

PERFORMANCE

In 2004, the Group continued to implement appropriate sales and marketing strategies to minimize the impact of rise in costs and to pursue satisfactory sales performance. As a result, the Group secured a commendable growth in sales volume and unit prices for properties sold in Guangzhou and Beijing. Together with the well market response received from the pre-sale of properties launched for the first time in Shanghai and Tianjin, a second successive record-breaking turnover was achieved for the year ended 31st December 2004, which increased 34% from HK\$3,326 million to HK\$4,450 million as compared to the previous year. Turnover does not include the sales from a jointly controlled entity, in which the Group has a 40% interest. The volume of sales recorded by the jointly controlled entity for 2004 amounted to HK\$824 million (2003: HK\$625 million) representing an increase of 32% on the prior year.

Sales in Guangzhou experienced healthy growth amid continuing recovery of the real estate market. Unit selling prices of the Group's properties sold in Guangzhou increased by 17% when compared to the previous year, while the sales volume, inclusive of Regal Riviera, decreased slightly by 0.3% from 543,078 sq.m. (4,543 units) to 541,491 sq.m. (4,532 units). The Group's major development projects, including Huanan New City, Pleasant View Garden and Huajing New City reported encouraging results, and the new development project, Regal Palace, was also well accepted by the market.

Sales in Beijing were on the rise with Beijing Regal Court remaining to be the top profit contributor within the Group in 2004. In terms of sales volume, an increase of 55% from 149,725 sq.m. (1,106 units) to 232,417 sq.m. (1,563 units) on the prior year was recorded. Brand-name recognition, to some extent, helped uphold unit selling prices of the Group's properties sold there which were up by 15% as compared with 2003.

Pre-sale of the Group's property projects in Shanghai and Tianjin commenced in the second half of 2004. Amid favourable market conditions, both projects performed reasonably well, with 45,204 sq.m. (269 units) sold for Shanghai and 75,690 sq.m. (297 units) for Tianjin.

In 2004, the Group made some hefty improvements over its gross profit to turnover ratio from 27% in 2003 to 32%, and direct cost to revenue ratio from 73% in 2003 to 68%. A general increase in selling prices of properties sold, coupled with a significant portion of turnover from high-end properties which commanded higher gross profit margins, mitigated the effect of a mild increase in construction costs and a greater amount of interest charges capitalized from bank borrowings raised to finance the development of projects.

表現

於二零零四年，本集團繼續實行適當之銷售及市場策略，務求盡量減輕成本增加所帶來之衝擊，以及爭取令人滿意之銷售表現。因此，本集團在廣州和北京之物業銷售量及單位售價取得值得稱許之增長。加上上海及天津首次預售之物業得到良好之市場反應，截至二零零四年十二月三十一日止之營業額連續第二年創出紀錄，由二零零三年之3,326,000,000港元增加34%至4,450,000,000港元。營業額並不包括本集團擁有40%權益之一間共同控制實體營業額。該共同控制實體於二零零四年之銷售量達824,000,000港元（二零零三年：625,000,000港元），較上年度上升32%。

在房地產市場之持續復甦下，廣州之銷情有健康之發展。本集團在廣州銷售之物業單位售價，比上年度增加17%，而銷售量（包括珠江帝景）則由543,078平方米（4,543個單位），略為減少0.3%至541,491平方米（4,532個單位）。本集團之主要發展計劃，包括華南新城、逸翠園及華景新城都取得令人鼓舞之成績，而新發展計劃如帝景華苑亦有理想市場反應。

北京之銷情持續增長，而二零零四年北京珠江帝景繼續為本集團帶來最大盈利貢獻。北京地區之銷售量錄得55%之增長，由上年度之149,725平方米（1,106個單位）增加至232,417平方米（1,563個單位）。品牌獲得認同在一定程度上有助提高本集團物業之單位售價，有關售價較二零零三年上升15%。

本集團於上海及天津之物業預售於二零零四年下半年開始。在有利之市場情況下，該等項目表現尚好，於上海已售出45,204平方米（269個單位），而天津則已售出75,690平方米（297單位）。

於二零零四年，本集團之毛利率對營業額比率大幅改善，由二零零三年之27%增加至32%，而直接成本對營業額比率則由二零零三年之73%下降至68%。已出售物業之售價整體上升，加上營業額當中相當部份來自毛利率較高之高檔物業，紓緩了建築成本稍為增加及因借入較多銀行貸款以為發展項目提供融資而令資本化利息增加所帶來之影響。

FINANCIAL REVIEW 財務回顧

Despite a general increase in business activities during 2004, operating expenses were well contained. In absolute terms, general and administrative expenses increased by 23% from HK\$140 million to HK\$172 million when compared to the previous year. This was mainly attributed to a general increase in staff costs and other general expenses consequent upon the commencement of pre-sale in Shanghai and Tianjin. However, the expenses when expressed as a percentage of turnover fell from 4.2% in 2003 to 3.9% in 2004.

Continuous efforts made to control selling and marketing expenses showed results. While the amounts expended increased by 8.7% from HK\$231 million in 2003 to HK\$251 million in 2004, due primarily to the increase in turnover, the expenses expressed as a ratio of turnover decreased significantly from 7% to 5.6% when compared with the previous year.

During the year, the Group incurred interest expenses before capitalization totalling HK\$205 million (2003: HK\$164 million). The increase was caused by the rise in interest rates and bank borrowings. The average interest rate of borrowing costs incurred for 2004 was approximately 5.7% per annum (2003: 5.6% per annum).

RESULTS

The Group's expansion strategy began to deliver results which contributed to the surge in profit attributable to shareholders for the year 2004 to HK\$611 million, being the highest number in the Group's history, and representing an increase of 94% as compared with HK\$315 million for 2003.

PROFITABILITY

Return on equity, computed as a ratio of earnings before interest and tax over shareholders' equity, increased from 30% in 2003 to 43% in 2004.

Profit from operations covered 5.4 times of the interest expenses before capitalization, compared to 3.2 times for the previous year.

SEGMENT INFORMATION

In 2004, the Group enjoyed a good geographical spread with Guangzhou being the major profit contributor to the Group (54%) and followed by Beijing (33%). New property developments in Shanghai and Tianjin trailed along and contributed 7% and 6%, respectively. For 2005, with full year results from Shanghai and Tianjin to take account, a greater percentage of contributions from areas outside Guangzhou is expected.

For the year 2004, 97% (2003 - 97%) of the Group's turnover was derived from the property development business which will remain its core activity and principal revenue contributor.

雖然二零零四年內商業活動整體有所增加，但經營費用受到適當之控制。以絕對數值計算，一般及行政費用由上年度之140,000,000港元增加至172,000,000港元，增幅為23%，主要是由於上海和天津預售開始時產生之僱員成本及其他一般費用整體上升所致。然而，有關費用對營業額比率則由二零零三年之4.2%下跌至二零零四年之3.9%。

持續控制銷售及市場推廣費用之努力得到了成果。雖然費用金額增加8.7%，由二零零三年之231,000,000港元增加至二零零四年之251,000,000港元（主要是由於營業額增加所致），但費用對營業額比率由上年度之7%顯著下跌至5.6%。

年內，本集團之利息成本（以利息資本化前計算）共達205,000,000港元（二零零三年：164,000,000港元）。此增長是利率上升及銀行貸款增加所致。二零零四年度借貸成本平均利率約為每年5.7%（二零零三年：年利率5.6%）。

業績

本集團之擴展策略開始見效，有助使二零零四年股東應佔溢利上漲至611,000,000港元，乃本集團歷年來最高之款額，比二零零三年之315,000,000港元增加94%。

盈利能力

股本回報率（以未扣除利息及稅項前盈利除以股東權益計算之比率）由二零零三年之30%上升至二零零四年之43%。

經營溢利為利息成本（以利息資本化前計算）之5.4倍，而去年則為3.2倍。

分部資料

於二零零四年，本集團享有良好之地理分佈，而廣州為本集團主要溢利來源（佔54%），其次為北京（佔33%）。上海及天津之新物業發展計劃緊隨其後，分別佔7%及6%。於2005年，將來自上海及天津之全年業績計算在內，預期廣州以外地區之盈利貢獻百分比會有所增長。

於二零零四年度，本集團97%（二零零三年 - 97%）之營業額源自物業發展業務。該項業務仍將為其核心業務及主要收入來源。

FINANCIAL POSITION

As at 31st December 2004, total assets of the Group amounted to HK\$12,815 million and its total liabilities (excluding minority interests) amounted to HK\$9,442 million, representing an increase of HK\$2,471 million and HK\$2,315 million respectively on the previous year. Total assets increased mainly due to the additions of (1) properties under development and (2) hotels under construction, classified as fixed assets, notably from projects in Beijing, Shanghai and Tianjin. Aligned with this, total liabilities also increased, primarily due to the existence of (1) additional borrowings obtained to finance development projects and (2) a significant increase in deferred income relating to proceeds received from pre-sale properties not yet recognized as turnover on account of limitations confined by construction progress.

Current ratio decreased slightly from 1.28 at last year end to 1.23 this year. Shareholders' equity increased to HK\$3,253 million at 31st December 2004 from HK\$2,694 million at 31st December 2003, due mainly to the contribution from the current year's profit attributable to shareholders.

As at 31st December 2004, the Group's liability-to-asset ratio (i.e. the ratio between total liabilities and total assets, excluding minority interests) was 74% (2003: 69%). The net debt-to-equity ratio (i.e. total debt less cash and bank deposits over shareholders' equity) was 114% (2003: 105%).

CASHFLOW

In 2004, the Group's cashflow from operating activities was HK\$902 million, representing an increase of HK\$610 million over the previous year. The improvement was primarily due to the net cash inflow generated from the pre-sale of new development projects in Shanghai and Tianjin.

As at 31st December 2004, the Group has cash and short-term bank deposits amounting to HK\$737 million (2003: HK\$660 million) of which HK\$150 million (2003: HK\$256 million) was pledged as collateral for the Group's banking facilities. In addition, the Group's bank deposits of approximately HK\$108 million (2003: HK\$53 million) were charged by certain banks in respect of the processing of mortgage facilities granted by the banks to the buyers of the Group's properties. 98% of the cash and bank deposits was denominated in Renminbi, 1% in Hong Kong dollars and 1% in United States dollars.

LIABILITIES AND BORROWINGS

Total borrowings from banks amounted to HK\$3,506 million (2003: HK\$3,046 million) representing an increase of 15% or HK\$460 million over the previous year. Gearing, measured by net bank borrowings (total bank borrowings less cash and bank deposits) as a percentage of shareholders' equity, decreased from 89% last year to 85% this year. The slight improvement in gearing ratio was mainly attributable to the operating cash flows generated from new development projects in Shanghai and Tianjin.

財務狀況

於二零零四年十二月三十一日，本集團總資產達12,815,000,000港元、總負債(不包括少數股東權益)達9,442,000,000港元，較去年分別增加2,471,000,000港元及2,315,000,000港元。總資產增加主要因為於北京、上海及天津之項目，包括(1)發展中物業及(2)歸類為固定資產之興建中酒店。總負債亦相應增加，主要由於(1)獲取額外貸款以為發展項目提供融資及(2)鑒於工程進度所限，物業預售所得款項仍未確認為營業額，使遞延收入明顯增加。

流動比率由去年底之1.28輕微下跌至今年之1.23。股東權益由二零零三年十二月三十一日之2,694,000,000港元增至二零零四年十二月三十一日之3,253,000,000港元，主要歸因於本年度股東應佔溢利之貢獻。

於二零零四年十二月三十一日，本集團之負債與資產比率(即總負債與總資產(不計少數股東權益)之比率)為74%(二零零三年：69%)。淨負債與資本比率(即總負債減現金及銀行存款再除以股東權益)為114%(二零零三年：105%)。

現金流量

於二零零四年，本集團經營活動之現金流量為902,000,000港元，比二零零三年上升610,000,000港元。主因為上海及天津新發展計劃預售產生之淨現金流入，使現金流量得到改善。

於二零零四年十二月三十一日，本集團之現金及短期銀行存款達737,000,000港元(二零零三年：660,000,000港元)，其中150,000,000港元(二零零三年：256,000,000港元)已作抵押以換取本集團之銀行貸款。此外，本集團約108,000,000港元(二零零三年：53,000,000港元)銀行存款已由若干銀行就處理批授予本集團物業之買家之按揭貸款用作抵押。現金及銀行存款當中98%以人民幣計算，1%以港元計算及1%以美元計算。

負債及借貸

總銀行借貸為3,506,000,000港元(二零零三年：3,046,000,000港元)，較去年增加15%或460,000,000港元。按銀行借貸淨額(銀行借貸總額減現金及銀行存款)所佔股東權益比率計算之負債比率由去年之89%減至本年度之85%。負債比率之輕微改善，主要是上海及天津之新發展計劃所產生經營現金流量所致。

FINANCIAL REVIEW 財務回顧

Approximately 97% of the Group's bank borrowings was denominated in Renminbi with fixed interest rates and approximately 2% was denominated in United States dollars and 1% was denominated in Hong Kong dollars with floating interest rates.

The bank borrowings as at 31st December 2004 were all secured with a repayment profile as set out below:-

本集團銀行貸款約97%以人民幣計算，並以固定利率計息，約2%以美元計算及約1%以港元計算，並以浮動利率計息。

於二零零四年十二月三十一日，本集團之銀行借貸均為有抵押，還款年期如下：

(HK\$ million)	(以百萬港元計)	As at 31st December 2004 於二零零四年 十二月三十一日		As at 31st December 2003 於二零零三年 十二月三十一日	
Within 1 year	一年內	1,958	55.8%	1,384	45.4%
After 1 year but within 2 years	一至兩年	878	25.0%	1,550	50.9%
After 2 years but within 3 years	兩至三年	670	19.2%	112	3.7%
Total bank borrowings	總銀行借貸	3,506		3,046	
Less: Bank deposits and cash	減：銀行存款及現金	(737)		(660)	
Net bank borrowings	淨銀行借貸	2,769		2,386	

As at 31st December 2004, the Group had banking facilities of approximately HK\$3,506 million (2003: HK\$3,046 million) for short-term and long-term bank loans, which were fully utilized.

於二零零四年十二月三十一日，本集團就短期及長期銀行貸款取得約3,506,000,000港元（二零零三年：3,046,000,000港元），銀行信貸並已全數動用。

CHARGE ON ASSETS

As at 31st December 2004, certain assets of the Group with an aggregate carrying value of HK\$3,378 million (2003: HK\$2,738 million) were pledged with banks for loan facilities used by subsidiaries and a jointly controlled entity.

資產抵押

於二零零四年十二月三十一日，本集團若干總賬面值3,378,000,000港元（二零零三年：2,738,000,000港元）之資產已抵押予銀行，作為附屬公司及一間共同控制實體所用貸款之抵押。

CONTINGENT LIABILITIES

As at 31st December 2004, the Group provided guarantees to banks for:-

或然負債

於二零零四年十二月三十一日，本集團就以下項目向銀行提供擔保：

		2004 二零零四年 HK\$ million 百萬港元	2003 二零零三年 HK\$ million 百萬港元
- mortgage facilities granted to buyers of the Group's properties	- 就購買本集團物業之買家提供按揭貸款	3,270	1,861
- loans borrowed by a jointly controlled entity	- 一間共同控制實體的借貸	-	94
- loans borrowed by related companies	- 關連公司的借貸	80	86
TOTAL	總計	3,350	2,041

CAPITAL COMMITMENTS

The Group's capital commitments in respect of land and property construction costs and capital contribution to a jointly controlled entity, amounted to HK\$23,264 million (2003: HK\$20,385 million) as compared with HK\$1,682 million (2003: HK\$1,451 million) which was recorded on the accounts as at 31st December 2004. Out of the total capital commitments of the Group, HK\$3,801 million (2003: HK\$2,431 million) was mainly related to contracted obligations of the Group for future development costs and expenditures to be incurred on various projects of the Group in the short to medium term with the remaining amount of HK\$19,463 million (2003: HK\$17,954 million) being related to future development expenditures approved by the Directors but not contracted for as at 31st December 2004. With continuous cash inflow from property sales and the committed banking facilities coupled with the cash in hand, the Group is in an adequate liquidity position to meet these on-going capital commitments by stages.

TREASURY POLICIES AND CAPITAL STRUCTURE

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

資本承擔

本集團涉及土地及物業建築成本及對一間共同控制實體注資之資本承擔為23,264,000,000港元(二零零三年：20,385,000,000港元)，而二零零四年十二月三十一日則錄得賬目為1,682,000,000港元(二零零三年：1,451,000,000港元)。本集團總資本承擔當中，3,801,000,000港元(二零零三年：2,431,000,000港元)主要與本集團未來發展費用之已訂約責任及短期至中期內本集團多個不同項目將會產生之開支有關，餘額19,463,000,000港元(二零零三年：17,954,000,000港元)與董事已批准但於二零零四年十二月三十一日並未訂約之未來發展開支有關。由於物業銷售持續產生現金流入，加上已承諾之銀行信貸及手頭現金，本集團具備足夠流動資金以應付不同階段之持續資本承擔。

財資政策及資本結構

本集團就其財資政策及資本結構取態審慎，並專注於風險管理及與本集團之基本業務有直接關係之交易。