

Management Discussion and Analysis

管理層討論及分析

GENERAL OVERVIEW

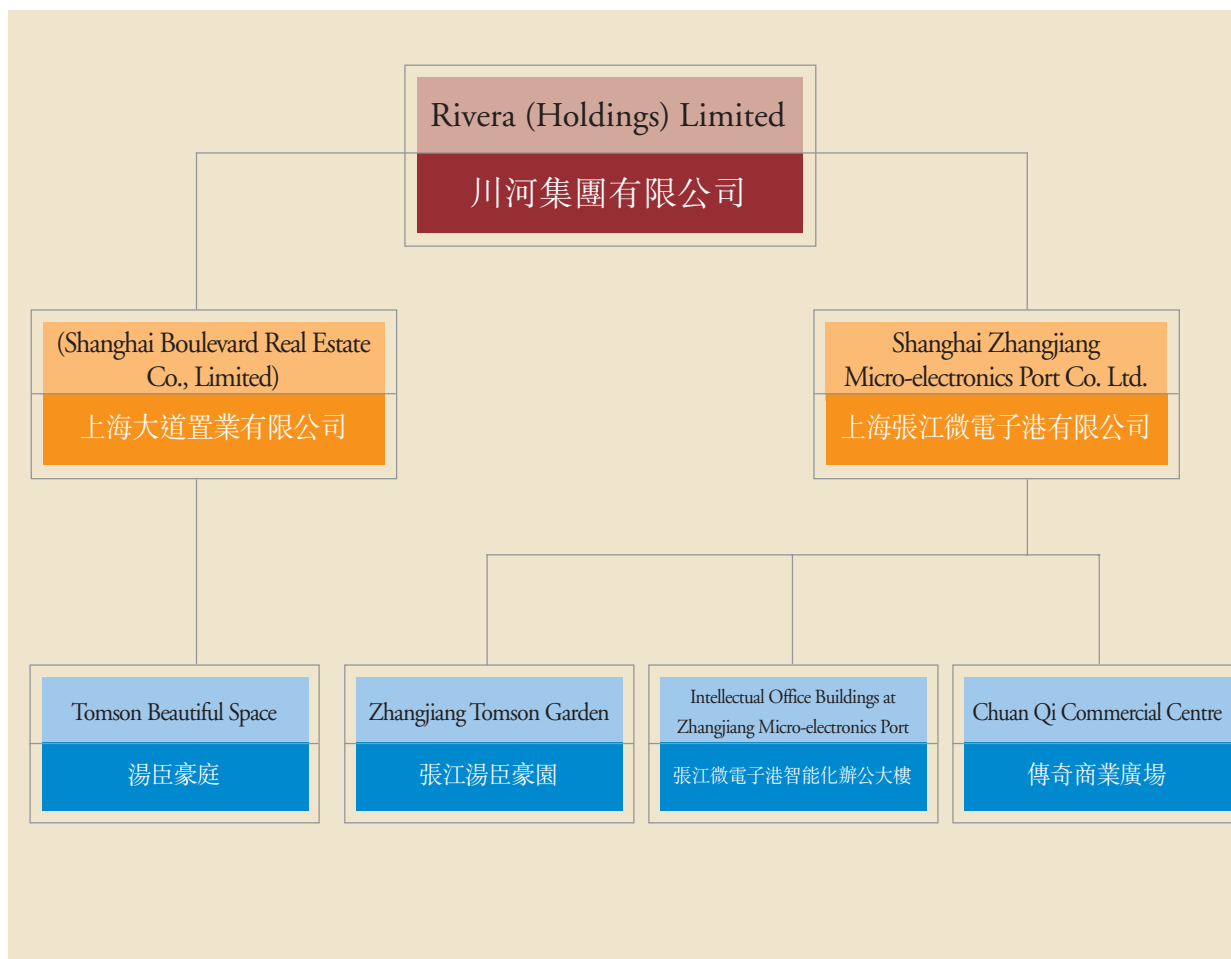
The Company and its subsidiaries (altogether the “Group”) have reported a significant improvement in the annual results for the year ended 31st December, 2006 with a consolidated profit after taxation attributable to shareholders of the Company of approximately HK\$159.85 million (2005: HK\$18.76 million) and a basic earnings per share of 6.13 HK cents (2005: 0.72 HK cent). The progress for the year under review was mainly attributable to recognition of sale proceeds from the property development projects of a subsidiary and an associate of the Company in Shanghai of which construction was completed in the year.

During the year for 2006, an operating profit of approximately HK\$77.95 million from the principle business and a dividend income of around HK\$7.98 million from a listed securities investment of the Group were recorded. Besides, the Group shared a profit of approximately HK\$91.52 million from an associate.

概覽

本公司及其附屬公司（統稱「本集團」）截至二零零六年十二月三十一日止年度之全年業績錄得大幅改善，本公司股東應佔除稅後綜合溢利約為159,850,000港元（二零零五年：18,760,000港元）及每股基本盈利為6.13港仙（二零零五年：0.72港仙）。回顧年度內之業績改進主要由於確認來自本公司之一家附屬公司及一家聯營公司位於上海及於年內落成之物業發展項目之銷售收益所致。

於二零零六年度內，本集團主要業務錄得經營溢利約77,950,000港元，而上市證券投資則錄得股息收入約7,980,000港元。此外，本集團應佔一家聯營公司之溢利約為91,520,000港元。



Management Discussion and Analysis 管理層討論及分析

DIVIDEND

For the year ended 31st December, 2006, the Board of Directors of the Company (the "Board") recommends a payment of a final dividend of HK\$0.02 per share (2005: Nil). The final dividend would be payable to the shareholders whose names appear on the register of members of the Company on Tuesday, 29th May, 2007 subject to the shareholders' approval at the forthcoming annual general meeting and dividend warrants are expected to be despatched in mid June 2007.

OPERATIONS REVIEW

The Group is principally engaged in property development and investment together with securities trading and investment. For the year under review, interests in the property sector in Shanghai were the major source of profit of the Group owing to the recognition of sale proceeds of the completed property development projects therein

股息

本公司董事局（「董事局」）建議派付截至二零零六年十二月三十一日止年度之末期股息每股0.02港元（二零零五年：無）。末期股息將派發予於二零零七年五月二十九日（星期二）名列本公司股東名冊之股東，惟派發事宜須於應屆股東週年大會上獲股東批准後方可作實，而股息單預期於二零零七年六月中旬寄發。

業務回顧

本集團主要從事物業發展及投資，以及證券買賣及投資業務。於回顧年度內，由於確認在上海之已落成物業發展項目之銷售收益，故在當地房地產行業擁有之權益為本集團之主要溢利來源，而於



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

Management Discussion and Analysis 管理層討論及分析

while securities trading and investment in Hong Kong was the next contributor to the Group's annual results. On the other hand, the Group holds an investment property and trivial properties for sale in Macau, and a negligible rental income was received during the year.

Property Development and Investment

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

Shanghai Boulevard Real Estate Co., Limited is the principal subsidiary of the Group and has developed a residential project, namely Tomson Beautiful Space, in Zhangjiang Hi-Tech Park, Pudong, Shanghai, The People's Republic of China ("PRC") by two phases. Construction of Phases 1 and 2 of the project was completed in 2004 and 2006 respectively.

The residential project received a warm welcome by the market and Phase 1 of a total residential gross floor area of approximately 45,900 square meters was completely sold out in 2004. Phase 2 is composed of 466 duplex units in 22 blocks of apartment houses of four or six storeys of a total residential gross floor area of approximately 83,500 square meters. Up till the end of 2006, nearly a half of the residential area of Phase 2 has been sold. For the year ended 31st December, 2006, sale proceeds of approximately HK\$346.98 million were

香港之證券買賣及投資業務亦為本集團之全年業績作出貢獻。另一方面，本集團於澳門持有一項投資物業及少量可供出售之物業，並於年度內錄得微量之租金收入。

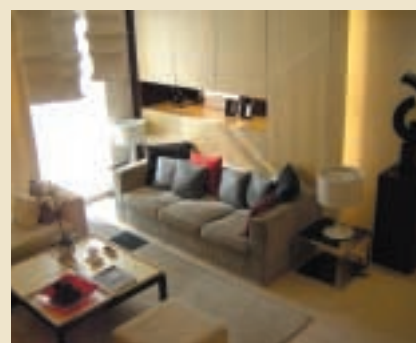
物業發展及投資

上海大道置業有限公司

上海大道置業有限公司為本集團之主要附屬公司並已於中華人民共和國（「中國」）上海浦東張江高科技園區內分兩期發展一項住宅項目，名為湯臣豪庭。該項目的第一期和第二期已分別在二零零四年和二零零六年落成。

市場對該住宅項目反應熱烈，總住宅樓面面積約為45,900平方米的第一期物業已於二零零四年全部沽清。第二期包括22棟4或6層高公寓樓房合共466個複式單位，其總住宅樓面面積約為83,500平方米。截至二零零六年底，第二期約一半的住宅面積已經售出。於截至二零零六年十二月三十一日止年度，本集團已確

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



Management Discussion and Analysis 管理層討論及分析

recognized and accounted for approximately 93% of the Group's turnover, and the project contributed a gross profit of approximately HK\$111.76 million to the Group.

Shanghai Zhangjiang Micro-electronics Port Co. Ltd.

Through holding a 37% interest in Shanghai Zhangjiang Micro-electronics Port Co. Ltd. ("SZMP"), the Group has an interest in various residential and commercial property projects in Zhangjiang Hi-Tech Park, Pudong and also a land bank of a site area of over 250,000 square meters therein for further development. During the year under review, SZMP derived its major revenue from sale proceeds of its Zhangjiang Tomson Garden and intellectual office buildings and the Group shared a profit of approximately HK\$91.52 million from that associate.

Zhangjiang Tomson Garden

SZMP is developing Phase 2 of its residential project, Zhangjiang Tomson Garden, by three stages after achieving a success in launch of Phase 1 of the project. Phase 2 is a development of 34 blocks of

認銷售收益約346,980,000港元，佔本集團營業額約93%，而該項目則為本集團貢獻毛利約111,760,000港元。

上海張江微電子港有限公司

本集團透過持有上海張江微電子港有限公司（「張江微電子港」）37%股權，於浦東張江高科技園區持有多個住宅及商業物業項目之權益，並擁有當地一幅地盤面積超過250,000平方米的土地儲備，以供進一步發展之用。於回顧年度內，張江微電子港之主要收益來自其張江湯臣豪園及智能化辦公大樓之銷售收益，而本集團應佔該聯營公司之溢利約為91,520,000港元。

張江湯臣豪園

繼成功推出其住宅項目張江湯臣豪園第一期後，張江微電子港正在分三個階段開發張江湯臣豪園第二期。第二期乃一



Zhangjiang Tomson Garden (Phase 1) 張江湯臣豪園一期



Management Discussion and Analysis 管理層討論及分析

apartment buildings of eight to sixteen storeys, a clubhouse, a commercial building and other ancillary facilities with a total gross floor area of approximately 232,800 square meters. The first two stages of Phase 2 of a total residential gross floor area of around 124,100 square meters were completed in 2006 while the last stage of a residential gross floor area of approximately 62,200 square meters is expected for handover to the purchasers in the second half of 2007. Up till 31st December, 2006, nearly 70% of the total residential area of Phase 2 have been sold out or pre-sold.

Phase 3 of the project is under planning.

項合共34棟8至16層高公寓樓房、一個會所、一棟商業大廈和其他配套設施之發展項目，總樓面面積約為232,800平方米。於二零零六年，本集團已完成第二期物業中總住宅樓面面積約共124,100平方米之首兩個階段工程，而住宅樓面面積約為62,200平方米的最後階段預期將於二零零七年下半年交付予買方。截至二零零六年十二月三十一日止，第二期近70%總住宅面積已售出或預售。

該項目第三期正在籌劃中。

Zhangjiang Tomson Garden (Phase 2) 張江湯臣豪園二期



Intellectual Office Buildings

There are two phases of intellectual office buildings developed by SZMP in Zhangjiang Hi-Tech Park. Phase 1 is composed of 3 office blocks of which one block has been sold in 2006. The remaining two office blocks of a total gross floor area of approximately 29,000 square meters were all on lease as at 31st December, 2006.

Phase 2 will provide a total gross floor area of approximately 83,200 square meters and comprise 6 office blocks and other ancillary facilities. It is earmarked for lease and targeted for opening in the second half of 2007.

智能化辦公大樓

由張江微電子港於張江高科技園區進行開發之智能化辦公大樓共分兩期。第一期包括3棟辦公大樓，其中一棟已於二零零六年內售出。於二零零六年十二月三十一日，其餘兩棟總樓面面積約29,000平方米的辦公大樓均已全部租出。

第二期將提供總樓面面積約83,200平方米，包括6棟辦公大樓及其他配套設施。第二期全撥作出租用途，並預計於二零零七年下半年開始營業。

Management Discussion and Analysis 管理層討論及分析

Chuan Qi Commercial Centre

Chuan Qi Commercial Centre (Phase 1) opened for business in 2005 and a majority of its tenants are engaged in dining and beverage. Of the total gross floor area available for lease of the commercial centre of nearly 16,800 square meters, over 50% were let out as at 31st December, 2006 and the leasing rate is increasing.

傳奇商業廣場

傳奇商業廣場(第一期)於二零零五年開業，其租客主要從事餐飲行業。商業廣場之可供出租總樓面面積近16,800平方米，其中逾50%於二零零六年十二月三十一日已租出，且出租率不斷攀升。

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



Phase 1 一期



Phase 2 二期

Securities Trading and Investment

The Group has invested in various listed securities in Hong Kong during the year under review to diversify its business portfolio and maximize its return to cash balance. In addition to a gross profit generated from securities trading of approximately HK\$2.53 million, a dividend income of approximately HK\$7.98 million was contributed by Tomson Group Limited (“TGL”), a listed company in Hong Kong and one of the major property developers in Pudong, Shanghai.

證券買賣及投資

本集團在回顧年度內投資多項香港上市證券，使其業務組合多元化及盡量增加其現金結餘的回報。除了從證券買賣中獲得毛利約2,530,000港元外，湯臣集團有限公司(「湯臣集團」)亦為本集團帶來約7,980,000港元的股息收入。該公司為一家香港上市公司並為上海浦東之主要房地產發展商之一。

Management Discussion and Analysis 管理層討論及分析

As at 31st December, 2006, the Group held an approximately 12.11% interest in the total issued capital of TGL as a long-term investment and several securities investments for short-term trading. The fair value of those investments was reported in the consolidated balance sheet of the Group at the year end date. According to accounting standards applied, an unrealized loss on change in fair value of the securities investment in TGL of approximately HK\$3.99 million and that of those investments held for trading of approximately HK\$0.05 million were debited to the investment revaluation reserve and charged to the consolidated income statement of the Group for the year under review respectively.

於二零零六年十二月三十一日，本集團持有湯臣集團全部已發行股本中約12.11%權益，作為一項長線投資，並持有多項證券投資作短期買賣。該等投資的公平值在年度終結日錄入本集團之綜合資產負債表內。根據所採用之會計準則，所持有湯臣集團的證券投資之公平值變動時產生的未變現虧損約3,990,000港元以及該等待售投資之相應部分約50,000港元均已分別記入本集團的投資重估儲備及回顧年度的綜合利潤表內。



Chuan Qi Commercial Centre 傳奇商業廣場

Management Discussion and Analysis
管理層討論及分析**FINANCIAL REVIEW****Liquidity and Financing**

The Group's capital expenditure and investments for the year ended 31st December, 2006 were mainly funded by its cash on hand, and revenue from operations and investing activities.

At the balance sheet date, the cash and cash equivalents of the Group amounted to approximately HK\$289.75 million. During the year under review, the Group's operations and investing activities generated a net cash inflow of approximately HK\$77.41 million and HK\$29.57 million respectively. After accounting for a cash outflow of approximately HK\$5.33 million from financing activity of the Group, the net cash inflow of the Group for the year ended 31st December, 2006 amounted to approximately HK\$101.65 million (2005: outflow of HK\$0.56 million). The significant increase in the cash inflow in 2006 was mainly attributable to a receipt of sale proceeds from the property development of the Group in Shanghai.

The Group did not have any borrowing at the balance sheet date (2005: Nil) and all the liabilities of the Group were due for repayment within one year from the balance sheet date.

As at 31st December, 2006, the Group recorded a current ratio and a gearing ratio (total liabilities to equity attributable to equity holders of the Company) of 3.09 times and 16.93% (2005: 2.74 times and 18.94%) respectively. The improvement in both the current ratio and gearing ratio was attributable to the recognition of the sale proceeds of the property development project in Shanghai which was completed during the year under review.

In addition, the Group had no capital commitment (2005: approximately HK\$108.97 million) in respect of capital expenditure which has been contracted for but not provided in the financial statements for 2006.

財務回顧**流動資金及融資**

本集團於截至二零零六年十二月三十一日止年度之資本開支及投資所需資金主要來自手頭現金及經營業務與投資業務之收益。

於結算日，本集團之現金及現金等值項目約為289,750,000港元。於回顧年度內，本集團之經營業務及投資業務分別產生現金流入淨額約77,410,000港元及29,570,000港元。經計及本集團之融資活動產生的現金流出額約5,330,000港元後，本集團於截至二零零六年十二月三十一日止年度之現金流入淨額約為101,650,000港元(二零零五年：流出額約為560,000港元)。二零零六年度現金流入額大幅增加主要由於收取來自本集團位於上海之物業發展項目之銷售收益所致。

本集團於結算日並無任何借貸(二零零五年：無)，而本集團所有負債均須於結算日起計一年內到期償還。

於二零零六年十二月三十一日，本集團錄得流動比率3.09倍，而資本負債比率(即負債總額對本公司股東應佔權益之比率)則為16.93%(二零零五年：分別為2.74倍及18.94%)。流動比率及資本負債比率之改善是由於確認位於上海及已於回顧年度內落成之物業發展項目之銷售收益所致。

此外，本集團並無任何有關已訂約但未於二零零六年度財務報表中撥備之資本開支之資本承擔(二零零五年：約108,970,000港元)。

Management Discussion and Analysis 管理層討論及分析

Charge on Assets

No asset of the Group was subject to any charge as at 31st December, 2006 (2005: Nil).

Foreign Exchange Exposure

The majority of the Group's assets and liabilities are denominated in Renminbi, and the liabilities are well covered by the assets. The management therefore expects that the change in value of Renminbi will not have any adverse effect to the Group since Renminbi has generally been perceived as having appreciation in value relative to Hong Kong Dollars. On the other hand, all of the other assets and liabilities of the Group are denominated in either Hong Kong Dollars or Macau Pataca, hence, the Group does not expect any significant exchange risk exposure.

Contingent Liabilities

The Group had no contingent liabilities at 31st December, 2006 as the Group has fully provided for land appreciation tax of approximately HK\$54.16 million on its sales of properties in Shanghai in the consolidated income statement for the year according to the requirements of the State Administration of Taxation of the PRC in respect of the levy of the land appreciation tax on property developers even though detailed implementation rules and procedures have not yet been issued by the relevant local tax bureaux.

PROSPECT

The Board understands that the potential collection of land appreciation tax and promulgation of various macro-economic regulatory policies by the PRC government may have an impact on the property sector in the mainland China, however, it believes that it will benefit to the sustainable growth of the property market therein and has confidence in the property development and investment business of the Group and its associate in Shanghai. The management will be cautious in setting up future development and marketing plans of the property projects of the Group and its associate and will also explore any other quality investment opportunities for the long-term development of the Group.

資產抵押

於二零零六年十二月三十一日，本集團並無任何資產已予抵押（二零零五年：無）。

匯兌風險

由於本集團大部份資產及負債均以人民幣列值，而資產可充分償付負債。因此，管理層預期人民幣幣值變動將不會對本集團產生任何負面影響，因為相對於港元，人民幣一般被視為會升值。另一方面，本集團所有其他資產及負債均以港元或澳門幣列值，故本集團並不預期有任何重大匯兌風險。

或然負債

由於本集團根據中國國家稅務總局關於向房地產發展商徵收土地增值稅之規定（儘管有關地方稅務局尚未頒佈執行細則及程序詳情），已於本年度之綜合利潤表中就其於上海之物業銷售之土地增值稅作出足額撥備約54,160,000港元，故本集團於二零零六年十二月三十一日並無任何或然負債。

前景

董事局明悉，徵收土地增值稅之潛在可能性及中國政府頒佈多項宏觀經濟調控政策均會對中國國內之物業市場產生影響。然而，董事局相信，這將有利於當地物業市場之可持續性增長，並對本集團及其聯營公司在上海之物業發展及投資業務充滿信心。管理層將會審慎地制訂本集團與其聯營公司的物業項目的未來發展及營銷計劃，同時亦將為本集團之長遠發展尋求任何其他投資良機。

Management Discussion and Analysis 管理層討論及分析

The property portfolio of the Group in Macau has been reviewed and the management has arranged leasing and sale of those trivial properties held to maximize the return to the Group. On the other hand, the Group will keep an eye on the development in Macau and consider any feasible development plan in respect of its property portfolio in Macau with due care.

HUMAN RESOURCES

The Group engaged around 20 employees in its various offices in Hong Kong, Macau and Shanghai as at 31st December, 2006. The total emoluments of the Group for the year under review amounted to approximately HK\$6.32 million including retirement benefit scheme contributions and an accrual of approximately HK\$4.88 million as staff welfare fund of its Shanghai office.

The Group has always emphasized the importance of a highly-efficient staff management and incentive structure. Emoluments paid to salaried staff and directors of the Group are determined by reference to market terms, individual responsibilities and performance. In addition, the Company has adopted a share option scheme pursuant to which options are allowed for granting to, inter alia, directors and employees of the Group to subscribe for shares in the capital of the Company as a long-term incentive.

Taking this opportunity, the Board would like to express its gratitude to all the staff members of the Group for their effort and devotion over the years.

On behalf of the Board
Liu Xiaolong
Chairman

Hong Kong, 17th April, 2007

本集團已對在澳門之物業組合進行檢討，且管理層已安排出租及銷售該等所持有之少量物業，以提高本集團之回報。另一方面，本集團將會關注在澳門的發展，並審慎考慮任何有關其於澳門之物業組合的可行發展計劃。

人力資源

於二零零六年十二月三十一日，本集團於香港、澳門及上海多個辦事處共僱用約20名僱員。於回顧年度內，本集團之薪酬總額約為6,320,000港元，包括退休福利計劃供款及撥備其上海辦事處之職工福利和獎勵基金約4,880,000港元。

本集團一直強調高效率僱員管理及激勵架構之重要性。本集團之受薪僱員及董事之薪酬乃參考市場條件、個別人士所承擔之責任及表現而釐定。此外，本公司已採納一項購股權計劃，據此，可向（包括）本集團董事及僱員授出購股權，以認購本公司股本中之股份，作為一項長期激勵措施。

董事局藉此機會向本集團各員工多年來之不懈努力及竭誠服務表示衷心謝意。

代表董事局
主席
劉小龍

香港，二零零七年四月十七日