

Business Park Projects

Vision (Shenzhen) Business Park (“VSBP”)

The VSBP site, with an area of 33.8 hectares is situated within the Shenzhen Hi-tech Industrial Park. It is strategically located near a planned subway station and is adjacent to the Shenzhen end of the Western Corridor, a cross-sea bridge connecting Hong Kong with Shenzhen. When completed by the end of 2005, this bridge is expected to substantially cut traveling time between the two cities.

Despite strong competition, the existing phase 1 of VSBP achieved a record occupancy rate of 98% as at 31 December 2004, up from 93% a year ago. The phase 1 facility offers a total office space of 23,500 m² which was occupied by 36 tenants comprising multinational corporations and local high-tech companies in December 2004. To sustain this robust performance and to stay ahead of the market place, we provide a consistent and high quality international standard of services to all our tenants.

After a long delay, the development of the first part of phase 2 of VSBP resumed at the end of 2004. This first part comprises 2 blocks of business park space and an amenity centre, with a total gross floor area of about 40,000 m². When completed by early 2006, the space will be suitable for users in the technology, IT-related business and research/development activities. In addition, we are assessing the development plans of the second part of phase 2, which will have a total gross floor area of some 82,000 m².

The last undeveloped site under phase 3 has a land area of 25 hectares. Steps are now being taken to review the design concept and the development parameters of this site which has the potential to create over 400,000 m² of gross floor area.

商業園項目

深圳威新軟件科技園（「深圳威新」）

深圳威新位處深圳市高新技術產業園內，佔地33.8公頃，位置盡享策略優勢，鄰近一個完成規劃之地下鐵路車站，毗鄰連接深港兩地之跨海大橋－西部走廊。該大橋於二零零五年底前竣工後，預期可大幅縮短穿梭兩地之交通時間。

儘管競爭激烈，深圳威新現有第一期之出租率由一年前之93%升至於二零零四年十二月三十一日98%之新高。第一期提供之辦公大樓總面積達23,500平方米，於二零零四年十二月由36家跨國公司及內地高科技公司租用。為保持其優越表現及領導市場地位，本集團為所有租戶提供優質及具國際水平之服務。

於工程長期延誤後，深圳威新第二期第一部份之發展於二零零四年底復工。該第一部份包括兩座商業園空間及一幢康樂中心，總樓面面積約40,000平方米。於二零零六年年初竣工後，該空間將適合科技、資訊科技相關業務及研究／開發活動之公司使用。此外，本集團正規劃第二期第二部份之發展，該部份之總樓面面積約為82,000平方米。

第三期最後未開發之地盤佔地25公頃。本集團正著手檢討可發展樓面面積達400,000平方米之第三期土地之設計概念及發展參數。

Vision International Centre, Beijing

The Group's joint venture project with Tsinghua Science Park Co., Ltd. (formerly known as Beijing Tsinghua Science Park Construction Co., Ltd.), a subsidiary of the prestigious Tsinghua University in Beijing, is a 13-storey high quality and state-of-the-art business park facility located within the Tsinghua Science Park in Zhongguancun, Haidian District, Beijing. Completed in September 2004, this facility yields a gross floor area of about 30,000 m² of fully wired-up space, suitable to multi-national corporations and domestic companies engaged in technology and IT-related business; research-based activities in biomedical and pharmaceutical; and education related to technology, multi-media and animation.

Situated at a strategic location in the Zhongguancun – often referred to as China's Silicon Valley – the building has received much acclaim since its completion. As at 31 December 2004, 85% of the building had already been committed to a list of high profile tenants such as SOHU.com, Juniper Networks and Sun Microsystems.

During the year, the development company of Vision International Centre granted options to buy six floors (with a total gross floor area of about 15,500 m²) and a certain number of car parking spaces to SOHU.com. Such options to purchase may be exercised by SOHU.com at a total consideration of between RMB244 million to RMB253 million (approximately HK\$230.2 million to HK\$238.7 million) calculated according to the terms of the options as set out in the agreement entered into on 12 September 2004. Details of this agreement were announced by the Company in a circular to shareholders dated 6 October 2004.

Completed Residential Projects in China

The Group completed its two high-rise residential projects in China, namely, Scenic Place (phase 1) in Beijing and The Ninth ZhongShan in Dalian.

威新國際大廈，北京

威新國際大廈乃本集團與著名北京清華大學之附屬公司啓迪控股股份有限公司(前稱為北京清華科技園建設股份有限公司)之合資項目，屬13層高之新型優質商業園設施，位處北京海淀區中關村清華科技園之內。於二零零四年九月落成，該設施之樓面面積約達30,000平方米，所有單位之線路配備齊全，適合從事科技及資訊科技相關業務、生物醫藥研究以及科技、多媒體及動畫製作相關教育活動之跨國公司及國內公司使用。

威新國際大廈位處策略性位置中關村(常被指為中國之矽谷)，自其落成以來一直獲得多項讚譽。於二零零四年十二月三十一日，大廈85%單位已出租予多個著名租戶，如搜狐、Juniper網絡及Sun Microsystems。

年內，威新國際大廈之發展公司向搜狐授出選擇權，購買該大廈共六層(總樓面面積約15,500平方米)及若干泊車位。上述選擇購買權可由搜狐以根據二零零四年九月十二日訂立之協議所載之選擇權條款計算之總代價人民幣244,000,000元至人民幣253,000,000元(約港幣230,200,000元至港幣238,700,000元)行使。該協議之詳情載於本公司於二零零四年十月六日刊發予股東之通函內。

已落成之中國住宅項目

本集團於中國完成兩項多層式住宅項目，即北京蝶翠華庭(一期)及大連中山九號。

Located in the XuanWu District, Beijing, Scenic Place (phase 1) consists of three blocks of 788 apartments, of which 670 apartments (85% of the total) had been sold as at 31 December 2004. Over 513 apartments had been handed over to their owners for occupation. The plan to develop the remaining site under phase 2 of Scenic Place could not proceed during the year when a principal requirement was not fulfilled by the stipulated deadline of 31 August 2004 pursuant to new regulations promulgated by the Beijing Land Bureau in April 2004. In accordance with the terms and conditions of the agreements entered into in 1998 relating to the acquisition of the site, the Group had paid substantial advance payments for this site. The Group is now exploring all feasible options to reach an optimal outcome from this situation.

The Ninth ZhongShan project was completed in July 2004. This twin-towers, one a 30-storey and the other 32-storey, offer panoramic views of the city and its coastline. This high quality development is superbly located and has a comprehensive clubhouse facility. Out of the 432 elegant apartments, 168 were sold as at 31 December 2004. The Group is confident of selling the remaining apartments during 2005.

Completed Residential Projects in Hong Kong

The Hong Kong economy posted strong growth in 2004, with real GDP reaching 7.5%. Although this strong growth could be partly attributed to a low base of comparison caused by the SARS epidemic in 2003, there was genuine recovery in domestic and external demand during the year. Against this background, the Group sold the last 3 remaining units in the Harbourview Garden project in Kowloon City and another 25 units in Elite Court in Sai Ying Pun. With all units sold at the Greenery Place in Yuen Long, the Group was considering various options to sell the 133 car parking spaces it still held.

During the year, the Group completed the sale of the various lots in Demarcation District 387 Sham Tseng, New Territories since the development viability of this vacant site on a stand-alone basis was considered unacceptable.

蝶翠華庭(一期)位於北京宣武區，包括三幢住宅大樓共788個單位，其中670個單位(佔單位總數之85%)已於二零零四年十二月三十一日出售。超過513個單位已交付予業主入伙。由於在根據北京土地管理局於二零零四年四月頒佈之新法規所規定之法定期限二零零四年八月三十一日前，仍未履行主要規定，故發展蝶翠華庭第二期餘下土地之計劃於年內尚未能進行。根據於一九九八年就收購該地盤而訂立之協議之條款及條件，本集團已為該地盤支付巨額墊款。本集團現正尋求一切可行的方案，務求化解上述困境。

中山九號於二零零四年七月落成。該兩幢大樓(一幢30層高及另一幢32層高)座擁大連之怡人景緻及沿海風光。該高質素發展項目地處黃金地段，並建有設備齊全之會所設施。於432個優雅單位中，168個單位已於二零零四年十二月三十一日售出。本集團有信心於二零零五年出售餘下單位。

已落成之香港住宅項目

香港經濟於二零零四年增長強勁，實質生產總值達7.5%。儘管經濟強勢增長乃部份由於二零零三年非典型肺炎疫症下之強烈對比所致，惟本年度之本地及外地需求均顯著復甦。在市場好轉之情況下，本集團已出售九龍城維景雅軒項目餘下之3個單位，以及西營盤雅賢軒另外25個單位。於沽清元朗翠韻華庭之單位後，本集團正考慮多個方案以出售其持有之133個泊車位。

年內，本集團完成出售新界深井丈量約份第387號之若干地段，此乃由於本集團認為該空置地盤之獨立發展計劃並不可行。

Prospects

Following the divestment of the non-performing and non-core assets in 2004, the Group has become more focused in property development, investment and management activities in China. The Group will pursue improvements in operational efficiencies, stringent cost management and optimal allocation of capital and resources. The foremost priority is to extract higher returns from the existing portfolio of assets and those which are under construction or may be acquired in the future. The Group's strategy to increase investment in China is based on the belief that the country is well positioned to continue to grow, albeit at a more modest rate without experiencing undue inflationary pressures. The Group will explore business opportunities in cities such as Beijing, Shenzhen and Dalian where it already has a presence, in addition to selective prime locations in certain provincial cities across China as economic growth starts to be felt in these areas.

The Group expects the operating results for 2005 to improve, barring unforeseen circumstances.

展望

於二零零四年減持表現欠佳及非核心資產後，本集團更集中於中國之物業發展、投資及管理業務。本集團將改善營運效率、收緊成本管理以及妥善分配資金及資源。本集團之首要工作是從現有資產組合、建設中資產及將來可能收購之資產中取得更高回報。本集團之策略為增加在中國之投資，此乃基於深信中國正處於持續增長位置，縱然速度趨向穩定，且未有過度通脹壓力。除經濟開始增長之若干中國省市之特定黃金地段外，本集團將於其業務所在之北京、深圳及大連等城市發掘商機。

本集團在撇除不可預見之情況下，預期二零零五年之經營業績將有所改善。