to the requirements of the Hong Kong Financial Reporting Standards, the Company was required to recognise a book loss of approximately HK\$82 million and incurred nominal interest cost of HK\$37 million. This results in a substantial increase in finance costs of HK\$119 million for the Year, leading to a decrease of 39% in profit attributable to shareholders over that of 2005. The recognition of the book loss arising from the change in fair value of the derivative liability followed strictly the requirements under applicable financial reporting standards. Upon conversion of the bonds into

及現金流。於二零零七年，本公司按照截至本報告日的股價變動及債券持有人的換股情況，確認可換股債券的衍生負債公允價值變動產生的賬面利潤約港幣1,500萬元。由於衍生負債公允價值隨著本公司股價及債券的換股情況而變動，二零零七年的中期及全年業績將與本報告日確認的賬面盈利有所差別。

3. 繼續併購與整合集團資產

本集團持有20%權益的深圳市西部物流有限公司（「西部物流」）所經營及管理的深圳西部物流園區為深圳市政府規劃的七大物流園區之一，西部物流園區的40萬平方米土地，臨近深圳西部港區及深港西部通道的首個出口，為深圳有重要價值的資源，具有極高增長潛力及發展前景。本集團於二零零六年十二月十二日與西部物流的另一位股東簽訂一項收購協議，以總代價人民幣2.3億元收購西部物流40%股權。待收購事項完成後，本集團將持有西部物流60%股權，其將於二零零七年成為本公司的附屬公司。隨著西部物流項目建設的開展及其後有關的新建項目逐步進入穩定經營期後，西部物流的業績可望穩定增長，並將逐步成為本集團物流園業務未來的支柱項目之一。

shares of the Company, the relevant loss effectively increases the share premium of the Company and as a result it does not have any effects to shareholders' equity. It also does not affect the business operations and cash flow of the Group. In 2007, based on the change in share price and the conversions by bondholders up to the date of this report, the Company recognised a gain of approximately HK\$15 million arising from the change in fair value of the derivative liability of the convertible bonds. As the fair value of the derivative liability changes according to the fluctuation of the share price and conversion of the bonds, the actual results arising from the changes in fair value of the derivative liability in the interim and final results of 2007 will differ from the gain reported as at the date of this report.

3. Continuing merger, acquisition and integration of assets of the Group

The Group owns a 20% interest in Shenzhen Western Logistics Co., Ltd. ("Shenzhen Western Logistics") which operates and manages the Western Logistic Park, one of the seven logistic parks planned by the Shenzhen Municipal Government. Western Logistic Park, adjoining the western ports and the first transportation exit of the Shenzhen-Hong Kong Western Corridor, has a site area of 400,000 square metres. As a result, Western Logistic Park becomes a valuable resource to Shenzhen City and will bring about remarkable growth potential and promising prospects. On 12 December 2006, the Group entered into an acquisition agreement with another shareholder of Shenzhen Western Logistics to acquire 40% equity interest in Shenzhen Western Logistics at an aggregate consideration of RMB230 million. Upon completion of the acquisition, the Group will hold 60% equity interest in Shenzhen Western Logistics, which will become a subsidiary of the Company in 2007. With the commencement of construction of projects of Shenzhen Western Logistics, a steady growth in the results of Shenzhen Western Logistics is therefore expected upon stable operation of these new projects, and Shenzhen Western Logistics will become one of the pillar assets of the Group.

本集團於二零零六年十二月十一日與主要聯營公司深圳高速簽訂轉讓協議，以總代價人民幣9,600萬元轉讓所持有的深圳市梅觀高速公路有限公司（「梅觀公司」）5%權益予深圳高速。梅觀公司主要及唯一的重大資產是擁有深圳高速經營管理的主要收費公路深圳市梅觀高速公路（「梅觀高速」）。深圳高速將從梅觀公司獲得新增的利潤，並有利於深圳高速整個集團稅務工作的統籌和管理。本集團藉此機會兌現了所持的梅觀公司少數權益及被動性投資，並獲得除稅前淨盈利約人民幣3,000萬元，將投放於其他擁有控股權的物流及基建項目，進一步完善本集團的發展策略。

4. 董事會及管理層成員的變動

本公司董事會於二零零六年四月及八月分別委任張化橋先生為非執行董事、郭原先生為董事會主席及李景奇先生為總裁。張化橋先生擁有豐富的香港及國內資本市場經驗，郭原先生對國有資產的重組整合及資源管理方面擁有豐富的經驗，而李景奇先生對本集團的整體運作及戰略發展目標均非常熟悉，此等有利條件將可加快本集團的進一步資產整合，為繼續實現併購優質物流基建項目的戰略發展目標帶來良好的效果，進一步提升本公司整體盈利。

On 11 December 2006, the Group signed a transfer agreement with its major associate, Shenzhen Expressway to transfer its 5% equity interest in Shenzhen Meiguan Expressway Company Limited (深圳市梅觀高速公路有限公司) (“Meiguan Company”) to Shenzhen Expressway at a consideration of RMB96 million. The sole and major asset of Meiguan Company is the ownership of Shenzhen Meiguan Expressway (深圳市梅觀高速公路) (“Meiguan Expressway”), one of the major toll expressways operated and managed by Shenzhen Expressway. Shenzhen Expressway would derive additional profit from Meiguan Company. This facilitates the co-ordination and management of the group taxation work of Shenzhen Expressway as a whole. The Group took advantage of this opportunity to realise minority and passive investment at a profit before tax of approximately RMB30 million and will apply the proceeds from disposal on other logistics and infrastructure projects with a controlling stake, so as to optimise the development strategy of the Group.

4. Changes of Members of Board of Directors and Management

The board of directors of the Company appointed Mr. Zhang Hua Qiao as a non-executive director, Mr. Guo Yuan as the Chairman of the Board and Mr. Li Jing Qi as Chief Executive Officer in April and August 2006 respectively. Mr. Zhang has extensive experience in the capital market of Hong Kong and PRC; Mr. Guo is experienced in reorganisation and resource management of state-owned assets; and Mr. Li has extensive experience in the overall operation as well as the strategic and development objectives of the Group. These appointments will further facilitate the asset reorganisation of the Group and bring about positive effect on the realisation of strategic and development objectives through merger and acquisition of high quality logistics projects, thus further enhancing the overall profitability of the Group.

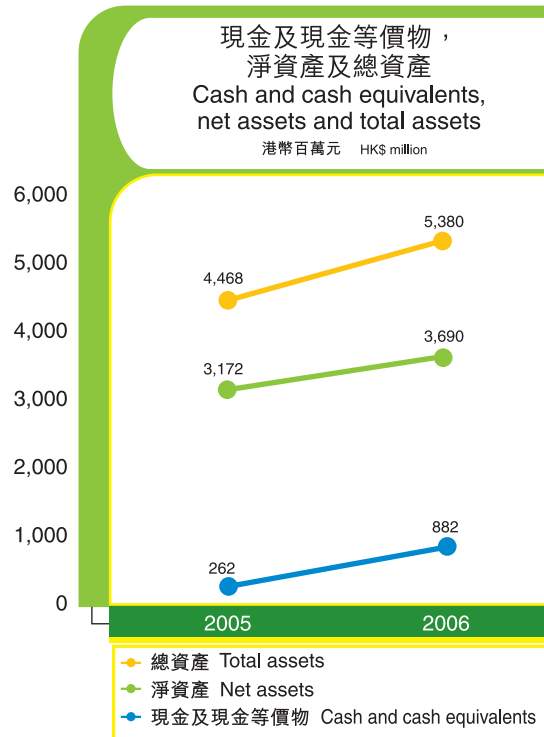
財務狀況

FINANCIAL POSITION

		十二月三十一日 31 December	
		2006	2005
		港幣百萬元 HK\$ million	港幣百萬元 HK\$ million
總資產	Total Assets	5,380	4,468
總負債	Total Liabilities	1,690	1,296
股東權益	Shareholders' Equity	3,690	3,172
現金及現金等價物	Cash and Cash Equivalents	882	262
借貸總額	Total Borrowings		
短期銀行貸款	Short Term Bank Loans	243	231
於一年內到期償還的長期銀行貸款	Long Term Bank Loans due for repayment within one year	40	32
長期銀行貸款	Long Term Bank Loans	289	347
借貸總額	Total Borrowings	572	610
淨現金／(借貸淨額)	Net cash/(Net Borrowings)	310	(348)
借貸工具	Debt Instruments	785	311
資產負債率	Debt Asset Ratio	31%	29%
借貸總額佔總資產比率	Ratio of Total Borrowings to Total Assets	11%	14%
淨現金／(借貸淨額)與股東權益比率	Ratio of Net Cash/ (Net Borrowings) to Shareholders' Equity	8%	(11%)

於二零零六年十二月三十一日，本公司於年初發行本金額為港幣6億元的零息可換股債券所籌得資金仍未被使用，因此本集團之流動資產增加港幣3.98億元，而現金等價物則上升1.8倍，部份債券持有人更已將本金額為港幣2.295億元的零息可換股債券轉換為673,020,516股本公司普通股股份。

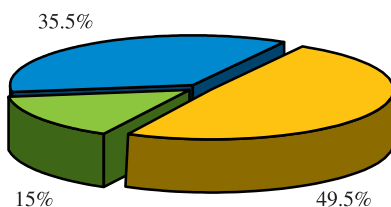
As at 31 December 2006, the funds raised from the zero coupon convertible bonds with an aggregate principal amount of HK\$600 million issued by the Company at the beginning of the Year has not yet been utilised. As a result, current assets of the Group were increased by HK\$398 million, while cash and cash equivalents have been increased by 1.8 times. Certain bondholders converted an aggregate principal amount of HK\$229.5 million of the zero coupon convertible bonds into 673,020,516 ordinary shares in the Company.



於二零零六年十二月三十一日，本集團銀行貸款總額為港幣5.7億元(二零零五年：港幣6.1億元)，分別有49.5%、15%及35.5%於一年內、第二年以及第三年或以後到期償還。此等借貸中約有港幣5.2億元以港幣為單位，港幣900萬元以美元為償還貨幣單位，而借貸餘額約港幣4,300萬元以人民幣為償還貨幣單位的國內銀行貸款。

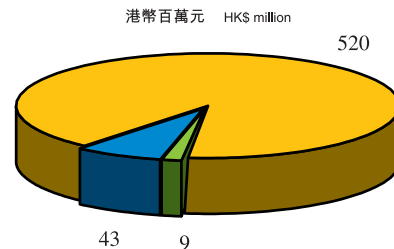
As at 31 December 2006, total bank loans of the Group amounted to HK\$570 million (31 December 2005: HK\$610 million), of which 49.5%, 15% and 35.5% were due for repayment within one year, the second year and the third year or after respectively. Approximately HK\$520 million of the bank loans are repayable in Hong Kong dollars, HK\$9 million are repayable in US dollars and the remaining balance of approximately HK\$43 million are borrowings from banks in the PRC repayable in Renminbi.

銀行貸款償還年期
Bank Borrowings repayment period



於一年內償還 Within 1 year
於第二年償還 Within 2 years
於第三年或以後償還 3 years or above

銀行貸款償還貨幣單位
Bank Borrowings repayment monetary units



港元 HK\$
美元 US\$
人民幣 RMB

本集團的現金收入主要為人民幣，而以港幣為貨幣單位的現金支出主要為股東的現金分紅及定期償還銀行貸款。人民幣於二零零六年升值約3%，對本集團現金運用非常有利，資產淨值也因此而增值約港幣8,500萬元。短期而言，人民幣與港幣的滙兌風險較低，本集團將不時檢討及監察外滙兌換的風險。

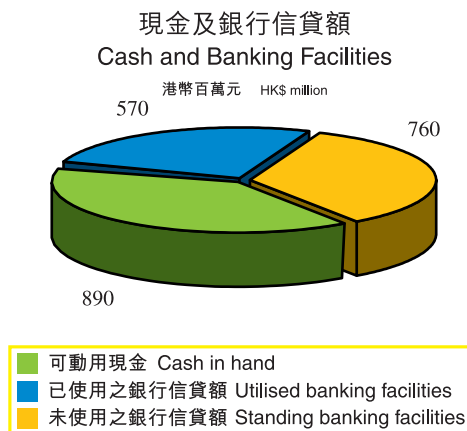
本集團借貸淨額與股東權益比率由二零零五年十二月三十一日的借貸淨額情況，轉變為於二零零六年十二月三十一日的淨現金比率8%，主要由於本集團尚未使用於年初發行本金額港幣6億元的零息可換股債券籌得的現金。有關本集團於二零零六年十二月三十一日的押記及或有負債詳情，請分別參閱綜合財務報表附註22及37。

本集團現有可動用現金及備用銀行信貸額為港幣16.5億元，而已使用之銀行信貸額為港幣5.7億元。本集團已為旗下銀團貸款訂立利率調期合約，以減低利率上升之風險。本集團目前財務資源及融資能力良好，將盡量利用此優勢繼續尋找優質的投資機會，並不時檢討現時的資本及信貸結構，降低資金及信貸成本，使整體的股東回報獲得進一步提升。

The Group's cash inflow is primarily denominated in Renminbi, and cash outflow denominated in Hong Kong dollars mainly comprises cash dividend payment to shareholders and scheduled repayments of bank loans. Renminbi appreciated by approximately 3% in 2006. This is extremely favourable to the use of cash of the Group. As such, the net asset value was appreciated by approximately HK\$85 million. In the short run, the Group's exposure to exchange rate fluctuation of Renminbi and Hong Kong dollars is expected to be at a low level. The Group will review and monitor from time to time the risks relating to foreign exchange.

The Group's ratio of net borrowings to shareholders' equity changed from a net borrowings position as at 31 December 2005 to net cash of 8% as at 31 December 2006. This was mainly attributable to the unutilised cash generated from the zero coupon convertible bonds, with an aggregate principal amount of HK\$600 million, issued at the beginning of the Year. For details of the Group's charges and contingent liabilities as at 31 December 2006, please refer to notes 22 and 37 of the consolidated financial statements respectively.

Currently, the Group has cash in hand and standing banking facilities of HK\$1,650 million and the utilised banking facilities amounts to HK\$570 million. The Group has entered into an interest rate swap contract in respect of a syndicated loan granted so as to reduce the risk arising from increasing interest rates. The Group currently has sufficient financial resources and sound financing capability and will make full use of this advantage to continue to identify quality investment opportunities. It will also review its existing capital structure from time to time and consider plans to lower its funding costs so as to further increase the overall returns for its shareholders.



主要業務之經營情況分析

物流及相關業務

本集團的物流及相關業務包括物流園、收費公路及其他物流業務三方面。物流園業務主要由深圳市華南國際物流有限公司(「華南物流」)、西部物流及深圳市機場國際快件海關監管中心有限公司(「機場快件中心」)組成；收費公路業務由武黃高速及深圳高速組成，而全程物流(深圳)有限公司(「全程物流」)及其下屬的深圳市鵬海運電子數據交換有限公司(「鵬海運」)等對本集團的其他物流及相關業務的盈利亦作出一定的貢獻。

物流園

在深圳市七大物流園區中，本公司已控股華南國際物流中心，並已共同控制機場物流園區的重點項目機場快件海關監管中心，加上控股西部物流園區將形成三足鼎立的格局，在深港跨境口岸、港口、機場後方建立起物流基建，產生戰略互補的協同效應。

ANALYSIS OF MAJOR BUSINESS OPERATIONS

LOGISTICS AND RELATED BUSINESS

The Group's logistics and related business include logistic parks, toll roads and other logistics business. The logistic park business mainly comprises Shenzhen South-China International Logistics Co., Ltd. ("South China Logistics"), Shenzhen Western Logistics and Shenzhen Airport International Express Supervision Center Co., Ltd. ("SZ Airport Express Center"). The toll road business comprises Wuhuang Expressway and Shenzhen Expressway. Total Logistics (Shenzhen) Co., Ltd. ("Total Logistics") and its associate, Shenzhen EDI Co., Ltd. ("Shenzhen EDI") also contribute to the profit of the Group's other logistics and related business.

Logistic Parks

Among the seven logistic parks in Shenzhen, the Company already has controlling shareholding in South China International Logistics Centre ("SILC") and has joint control of the Shenzhen Airport Express Supervision Center, which is a key project in the Airport Logistics Park, together with the controlling interests in the Western Logistic Park will form a tripod of logistic infrastructure covering Shenzhen-Hong Kong boundary control points, ports and airport and strategically create synergic effect.



本集團投資的深圳市三大物流園區
The three Shenzhen Logistic Parks invested by the Group

於本年度，本集團的物流園業務分別錄得營業額約港幣8,000萬元（二零零五年：港幣4,700萬元）及除稅及財務成本前盈利約港幣2,404萬元（二零零五年：港幣1,257萬元），分別較去年上升70%及91%。

華南物流

本集團重點投資開發並持有66.67%權益的華南物流的主要業務為開發、建設、經營及管理深圳市規劃的七大物流園區之一的華南國際物流中心。華南國際物流中心擁有卓越的地理和信息優勢，以海關監管的經營模式，重點發展中港兩地跨境集裝箱運輸業務，並將作為國際物流供應鏈的中心環節之一，面向珠江三角洲的內地市場和海外市場，具備出口監管功能、保稅功能和國際進出口貨運代理權的物流中心。



華南物流於二零零六年實現了全面綜合營運，主營業務收入有較大幅度的增長，在經營空箱堆場和開展保稅及監管倉儲業務的同時，華南物流還新開通了進出口轉關接駁業務，「綠色通道」亦進入測試運行階段，對完善華南國際物流中心的服務功能及增強園區的競爭力，起了很好的促進作用。於本年度內，華南物流分別錄得主營業務收入約港幣5,378萬元（二零零五年：港幣2,218萬元），大幅增長1.4倍，並實現了轉虧為盈的目標，錄得盈利港幣1,082萬元（二零零五年：虧損港幣170萬元）。隨著三個新倉庫共45,000平方米可使用面積於年內的投入使

During the Year, the Group's logistic park business recorded a turnover of approximately HK\$80 million (2005: HK\$47 million) and profit before interest and tax of approximately HK\$24.04 million (2005: HK\$12.57 million), representing increases of 70% and 91% over those of 2005.

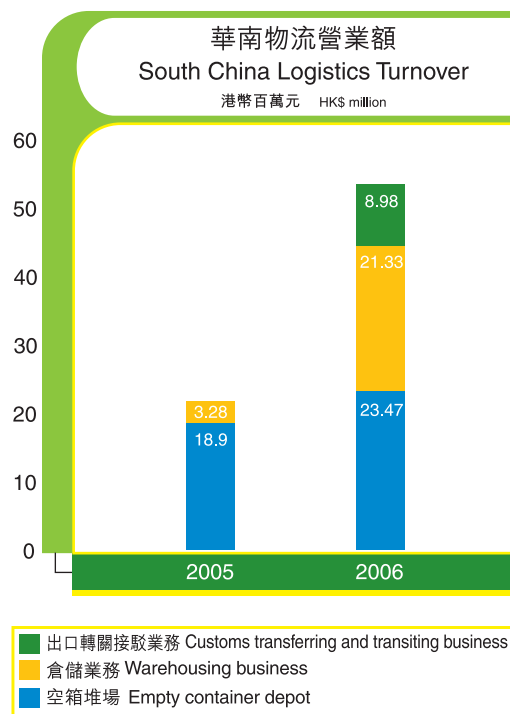
South China Logistics

South China Logistics, a key investment and development project with 66.67% interest held by the Group, is principally engaged in the development, construction, operation and management of SILC, one of the seven logistic parks in Shenzhen. SILC enjoys overwhelming advantages in terms of its geographic location and information technology and focuses on the development of cross border container transportation business between the PRC and Hong Kong with an operating model under the supervision of customs authorities. SILC will become one of the major sections of the international logistics supply chain with the functions of export supervision, bonded warehouse and international import/export freight forwarding agency, thus serving the domestic market of the Pearl River Delta and overseas markets.

South China Logistics commenced full and comprehensive operation in 2006 and a significant increase in the revenue of its core business was recorded accordingly. While operating the empty container depot business as well as developing the bonded and regulated warehousing business, South China Logistics launched the customs transferring and transiting business for import and export goods during the Year. The "Green Lane" has been put into trial run, facilitating the perfection of the service function of SILC and the enhancement of the competitiveness of the logistic park. During the Year, South China Logistics recorded a turnover of approximately HK\$53.78 million (2005: HK\$22.18 million), increased significantly by 1.4 times and achieved the target of turning around to profit.

用，華南物流的營運規模提升到一個新水平，進出口轉關接駁業務對實現華南物流的主營收入與盈利作出了重要的貢獻。

A profit of HK\$10.82 million (2005: a loss of HK\$1.7 million) was recorded for the Year. With the commencement of operation of three new warehouses with area of 45,000 square metres during the Year, the operation scale of South China Logistics was upgraded to a new level. The customs transferring and transiting business for import and export goods contributed significantly to the turnover and profit of the core business of South China Logistics.



為提高深港兩地跨境運輸的通關效率，降低運輸成本及使物流過程更為可靠，在深圳海關與香港海關的大力支持下，華南物流於二零零六年五月三十日正式開通了「綠色通道」，並進入測試運行階段。華南物流與一家於香港具領導地位的貨櫃碼頭營運商合作構建的「綠色通道」是一條經陸路連接珠三角東部與香港的跨境拖運通道，目的在華南國際物流中心與皇崗口岸之間建立一條提供一次過清關服務的「綠色通道」，將海關手續移離繁忙的邊境口岸，加快兩地的陸路交通流量。

With the strong support of customs authorities of Shenzhen and Hong Kong, South China Logistics has officially launched the “Green Lane” and put it into trial run on 30 May 2006, aiming at enhancing the efficiency of customs clearance procedures of Shenzhen-Hong Kong cross border transportation and reducing transportation costs as well as enhancing the reliability of logistic processes. The “Green Lane”, jointly constructed by South China Logistics and a leading container terminal operator in Hong Kong, is a cross border haul passage linking the eastern part of the Pearl River Delta region and Hong Kong via land transportation, aiming at establishing a “Green Lane” between SILC and Huanggang checkpoint in order to provide one-stop customs clearance service, thus diverting the customs clearing procedures away from the busy border checkpoints and speeding up the land traffic flows between Hong Kong and the Mainland.

首期「綠色通道」在皇崗口岸至華南國際物流中心之間進行，隨後將伸延至香港貨櫃碼頭。「綠色通道」的運作方式主要是將皇崗的口岸功能後移，在華南國際物流中心辦理所有出入境報關、報檢手續，使跨境貨車可於皇崗口岸及落馬洲口岸免停免檢。進口貨物在香港葵涌貨櫃碼頭辦理所有海關手續後，啟動GPS和電子關鎖等設備，在落馬洲快速通關通過皇崗進入深圳，直接運抵華南國際物流中心辦理進口手續；而出口的大陸貨物在華南國際物流中心的海關辦理出口手續後，同樣通過GPS及電子關鎖等監管技術，實現快速通關到香港。

「綠色通道」通過「點對點」通關模式，可以大大提高通關效率，緩解口岸過境壓力，最終通過實現香港碼頭到華南國際物流中心集裝箱的「重去重回」，節省企業的通關及運輸成本，加快香港碼頭的吞吐量，實現兩地雙贏。華南國際物流中心作為深圳市政府規劃的口岸型物流園區，將借助「綠色通道」的開通，更好地發揮物流樞紐作用，使深港間的貨物運輸更加便捷快速及降低成本。

由於「綠色通道」是新型業務，部份客戶對它的通關模式及通關環節持觀望態度；海關部門在「綠色通道」辦理貨物放行的程序方面也需要時間磨合，「綠色通道」重箱業務於本年度仍處於培育期。

The first stage of “Green Lane” will be available between Huanggang checkpoint and SILC and will then be extended to container terminals in Hong Kong. The “Green Lane” mainly aims at diverting all functions of Huanggang checkpoint to SILC, including all procedures concerning customs declaration and inspection declaration, thus enabling cross-border trucks to pass Huanggang checkpoint and Lok Ma Chau checkpoint without stopping for inspection. With respect to import goods, GPS and electronic gateway will be initiated when all customs procedures are completed at Kwai Chung Container Terminals in Hong Kong and import goods will then be able to go through Huanggang checkpoint and Lok Ma Chau checkpoint for direct transportation to SILC where all procedures for importation will be completed. Export goods from the Mainland, upon completion of export procedures with customs authorities stationed in SILC, can also arrive at Hong Kong quickly by utilising the same supervision technology, such as GPS and electronic gateway.



The “Green Lane” is able to enhance the efficiency of customs clearance procedures and alleviate the cross-boundary pressure at the checkpoints through a “point to point” customs clearance model. With the realisation of “loaded-in and loaded-out” for containers from Hong Kong terminals to SILC, the ultimate goal is to save clearance and transportation costs for enterprises, increase throughput of Hong Kong terminals so as to achieve a win-win situation. With the opening of the “Green Lane”, SILC,

as a logistic park with features of a checkpoint planned by the Shenzhen Municipal Government, will better perform its role as a logistic hub and enable the cargo transportation between Shenzhen and Hong Kong to be more convenient and rapid at an even lower cost.

As the “Green Lane” is relatively new to the market, some customers are conservative towards its customs clearance model and clearance procedures. Additional time is also required for the customs department to get familiar with the cargo release procedure at the “Green Lane”. During the Year, the laden container business of the “Green Lane” is still under a developing period.

華南物流自二零零五年年底開展了保稅及監管倉儲業務，經過一年的經營磨合，海關與國檢部門的支持力度逐步加大，知名的物流與倉儲公司陸續進駐華南國際物流中心，參與保稅、監管倉儲業務。隨著轉關接駁業務所需的永久性接駁場已於二零零七年三月投入使用，原暫時用作接駁月台的倉庫發揮原來的倉儲作用，從而增加約1.5萬平方米倉儲空間，現時五棟倉庫合共約6萬平方米的可用面積全部租出，倉庫貨物周轉率及倉儲業務收入將有所提高。

South China Logistics commenced the bonded and regulated warehousing business since the end of 2005. After one year of operation, the support from the customs authorities and inspection and quarantine departments has been enhanced. An increasing number of famous logistics and warehousing companies are stationed in SILC to participate in the bonded and regulated warehousing business. With the commencement of operation of a permanent transit platform for the customs transferring and transiting business in March 2007, the warehouse, which was originally used as a temporary transit platform, resumed its original function. As a result, a warehouse area of approximately 15,000 square metres has been spared. Currently, five warehouses with a total area of approximately 60,000 square metres are fully occupied by tenants. The turnover rate of warehouse cargoes and the revenue of the warehouse business will increase as a result.

自深圳海關於二零零六年四月決定將皇崗口岸的轉關接駁功能全部遷移到華南國際物流中心進行，華南物流於二零零六年四月十七日開展了轉關接駁業務。在華南國際物流中心接駁場內，進口貨物由來往粵港車輛接駁到國內車輛上的同時，在場內的梅林海關辦理該批貨物轉關到指運地海關手續；而出口貨物由國內車輛接駁到來往粵港車輛的同時，梅林海關在場內辦理該批貨物第二程轉關手續，手續完畢後，車輛及貨物直接通過皇崗口岸出關。華南國際物流中心在報關、裝卸、施封、交費、結算等運作流程，均做到了令客戶滿意，新增轉關接駁業務也帶來了新的收益。為適應未來業務發展的需求及提高整體效率，約3萬平方米的永久性接駁場已於二零零七年三月建成並投入使用，貨車接駁月台面積較以前增加超過50%，操作效率亦相應提高。



Since the customs authorities in Shenzhen determined to relocate all the customs transferring and transiting functions of Huanggang checkpoint to SILC in April 2006, South China Logistics commenced the customs transferring and transiting business on 17 April 2006. In the transiting station of SILC, when the imported cargo is being transited from vehicles commuting between Guangdong Province and Hong Kong to domestic vehicles, the procedures in respect of transferring the said cargo to the designated destination will be handled by Meilin Customs stationed in SILC; and when the exported cargo is transited from domestic vehicles to vehicles commuting between Guangdong Province and Hong Kong, the customs transferring procedures for the second trip of the said cargoes will be handled by Meilin Customs stationed in SILC. Upon completion of these procedures, the vehicles and cargoes are entitled to pass Huanggang checkpoint directly. Customers are satisfied with the operating procedures of SILC, including customs declaration, loading and unloading, sealing as well as payment and settlement. In addition, the newly launched customs transferring and transiting business also generates new contributions to revenue. In order to meet the requirements of future business development and improve efficiency, a permanent transit platform with an area of approximately 30,000 square metres has been built and put into operation in March 2007. The area of the cargo transiting platform increased by more than 50% and the operating efficiency enhanced accordingly.

於二零零七年，華南物流將繼續推廣拓寬「綠色通道」業務的客戶渠道、協調海關及國檢部門同步配合，以及實現「綠色通道」的全方位銜接，同時，華南物流將積極抓緊兩個兩層高面積合共5.2萬平方米的新倉庫建設工程，倉庫於二零零七年年末建成後將進一步擴大華南國際物流中心的倉庫面積，為引進更多客戶提供有利條件。

西部物流

本集團持有20%權益的西部物流成立的目的是為發展、建設、經營及管理深圳西部物流園區。西部物流園區佔地面積40萬平方米，為深圳七大物流園區之一，位於前海灣物流園區及深圳西部港區的後方及靠近正在興建中的大鏟灣集裝箱碼頭。其戰略位置臨近深港西部通道的首個出口，與南坪高速公路及伸展至沿海地區的公路網相連，享有便捷的運輸網絡。西部物流將利用其優越的地理位置及市場環境，為深圳西部港區的運作提供倉庫儲存方面的支持。結合利用深港西部通道「一地兩檢」的高效通關模式，西部物流將確立建設「深港國際物流園」的發展戰略，提供海、空、陸運跨境貨物集散、流通加工、配送、轉運、資訊等物流增值服務。

西部物流於本年度錄得營業額港幣4,657萬元（二零零五年：港幣3,755萬元），增長24%，主要是出租率及租金增加，稅後盈利約港幣1,250萬元（二零零五年：港幣1,061萬元），主要來自空箱堆存及倉儲的租金收入，本集團應佔盈利約港幣250萬元（二零零五年：港幣212萬元）。

In 2007, South China Logistics will continue to strive for broadening the customer base of the “Green Lane” business, coordinating with the customs authorities and inspection and quarantine departments and realising the full connection of the “Green Lane”. Meanwhile, South China Logistics will focus on the construction of the two 2-storey new warehouses with an aggregate area of 52,000 square metres. Upon completion of the construction of the warehouses at the end of 2007, the warehouse area of SILC will be further expanded, thus providing more favourable conditions to solicit more customers.

Shenzhen Western Logistics

Shenzhen Western Logistics, 20% interest of which is held by the Group, was incorporated for the purpose of developing, constructing, operating and managing Western Logistic Park in Shenzhen. The site area of Western Logistic Park is 400,000 square metres and it is one of the seven logistic parks in Shenzhen. Western Logistic Park is situated in Qianhaiwan Logistic Park and is behind Shenzhen Western Port area and close to the Dachan Bay Terminal under construction. It strategically locates right next to the first exit of the Hong Kong-Shenzhen Western Corridor and connects to Nanping Expressway and the associated expressway network leading to the coastal district, thereby being served by convenient transportation networks. Shenzhen Western Logistics will make use of its geographical advantages and market environment, providing support to Shenzhen Western Port area in the aspect of warehouse storage. Together with the use of the highly efficient “One Terra Two Checkpoints” customs model at the Shenzhen-Hong Kong Western Corridor, Shenzhen Western Logistics will be able to realise the development strategy of establishing the “International Logistic Park of Shenzhen and Hong Kong”, providing such value-added logistics services as cross-border bulk cargo collection and distribution by sea, air and land transportation, distribution processing, ancillary transportation, transiting and information.

During the Year, Shenzhen Western Logistics recorded a turnover of HK\$46.57 million (2005: HK\$37.55 million), representing an increase of 24% which was mainly from the increase in occupancy rate and rental charge. Shenzhen Western Logistics also recorded a profit after tax of approximately HK\$12.50 million (2005: HK\$10.61 million). The profit was mainly derived from rental income of the empty container depot business. The profit attributable to the Group was approximately HK\$2.50 million (2005: HK\$2.12 million).

於本年度，西部物流已完成收購西部物流園區40萬平方米土地的所有手續，並積極籌劃建設物流園區內的主體物流項目。首期倉庫項目為建設一棟兩層的框架結構倉庫，建築面積約3.7萬平方米，預計於二零零七年第四季度完成並投入使用，對維持現有客戶和開拓新業務有很大幫助。此外，為配合倉庫建成後業務的開展，西部物流已向海關申請開展保稅倉、監管倉業務並已獲得批准。西部物流於本年度的工作，在各方面均取得了一定的成績，特別是土地手續辦理完畢，為未來的發展打下了良好的基礎；新倉庫的建設也按計劃開展。

規劃中的深港國際物流園區內的物流設施包括物流倉庫、海關監管集裝箱空箱堆場、類商業物流倉儲、公共商務及餐飲配套及一套功能可符合海關、商檢等政府部門和園區管理者以及園區內物流業務實施者需求的信息系統。從業務形態方面，既有自營業務主導園區產業發展方向，也有物流資產出租，成為物流設施供應商；還有通過資源轉讓，構建特種物流功能的片區，充分利用現有資源，為港口物流和西部通道口岸物流配套。

深圳是香港與內陸地區聯繫的必經之路，二零零七年七月一日，深圳與香港的第四條跨境陸路通道「深港西部通道」將正式通車，屆時西部通道作為深港之間的物流主通道的功能將日益顯現。西部通道開通後，深港之間陸路運輸服務的倉儲設施將逐漸轉移至西部通道深圳側第一個貨運出口所在的前海灣物

During the Year, Shenzhen Western Logistics completed all the procedures of acquiring the land with an area of 400,000 square metres in Western Logistic Park. It also actively engaged in the planning for construction of the major part of the logistics project in the logistic park. The first phase of the warehouse project is to build a 2-storey warehouse with a framework structure with a gross floor area of approximately 37,000 square metres. The project is expected to be completed and put into operation in the last quarter of 2007, facilitating the maintenance of the existing customer base and the development of new business. In addition, in order to support the launch of the warehouse business upon completion of the construction of the warehouse, Shenzhen Western Logistics has applied to the customs authorities for licenses of bonded warehouse and regulated warehouse business, and all necessary approvals have been granted. During the Year, the business of Shenzhen Western Logistics has achieved promising results in all aspects, particularly the completion of land acquiring procedures, thereby laying a solid foundation for its future development. The construction of new warehouses also commenced as scheduled.

The logistics facilities in the International Logistic Park of Shenzhen and Hong Kong under planning include logistic warehouses, customs supervised unloaded-container depots, quasi-commercial logistic warehouses, public commercial and food and beverages ancillary facilities, an information system in compliance with the requirements of such government departments as customs and commercial inspection authorities, as well as the park management companies and industry players of the logistic business within the park. In respect of the business pattern, the International Logistic Park of Shenzhen and Hong Kong has self-operated businesses of its own, thus predominating the direction of the development of the park. There are also logistics assets for lease in the park and it becomes a supplier of logistic facilities accordingly. In addition, there are special logistics functional districts constructed through the transfer of resources. Consequently, existing resources within the park can be fully utilised, providing ancillary support to the port logistics business and the logistics business at the Western Corridor border checkpoints.

Shenzhen is a key point linking Hong Kong and the PRC. "Shenzhen-Hong Kong Western Corridor", the fourth cross-border corridor between Shenzhen and Hong Kong, is scheduled to be officially opened on 1 July 2007. At that time, Western Corridor's function of being the main logistics haul between Shenzhen and Hong Kong will become more important. After the opening of Western Corridor, the warehouse facilities of

流園區內，對深港兩地的商業分撥配送格局將產生巨大的影響。西部港區的發展及西部通道的開通將為深港國際物流園的發展提供充足的業務量及廣闊的市場空間，同時也使深港國際物流園的區位優勢更加明顯，有條件開展多種形態的物流業務。

西部物流於二零零七年將繼續投入「深港國際物流園」的各項建設工作，提高深港物流一體化運作效率，打造深港物流服務的高端基地，同時也為深圳西部港區的運作提供物流基礎設施等相關物流服務。

land transportation services between Shenzhen and Hong Kong will be gradually relocated to Qianhaiwan Logistic Park, which is located at the first cargo exit next to Western Corridor in Shenzhen. This will create a significant impact to the allocation of commercial resources and ancillary transportation services between Shenzhen and Hong Kong. The development of the Shenzhen Western Port area and the opening of Western Corridor will provide adequate business opportunities and plenty room for market development of the International Logistic Park of Shenzhen and Hong Kong. Meanwhile, the advantageous geographical location of the International Logistic Park of Shenzhen and Hong Kong will become more obvious, providing favourable conditions for the development of various forms of logistics business.

In 2007, Shenzhen Western Logistics will continue to launch all the construction works of the “International Logistic Park of Shenzhen and Hong Kong” for the purposes of upgrading the overall operation efficiency of logistics services between Shenzhen and Hong Kong, establishing a high technology base for Shenzhen and Hong Kong logistics services, and also providing relevant logistics services, such as logistics infrastructure, for the operation of Shenzhen Western Port area.



機場快件中心

機場快件中心是本集團與深圳市機場股份有限公司一起參與投資並各自持有50%權益的共同控制實體公司。機場快件中心是深圳市七大物流園區之一航空物流園區的重要項目之一，負責經營管理位於深圳機場的國際快件海關監管中心，為海關、檢驗檢疫和快件企業提供關務協調服務、設備、設施及配套的相關服務、現場查驗輔助服務、倉儲服務及信息服務。

SZ Airport Express Center

SZ Airport Express Center is a jointly controlled entity invested by the Group and Shenzhen Airport Co., Ltd. with each of the shareholder holding 50% interest. SZ Airport Express Center is a major project of Airport Logistics Park which is one of the seven logistic parks in Shenzhen. It is engaged in the operation and management of International Express Supervision Center in Shenzhen Airport, providing customs coordination services, equipment, facilities and related services, on-site inspection supplementary services, warehouse services and information services to customs authorities, entry-exit inspection and quarantine authorities and express cargo enterprises.

機場快件中心於本年度的營業額為港幣5,332萬元(二零零五年：港幣5,089萬元)，較去年上升5%，而股東應佔盈利為港幣2,130萬元(二零零五年：港幣2,144萬元)。於本年度，機場快件中心累計完成快件處理量16.71萬噸，較去年減少2%。其中，進口快件處理量較去年上升60%，佔總業務量比重有較大幅度的增長，對機場快件中心整體收入的增長起了積極的作用。

During the Year, turnover of SZ Airport Express Center amounted to HK\$53.32 million (2005: HK\$50.89 million), representing an increase of 5% over 2005. Profit attributable to shareholders of SZ Airport Express Center amounted to HK\$21.3 million (2005: HK\$21.44 million). During the Year, the accumulated express cargo volume handled by SZ Airport Express Center was 167,100 tons in total, representing a decrease of 2% over 2005. In particular, the volume of import express cargo in 2006 recorded an increase of 60% over that of 2005, attributing to a significantly increase in the total express cargo volume, thus posting a positive impact to the overall profit growth of SZ Airport Express Center.

機場快件中心進、出口快件處理量情況

Import and Export Express Cargo Volume of SZ Airport Express Center

項目 Item		二零零六年 2006	二零零五年 2005	增加/(減少) Increase/ (Decrease)
進口快件處理量(噸) - 佔總業務量比重	Import Express Cargo Volume (tons) - Percentage attributable to the total express cargo volume	5.18 31%	3.23 19%	60%
出口快件處理量(噸) - 佔總業務量比重	Export Express Cargo Volume (tons) - Percentage attributable to the total express cargo volume	11.53 69%	13.87 81%	(17%)
總快件處理量(噸)	Total Express Cargo Volume (tons)	16.71	17.10	(2%)

於二零零六年第一季度，機場快件中心受惠於國家進出口貿易的持續增長以及良好的通關環境，業務取得了良好的增長，但自二零零六年四月中旬以來，受到海關在快件監管政策、查驗模式、清關有效作業時間上作出了調整，機場快件中心於第二季度的業務量比去年第二季度稍為下降。由於快件行業風險及運作成本逐漸增加及出口快件處理量出現大幅下滑，故對機場快件中心上半年的整體業務量造成了較大衝擊。對此，機場快件中心於下半年採取相應措施，於營運上作出調整及加緊與各方的協調，於八月份整體業務量逐步走向平穩。

In the first quarter of 2006, SZ Airport Express Center has been benefited from the sustainable growth of import and export trade of the PRC and the satisfactory customs clearance environment, thus the business recorded a satisfactory growth. However, the express cargo regulations, the inspection model and the actual operating hours of clearance procedures conducted by customs authorities have been altered since mid April 2006. The express cargo volume of SZ Airport Express Center for the second quarter had decreased slightly when compared with the corresponding period of 2005. As the risk and operational costs relating to the express cargo industry increased gradually and the export express cargo volume decreased significantly, the overall cargo volume of SZ Airport Express Center in the first half of 2006 was adversely affected. In view of these, SZ Airport Express Center adopted corresponding measures in the second half of 2006 by adjusting its operations and improving the coordination between different parties. The overall express cargo volume in August 2006 stabilised as a result.

雖然本年度機場快件中心的總快件處理量較去年下降，但由於進口快件處理量大幅上升60%、其佔總處理量的比重由去年的19%上升至31%，加上進口處理的收費較出口處理的收費為高，故本年度的快件處理總收入較去年有所增長。

展望二零零七年，機場快件中心仍面臨出口通關政策的變動，機場快件中心計劃作出相應措施並繼續加強與各方機構的協調，密切留意監管政策的變化及通關效率，目的為增強其於市場的競爭優勢。此外，機場快件中心將以空運快件處理區作主要營運基地，並計劃改善轉關的業務流程及服務效率，儘量減低其經營成本，以達到更佳的经济效益，為股東爭取更大回報。

收費公路業務

本集團的收費公路業務由持有45%權益的武黃高速及持有30.85%權益的深圳高速組成。武黃高速全長70.3公里，是一條連接湖北省武漢至黃石的重要骨幹線，也是滬蓉國道(上海—成都)的重要組成部分，武黃高速其餘的55%權益由深圳高速持有。深圳高速主要從事中國收費公路及道路的投資、建設及經營管理，其在深圳市和廣東省其他地區經營和投資的收費公路項目均是國家或廣東省幹線公路網的重要組成部分。

於本年度，本集團的收費公路業務分別錄得營業額約港幣1.42億元(二零零五年：港幣5,000萬元)及連同應佔收費公路聯營公司部份，除稅及財務成本前盈利約港幣2.34億元(二零零五年：港幣1.76億元)，分別較去年上升1.8倍及33%。

Although the total express cargo volume of SZ Airport Express Center for the Year decreased when compared with that of 2005, the import express cargo volume significantly increased by 60% and accounted for 31% (2005: 19%) of the total express cargo volume, and given the fact that charges for import express cargo were higher than those for export express cargo, the total income of express cargo for the Year was higher than that of 2005.

Looking forward to 2007, SZ Airport Express Center will inevitably experience changes in export customs policies and will propose to adopt corresponding measures as well as continue to strengthen the coordination with various institutions and pay attention to changes in regulatory policies and customs efficiency with an aim of enhancing its competitiveness in the market. In addition, SZ Airport Express Center will make use of the air express cargo as its principal operation base. It also plans to improve the operation process and service efficiency of customs transferring procedures and reduce its operational cost to achieve a better economy of scale and strive for a higher return to its shareholders.

Toll Road Business

The toll road business of the Group comprises Wuhuang Expressway and Shenzhen Expressway, of which respective interests of 45% and 30.85% are held. Wuhuang Expressway, with a total length of 70.3 kilometres, is a major highway trunk connecting Wuhan City and Huangshi City in Hubei Province and constitutes a major part of the Hulong National Highway (Shanghai-Chengdu). The remaining 55% interest of Wuhuang Expressway is owned by Shenzhen Expressway. Shenzhen Expressway is mainly engaged in the investment, construction, operation and management of toll highways in China. The toll highways operated and invested in by Shenzhen Expressway in Shenzhen City and other regions of Guangdong Province are major components of the national or provincial trunk highway networks.

During the Year, the Group's toll road business recorded a turnover of HK\$142 million (2005: HK\$50 million) and profit before interest and tax of HK\$234 million (2005: HK\$176 million), representing increases of 1.8 times and 33% over 2005.

武黃高速

於本年度，武黃高速的主營業務收入及稅前盈利分別為港幣3.16億元及港幣1.33億元，較去年增長24%及34%，本集團應佔部份分別約為港幣1.42億元及港幣6,000萬元，武黃高速於本年度的日均路費收入增長24%，較本集團收購時預計的二零零六年全年收入增長17%。

Wuhuang Expressway

During the Year, Wuhuang Expressway recorded a turnover of HK\$316 million and a profit before tax of HK\$133 million respectively, representing respective increases of 24% and 34% over 2005, among which, HK\$142 million and HK\$60 million were attributable to the Group. The increase in average daily toll revenue of Wuhuang Expressway for the Year of 24% was more than the forecasted growth in total toll revenue for 2006 made by the Group at acquisition by 17%.

武黃高速路費收入及車流量情況

Toll Revenue and Traffic Flow of Wuhuang Expressway

		二零零六年 2006	二零零五年 2005	增加 Increase
全年總路費收入 (港幣百萬元)	Total Annual Toll Revenue (HK\$ million)	316	256	24%
全年總車流量 (千輛)	Total Annual Traffic Flow (thousand vehicles)	8,588	8,357	3%
日均路費收入 (港幣百萬元)	Average Daily Toll Revenue (HK\$ million)	0.87	0.70	24%
日均車流量 (千輛)	Average Daily Traffic Flow (thousand vehicles)	23.5	22.9	3%

於二零零六年，湖北省的本地生產總值達到7,497億元，較二零零五年增長12%，較全國平均水平為高，是近十年來的最高增幅。二零零六年湖北省及武漢市的汽車保有量分別達到415萬餘輛和70多萬台，較二零零五年增長達10%以上，這為武黃高速的車流量及路費收入帶來了增長動力。

In 2006, Hubei Province's local GDP amounted to RMB749,700 million, representing a 12% increase over 2005. The growth rate was higher than that of the national average and was the highest one for the decade. In 2006, automobile ownership in Hubei Province and Wuhan City reached 4.15 million and 0.7 million respectively, representing an increase of more than 10% over 2005, thus bringing about increases in terms of traffic flow and toll revenue to Wuhuang Expressway.

隨著二零零六年三月，武黃高速的主要收費站武東管理站遷往新址，收費車道由原來六個增加至十五個，使原來高峰期間武東站前擁堵的車流成為了歷史，不但節省了車輛排隊等待時間，而且進一步提高武黃高速公路的競爭力及服務水平。

In March 2006, Wudong toll station, the main toll station of Wuhuang Expressway, was relocated to a new site. Toll stations increased from 6 to 15, thereby eliminating the traffic congestion appeared in front of Wudong station during peak hours. The increase in toll stations not only saved the queuing time for vehicles, but also further enhanced the competitiveness and service quality of Wuhuang Expressway.

於二零零六年四月一日起，湖北省所有高速公路開始實施計重收費，對載貨類車輛實行按重量收取通行費的方式，按照公平合理的原則，解決在以往按車型收費方式下存在的車輛「大噸小標」問題，超限超載車輛的超額收費收入納入了武黃高速路費收入中。實施計重收費在治理高速公路超限超載的同時也給武黃高速的路費收入帶來可觀的增長，但車流量也因計重收費的實施而有所下降。

Since 1 April 2006, all expressways in Hubei Province implemented the “toll by weight” policy. Vehicles loaded with cargoes were charged toll fee according to their category previously. With the new policy, vehicles loaded with cargoes are now levied toll fee against their actual loading. This results in a fairer and more reasonable way of charging toll fee and as a result the problem of “understated loading for lower toll fee” was solved and extra toll paid by overloaded vehicles are now included as part of the toll revenue of Wuhuang Expressway. The implementation of this new “toll by weight” charging mechanism is able to impose strict control on issues arising from overloaded vehicles as well as bring about a considerable growth towards the toll revenue of Wuhuang Expressway. However, the traffic flow has been decreased due to the implementation of “toll by weight” policy.

於二零零六年九月及十二月，荊（州）東（嶽廟）高速公路及（武）漢孝（感）高速公路先後通車。荊東高速與襄荊高速、宜黃高速及318國道連成一體，是湖北省連接湖南的一條大通道；而漢孝高速已連入湖北省高速公路網，為湖北省高等級公路網規劃「五縱、三橫、一環」主骨架中的主要一環，也是國家規劃的西部大開發「八大通道」之一的銀（川）武（漢）通道重要組成部分。這兩條高速公路的開通，將間接為武黃高速的車流量帶來增長。



In September and December 2006, Jingdong Expressway（荊州東嶽廟高速公路）and Hanxiao Expressway（武漢孝感高速公路）commenced operations respectively. Jingdong Expressway has been linked up with Xiangjing Expressway, Yihuang Expressway and National Highway 318, forming a trunk route running between Hubei Province and Hunan Province. Hanxiao Expressway has been incorporated into the expressway network in Hubei Province and is the main ring road in the skeleton of the

high quality highway network plan in Hubei Province referred to as “Five Vertical Running Highways, Three Horizontal Running Highways and One Ring Highway”. Besides, Hanxiao Expressway is also an integral section of Yin (Chuan) Wu (Han) Corridor which is one of the “Eight Corridors” of the focused development plan of western China as stipulated by the PRC. The commencement of operations of these two expressways will bring an increase in traffic flow of Wuhuang Expressway indirectly.

展望二零零七年，湖北省交通廳將極力爭取建成「九路一橋」的基建，為來年高速公路通車總里程帶來新的突破；而即將於二零零七年建成通車的路段，尤其是陽邏長江大橋的開通，能拉近武黃高速與其他機場及電廠的距離，將更直接地為武黃高速車流量帶來增長，預期武黃高速將為本集團帶來更大的收益。

深圳高速

深圳高速目前經營和投資的收費公路項目共十八個，其中已營運項目十五個，在建項目三個，分佈在深圳、廣東省及中國其他省份。深圳高速於本年度的營業額為人民幣11.89億元（二零零五年：人民幣9.11億元），較去年增長31%，股東應佔盈利為人民幣5.79億元（二零零五年：人民幣5.53億元），較去年增長5%，本集團所佔部份為人民幣1.79億元（二零零五年：人民幣1.66億元）。於本年度，受惠於中國經濟的持續繁榮以及公路網的形成和完善，深圳高速各主要收費公路的車流量和收入繼續保持穩健的增長，建設項目及委託管理業務的發展整體上亦符合預期。

深圳及周邊區域近年來良好的經濟發展態勢、平穩增長的運輸格局以及不斷增長的汽車保有量，推動高速公路車流量和路費收入的持續增長，於本年度，深圳高速於深圳的收費公路的日均混合車流量及日均路費收入平均增幅分別為24%及15%。深圳高速在廣東省其他地區投資的四個項目均已通車營運，現處於剛開通初期，有望於未來為深圳高速帶來新的貢獻。

Looking forward to 2007, 湖北省交通廳 (Hubei Province Communications Department) will strive for the approval of the construction of infrastructure projects of “Nine Roads and One Bridge” to bring about a breakthrough in the total mileage of expressways under operation in the coming year. The expressway sections to be completed and commenced operations in 2007, particularly the operation of Yangluo Yangtze River Bridge (陽邏長江大橋), will shorten the distance between Wuhuang Expressway and other airports and power plants. This will directly increase the traffic flow of Wuhuang Expressway. Wuhuang Expressway is expected to be a more important income source to the Group.

Shenzhen Expressway

At present, Shenzhen Expressway has operated and invested in 18 toll highway projects and 15 of which are in operation while the remaining 3 are under construction. These projects are located throughout Shenzhen, Guangdong Province and other provinces in China. During the Year, Shenzhen Expressway recorded a turnover of RMB1,189 million (2005: RMB911 million), representing an increase of 31% over 2005, profit attributable to shareholders amounted to RMB579 million (2005: RMB553 million), representing an increase of 5% when compared with that of 2005, of which the Group's share was RMB179 million (2005: RMB166 million). In 2006, driven by the sustained economic prosperity in the PRC and the formation and improvement of highway networks, the traffic flow and toll revenue of various major toll highways of Shenzhen Expressway continued to maintain a steady growth. The construction projects and the entrusted construction management operations have been able to meet the overall expectations.

The economic growth momentum, a steadily expanding transportation network and an increasing vehicle ownership in Shenzhen and its neighbouring areas in recent years have driven a persistent growth in traffic volume and toll revenue on expressways. During the Year, the average growth rate of the average daily mixed traffic flow and the average daily toll revenue of Shenzhen Expressway's toll highways in Shenzhen were 24% and 15% respectively. The four projects invested by Shenzhen Expressway in other regions in Guangdong Province have all been in operations and are still in the initial stage of operations, it is expected to bring new contributions to Shenzhen Expressway in future.

有關深圳高速的建造委託管理業務，南坪（一期）主線已於二零零六年六月建成通車，其大大改善了交通環境，並得到了政府、市民及社會各界的廣泛好評。

In respect of the entrusted construction management operations of Shenzhen Expressway, the main section of Nanping Project (Phase I) was completed and put into operation in June 2006. The traffic flow has been improved significantly and positive feedback has also been received from the government, the public and different sectors of the community.

於本年度，深圳高速已簽署合約收購梅觀高速5%權益及清連高速20.09%權益，相關的收購手續經已完成。收購完成後，深圳高速持有梅觀高速100%權益及清連高速76.37%。收購清連高速，不但降低了深圳高速對清連高速的平均投資成本，更有利於其進一步提升資產規模、擴大盈利基礎。

During the Year, Shenzhen Expressway signed a contract for the acquisition of 5% and 20.09% interests in Meiguan Expressway and Qinglian Highway respectively and relevant acquisition procedures were completed. Upon the completion of the acquisitions, Shenzhen Expressway held 100% and 76.37% interests in Meiguan Expressway and Qinglian Highway respectively. The acquisition of Qinglian Highway not only lowered the average investment cost paid by Shenzhen Expressway, but also helped to further expand its asset scale and enlarge its profit base.



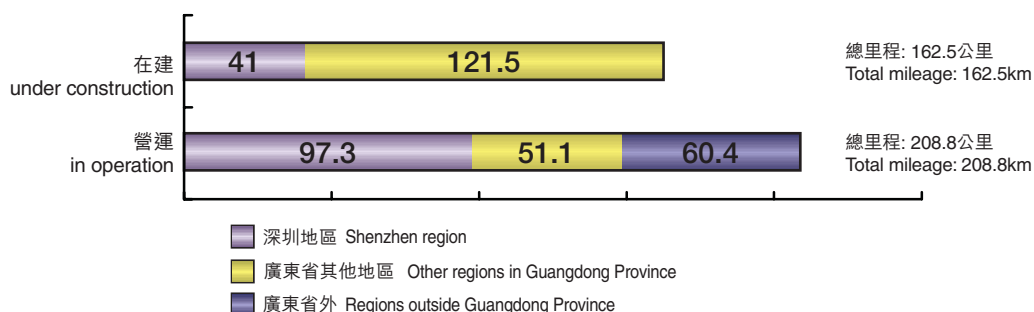
深圳高速集團現階段正在建設的三項收費公路項目包括南光高速、鹽壩（C段）以及清連一級公路改造為高速公路的改建工程，目前正進行施工，預計到二零零八年底，上述項目將會陸續建成通車。

Currently, Shenzhen Expressway Group is undertaking 3 toll highway projects, including Nanguang Expressway, Yanba (Section C) and the reconstruction of Qinglian Class 1 Highway into an expressway, and these projects are all under construction. It is expected that all

the above projects will be completed and put into operation by the end of 2008.

截至二零零六年十二月三十一日，深圳高速按權益比例計算所擁有的高等級收費公路里程數如下：

As of 31 December 2006, the total mileage of high quality toll expressways based on the shareholding percentage of Shenzhen Expressway is as follows:



當深圳高速的在建收費公路建造完成並投入營運後，其資產基礎及營運收入將進一步提升，並將為其盈利作出良好的貢獻。

面對機遇和挑戰並存的外部環境及風險，深圳高速將繼續堅持主業和發展方向，以實現快速、穩健的增長，提升盈利能力，預期能為本集團帶來理想的投資回報。



其他物流業務

本集團的其他物流業務主要為客戶提供第三方物流及運輸配套服務、物流信息軟件系統的研究和建立、以及企業數據交換分流平台的構建等服務。

於本年度，本集團的其他物流業務分別錄得營業額約港幣2.03億元（二零零五年：港幣1.93億元）及稅前盈利約港幣1,056萬元（二零零五年盈利：港幣971萬元）。

全程物流

於本年度，全程物流的營業額為港幣1.89億元（二零零五年：港幣1.82億元），面對燃油價格持續上漲，造成物流成本持續上升，加上整個公路貨運市場運力短缺、價格暴漲種種壓力，全程物流在穩定及發展原有物流業務的基礎，不斷加強自身物流能力的建設、繼續優化其業務結構與發展優質客戶。全程物流一方面做好對供應商的管理與營運質量監控，達到進一步優化自身的業務流程、降

Upon the toll highways under construction are completed and in operation, the asset base and operational revenue will be further expanded and have good contributions to its profit.

To cope with risks and the external environment with opportunities and challenges, Shenzhen Expressway remains committed to its principal operations and development directions in order to achieve a rapid and solid growth and enhance its profitability. It is expected that Shenzhen Expressway will be able to bring about desirable investment returns to the Group.

Other Logistics Business

Other logistics business of the Group includes provision of third party logistics and transportation ancillary service, research and establishment of logistics information software system as well as development of enterprise statistics exchange platform for its customers.

During the Year, other logistics business of the Group recorded a turnover of approximately HK\$203 million (2005: HK\$193 million) and a profit before tax of approximately HK\$10.56 million (2005: HK\$9.71 million).

Total Logistics

During the Year, Total Logistics recorded a turnover of HK\$189 million (2005: HK\$182 million). The soaring fuel prices continuously increased the costs in the logistics industry and there were a price surge and an inadequate capacity in the market of cargo transportation by land. Nevertheless, Total Logistics continued to expand its logistics capacity, optimise its business structure and identify premium customers in the market while stabilising and developing its existing logistics business. Total Logistics, on one hand, further streamlined its operational mechanism

低業務成本；另一方面積極與客戶就價格調整進行溝通，按市場實際情況進行重新調整。

全程物流於二零零六年七月完成以港幣3,863萬元收購中信飛馳43%股本權益。中信飛馳自二零零三年年底成立至今主要是為中海殼牌石油化工有限公司（「中海殼牌」）南海石化項目的前期建設做配套物流服務，但隨著二零零六年三月底中海殼牌項目的正式投產，中信飛馳憑藉自身物流運作優勢繼續保持了與中海殼牌物流業務合作關係，成為其投產後物流運輸業務的主要營運合作夥伴之一，經營業績逐步提升。

全程物流持有39%權益的鵬海運是深圳市政府、深圳海關、深圳出入境檢驗檢疫局、深圳海事局授權的提供電子資料交換、傳輸和增值資訊共用服務的機構，為政府部門、物流企業、製造業、商貿企業提供實用、共用的資訊網路綜合應用服務。鵬海運於本年度的主營業務收入為港幣2,596萬元（二零零五年：港幣2,236萬元），較去年增長16%，利潤為港幣533萬元（二零零五年：港幣312萬元），較去年大幅增長71%，經過幾年的業務鋪墊，鵬海運不僅擁有穩定的技術和客戶資源，而且業務成本也在逐年降低，並取得了良好的經營成果。

製造業務

南玻集團

本集團的聯營公司南玻集團的主營業務為研製、生產及銷售高級浮法玻璃及其他玻璃製品，包括工程及建築玻璃、信息技術產品用精細玻璃、汽車玻璃及太陽能光伏產品等，南玻集團亦從事生產及銷售新型電子元器件及結構陶瓷產品。此外，南玻集團已於本年

and reduced its operating costs by maintaining a reasonable management on its suppliers and a stringent control over its operational quality. On the other hand, Total Logistics took an active role to contact its customers for price negotiation so as to adjust the price in line with the actual market conditions.

Total Logistics completed the acquisition of 43% equity interest in Citic Logistics Fritz at a consideration of HK\$38.63 million in July 2006. Since its establishment in the end of 2003 to date, Citic Logistics Fritz has been mainly engaged in the provision of ancillary logistics services for the preliminary construction works of Nanhai Petrochemical Project of CNOOC and Shell Petrochemicals Company Limited ("CSPC"). This project has been put into operation at the end of March 2006 and Citic Logistics Fritz has been able to maintain its cooperative relationship with CSPC in logistics business by capitalising on its strengths in logistics operation, and has since then become one of the major cooperative partners of CSPC for providing logistics services. As a result, the operating results of Citic Logistics Fritz will improve steadily.

Shenzhen EDI, 39% interest of which is held by Total Logistics, is an entity authorised by the Shenzhen Municipal Government, Shenzhen Customs, Shenzhen Entry-Exit Inspection and Quarantine Bureau and Shenzhen Maritime Safety Administration to provide electronic information exchange, transmission and value-added information sharing services. It provides useful information sharing network integrated application services to various government departments, logistics companies, manufacturers and trading companies. During the Year, Shenzhen EDI recorded a revenue of HK\$25.96 million (2005: HK\$22.36 million) and a profit of HK\$5.33 million (2005: HK\$3.12 million), representing respective increases of 16% and 71% over those of 2005. With business preparation work for years, Shenzhen EDI not only possesses stable technology and customer resources, but has also lowered its operational costs gradually and achieved remarkable operating results.

MANUFACTURING BUSINESS

CSG

CSG, an associate of the Group, is principally engaged in the development, production and sales of high-end floating glass and other glass products, including architectural glass and construction glass, delicacy glass for information technology products, automotive glass and solar energy photovoltaic products. CSG is also engaged in the production and sales

度於湖北省開展太陽能光伏業鏈中最關鍵的多晶矽原材料項目，目前進展順利，預計二零零八年投產。

南玻集團本年度的營業額為人民幣29.58億元(二零零五年：人民幣22.94億元)，較去年增長29%，股東應佔盈利為人民幣3.26億元(二零零五年：人民幣3.19億元)，較去年增長2%。

於二零零六年，南玻集團面對浮法玻璃市場供求失衡、燃油與原材料價格居高不下及產品價格持續低迷，浮法玻璃產業受到嚴峻的考驗，對南玻集團的利潤貢獻與去年相比大幅下降，但隨著成都浮法玻璃生產線及深圳浮法一線分別於二零零六年內順利投產及完成改造工程，進一步提高了產品質素，並鞏固了南玻集團於高檔浮法玻璃市場的領導地位。

南玻集團於年內把握了國家頒佈節能政策及能源價格不斷上漲的市場契機，加大了節能產品的開發及市場開拓的力度，工程及汽車玻璃產業的營業額及利潤大幅增長，創造了歷史最高水平。至於精細玻璃產業，南玻集團已制定了擴產計劃，生產規模及產成品率不斷提升，於行業中保持了較強的盈利能力，為南玻集團提供了重大的利潤貢獻。於本年度，由於南玻集團的三大產業發揮互補優勢，成功抵禦了單一產業帶來的經營風險，本年度的營業額及利潤均比去年有增長，在行業中仍處於領先水平。



of latest electronic components and structural ceramics products. In addition, in 2006, CSG has launched the project for multicrystalline silicon raw materials, which is an essential part in the production chain of solar energy photovoltaic business in Hubei Province. The project is well on track and is expected to commence operation in 2008.

During the Year, CSG recorded a turnover of RMB2,958 million (2005: RMB2,294 million), representing an increase of 29% over 2005 and profit attributable to shareholders amounted to RMB326 million (2005: RMB319 million), representing an increase of 2% over 2005.

In 2006, in view of the unbalanced market supply and demand, persistent high prices for fuel and raw materials and continuous low product prices, the floating glass business of CSG experienced extreme difficulties and its profit contribution to CSG has decreased substantially when compared with that of 2005. However, following the full operation of Chengdu floating glass production lines and completion of transformation of Shenzhen floating glass production line 1 during the Year, the product quality has been enhanced and CSG's position in the high-end floating glass market would be further strengthened.

Capitalised on the potential market brought about by the energy saving policy promulgated by the PRC government and the soaring energy price, CSG strengthened the development of energy-saving products and relevant marketing activities, thereby generating a record increase of revenue and profit from the architectural and automotive glass business. In respect of

the delicacy glass business, CSG promulgated a productivity expansion plan, the production scale and product successful rate have been improving constantly. Therefore, the delicacy glass business maintained a relatively strong profitability in the industry and brought about a significant profit contribution to CSG. During the Year, CSG was able to resist the operational risk inherent in relying on a single sector by virtue of the complementary advantages

of its three major business. As a result, both CSG's turnover and profit for the Year increased when compared with those of 2005 and its leading position in the industry has been maintained.

面對全球能源供應日益短缺，價格不斷上漲，南玻集團制定了全面進軍太陽能光伏產業的計劃。南玻集團正在積極籌備太陽能光伏電池項目，將建設一條年產能為25兆瓦的太陽能光伏電池生產線，預計可於本年內投產。此外，南玻集團亦已順利開展太陽能光伏產業鏈中最關鍵的多晶矽原材料項目，該項目設立於湖北省宜昌經濟技術開發區，總產能為4,500噸的多晶矽材料生產基地一期工程已經動工。該項目被湖北省列為十一五規劃中的三個重點項目之一，項目進展順利，預計於二零零八年投產。隨著上述項目的陸續建成及投產，太陽能光伏產業將會成為南玻集團未來的支柱產業之一，並將成為南玻集團未來利潤持續增長強而有力的支撐。

CSG has formulated a comprehensive plan to enter into the solar energy photovoltaic sector to cope with the pressing problem of global shortage of power supply and soaring energy cost. CSG is actively preparing a solar energy photovoltaic battery project, and will establish a solar energy photovoltaic battery production line with an annual production capability of 25 megawatts. It is expected that the project will be put into production in 2007. In addition, CSG has also successfully launched the project for multicrystalline silicon raw materials, which is an essential part in the production chain of solar energy photovoltaic business. The project has been established in Yichang Economic and Technological Development Zone in Hubei Province. The first phase of the production base with a capacity of 4,500 tons of multicrystalline silicon raw materials is under construction. The project has been classified as one of the top three projects of the 11th Five-Year Plan by Hubei Province and is progressing well. It is expected that the project will be put into operation in 2008. With completion and full operation of the above projects, the solar energy photovoltaic business will become one of the pillar business of CSG and a concurrent and reliable source for the income growth of CSG in the future.

深圳市物流業發展前景

二零零六年深圳市物流業統計報告顯示，深圳現代物流業的整體規模繼續擴大，社會物流總費用為人民幣1,374億元，與去年相比增長人民幣414億元；二零零六年深圳全市生產總值實現了人民幣5,684億元，同比增長15%；社會物流總費用佔全市生產總值比重接近中等發達國家平均水平。隨著重點物流項目建設速度加快，物流企業基礎設施及技術水平不斷升級，物流信息技術應用廣泛，傳統物流向現代物流轉變的步伐大大加快，對改善深圳市經濟發展的質量發揮了積極的促進作用。據統計，深圳港二零零六年貨物吞吐量累計1.76億噸，增長約15%，其中外貿貨物吞吐量佔72%。目前已有50家世界著名船公司在深圳港開闢近遠洋國際集裝箱班輪航線168條，較去年底淨增14條，進一步完善及優化了以深圳港為樞紐、覆蓋

OUTLOOK OF THE LOGISTICS INDUSTRY OF SHENZHEN CITY

The 2006 statistics report for the logistics industry in Shenzhen City shows that the overall scale of the modern logistics industry in Shenzhen City continues to expand. The total cost of logistics in Shenzhen City amounted to RMB137,400 million, representing an increase of RMB41,400 million over 2005. In 2006, Shenzhen City recorded a GDP of RMB568,400 million, representing an increase of 15% over 2005. The percentage of total cost of logistics in the GDP of Shenzhen City is comparable to the average level of developed countries in the mid range. With the accelerated development of key logistics projects, the continuous upgrade of infrastructural facilities and technology of logistics enterprises and the extensive application of logistics information technology, the transforming from traditional logistics to modern logistics has been speeded up. This helps facilitating the improvement of the quality of economic development in Shenzhen City. According to the statistical data, the throughput of Shenzhen Port in 2006 amounted to 176 million tons, representing an increase of approximately 15%, among which, exporting cargo accounted for 72%. Currently, 168 scheduled

世界12大航區主要港口的國際集裝箱班輪航線結構，基本形成了國內綜合運輸體系中的主樞紐港和華南地區集裝箱樞紐港的地位。

中央政府提出要疏通多元化投資渠道，吸收國內外資本進入物流基礎設施建設領域，使物流投資適度超前，推動行業發展。特別要加強鐵路、港口、多式聯運和重要物流節點建設，以及物流園區、公共信息平台等重要服務設施的建設。

集團發展焦點及展望

根據物流行業發展的需求導向及中國政府政策導向，結合本集團的資金優勢、政府關係優勢、基建行業經驗優勢、人力資源優勢等多項有利條件，本集團計劃在未來進一步增強物流基建項目及收費公路業務的投資，積極尋找戰略目標發展區域內有自然壟斷性或擁有客戶基礎的已建、在建項目進行整合和提升，並適時通過與戰略合作夥伴共同投資優質新建項目，擴大對物流節點和基建設施的控制力，為今後拓展物流增值服務提供基礎和保障。

本集團將以深圳市及珠三角地區為重點發展區域，加快對相關物流資源和物流企業的併購整合，提升現有物流基礎設施的使用效率和盈利能力，在打造區域幅射的網絡雛形的

routes of domestic and international container liners are operated in Shenzhen Port by 50 well-known shipping companies, representing a net increase of 14 routes when compared with the end of 2005. The routes for container liners cover major ports in the world's 12 largest navigation zones with Shenzhen Port as the hub, thereby further optimising the route pattern. As a result, Shenzhen Port has been able to establish its position of being both the principal hub in the domestic integrated transportation sector and the container hub in Southern China area.

The Central Government proposes to develop diversified investment channels to attract more domestic and foreign capital to enter the construction sector of logistics infrastructural facilities. This helps increasing logistics investments to an appropriately over weighted level and contribute to the development of the industry. It is also suggested particular emphases will be placed on the introduction of multi modes transportation covering railways and ports and the construction of key logistics nodes, as well as the construction of logistics parks and the establishment of a public information platform.

DEVELOPMENT FOCUS AND OUTLOOK OF THE GROUP

According to the demand arising from the development of the logistics industry and policies of the PRC government, and with reference to the favourable conditions of resources, government relationship, infrastructural industry experience and human resources enjoyed by the Group, the Group plans to further increase its investments in logistics infrastructural projects and toll road business in the future. It also plans to actively identify projects, existing or under construction, with inherent monopolisation or an established customer base within its strategic and targeted areas for further integration and enhancement. The Group will also strengthen its control over logistics nodes and infrastructural facilities by co-investing with its strategic co-operation partners in newly built quality projects in a timely manner to provide a base and protection for developing value-added logistics services in the future.

Shenzhen City and Pearl River Delta region will be the key development area of the Group. It will speed up the merger and acquisition of logistics resources and logistics enterprises and enhance the efficiency and profitability of existing logistics

同時，努力提高股東利益和公司價值。本集團在二零零七年及今後的一段時間內，將致力於調整和優化本集團資產結構和盈利結構，逐步減少投資物流業務以外的非核心業務，進一步集中資源於物流基建及其衍生業務，保證本集團戰略發展目標的實現。

人力資源

本公司管理層一直視人力資源為本集團重要資產及獲取盈利的重要一環，因此重視吸納人才、獎勵優秀員工及培訓專才。本集團員工的薪酬按個別員工之資歷、能力及工作表現，並參考市場趨勢釐定，以達致公允及能夠吸納人才和留住優秀員工的目的。員工之薪酬包括薪金、醫療津貼、住院計劃及強制性公積金退休福利計劃。為鼓勵及獎勵員工，本集團設有年度考核制度，以檢討員工的薪酬及評估員工年內的工作表現，作為發放年終獎金的基準；對本集團業績及業務發展有貢獻的合資格員工更可根據本公司購股權計劃，獲授購股權以認購本公司股份。本集團亦為旗下員工提供專業培訓，鼓勵員工持續進修及自我增值。

於二零零六年十二月三十一日，本集團共聘有584名員工，當中22人在香港服務，主要為管理及財務人員；另有562名在國內服務，主要為物流方面的員工，約佔497人。

infrastructural facilities. In the meantime of establishing a network mechanism of regional influence, the Group is committed to increase the interests of the shareholders and the value of their investment in the Company. In 2007 and thereafter, the Group will endeavour to adjust and optimise its asset structure and profit structure. It will also reduce its investment in non-core business other than logistics business in order to further concentrate its resources on logistics infrastructure and its related business so as to ensure the realisation of the Group's strategic development objective.

HUMAN RESOURCE

The management of the Company considers human resource as an invaluable asset and a key factor to the profitability of the Group, and recruiting talents, rewarding staff with outstanding performance and providing professional training are all essential to the success of the Company. In order to attract talents and retain competent staff and to be impartial, employees' remuneration packages are determined according to their qualification, competency and performance, and also by reference to market terms. The remuneration packages of staff include salary payments, medical subsidies, hospitalisation scheme and mandatory provident fund retirement benefit scheme. In order to encourage and reward staff, the Group operates an annual appraisal system to review the salary of employees and assess their performance during the Year, upon which the basis of payment of year-end bonus will be determined. In addition, eligible employees contributed to the results and business development of the Group may be granted options to acquire shares in the Company pursuant to the share option scheme of the Company. The Group also provides professional trainings to employees to encourage them to continue studies and equip themselves.

As at 31 December 2006, the Group had 584 employees in total, comprising 22 employees in Hong Kong, the majority of them were management and finance personnel, and 562 employees in the PRC, approximately 497 of them served in the logistics business.