

Results

The PRC witness rapid economic growth in 2004, and the Hong Kong economy is again on the rise. Leveraging on the economic growth in both places, and thanks to the unrelenting efforts of our entire staff, the Group was successful in its performance. For the year ended 31 December 2004, the Group recorded turnover of HK\$2,000.1 million, representing a steady increase of 6% from last year, operating profit amounted to HK\$373.5 million, up 28% from last year. Consolidated net profit increased by 50% from last year to HK\$354.8 million. Basic earnings per share was HK14.29 cents.

Business Review

The property operations recorded steady increase in profit. During the year, turnover from property sales and investment was HK\$1,169.7 million, representing an increase of 3% over the previous year. Operating profit amounted to HK\$355.4 million, up 29% from the previous year. The property arm of the Group sold a total gross floor area of 180,000 square metres, of which approximately 140,000 square metres were attributable to the Group. The total leased area of the investment properties was over 800,000 square metres. The overall occupancy rate remained at above 90%. 420,000 square metres were added to the Group's land reserve. As a result, the total gross floor area of the Group's reserve increased to 2.33 million square metres, of which more than 1.87 million square metres were attributable to the Group.

Property management The Group's professional property management companies with well-established brand name in the PRC, namely Wondershine Residence, Shum Yip Property and Pengji, managed properties with a total gross floor area of 27 million square metres. During the year, total management fees income amounted to HK\$239.6 million, representing an increase of 12% over the previous year. Profit contribution to the Group amounted to HK\$13.5 million. The scope of business expanded to include not only large-scale premium residential developments, villas and office buildings, but also premises of provincial and municipal governments and financial institutions, tertiary institutions, government-planned industrial development zones and free trade zones.

業績

二〇〇四年，國內經濟高速增長，香港經濟亦重回升軌。借助兩地經濟發展之動力，本集團全體同仁務實進取，期內取得了不俗的業績。截至二零零四年十二月三十一日止之年度，本集團實現營業額2,000.1百萬港元，較上年穩定增長6%；經營業務溢利為373.5百萬港元，較上年增長28%；綜合純利為354.8百萬港元，較上年增長50%；每股基本盈利14.29港仙。

業務回顧

地產業務盈利穩定增長 年內，物業銷售和物業投資實現營業額1,169.7百萬港元，較上年增長3%；實現經營溢利355.4百萬港元，較去年增長29%。旗下所屬房地產公司物業銷售總建築面積達18萬平方米，集團所佔權益建築面積約14萬平方米；投資物業出租面積逾80萬平方米，物業綜合出租率保持在90%以上。新增土地儲備42萬平方米，土地儲備總建築面積增至233萬平方米，集團所佔權益建築面積逾187萬平方米。

物業管理 本集團所屬萬廈居業、深業物業、鵬基物業等國內著名品牌專業物業管理公司，物業管理面積逾27百萬平方米，年內實現物業管理收入239.6百萬港元，較上年增長12%。為集團貢獻盈利13.5百萬港元。業務區域進一步擴大，市場不僅限於大型高尚住宅社區、別墅區、寫字樓，還擴大到省市政府及金融機構的辦公物業、高等院校、政府工業開發區、保稅區等多種物業類型。

The electricity and infrastructure operations performed satisfactorily.

The Group's investment in electricity and infrastructure generated a net profit of HK\$184.1 million, representing an increase of 75% over the previous year. The increase was mainly attributable to the Group's 2004 acquisition of 25% stake in Road King Infrastructure Limited, a company listed in Hong Kong. During the year, Road King became a new source of profit growth by contributing a net profit of HK\$92.1 million to the Group.

能源基建收益理想 本集團能源基建業務實現純利貢獻184.1百萬港元，較上年增長75%。貢獻的增長主要得益於年初集團成功收購了本港上市公司——路勁基建有限公司25%的股份，該公司年內為集團帶來純利貢獻92.1百萬港元，成為集團新的利潤增長來源。



胡愛民 主席
HU Aimin chairman

The transportation operations profit rebounded. The Group's transportation operations recorded turnover of HK\$144.8 million, similar to that of last year. Profit from this sector amounted to HK\$11.0 million. Both the performance and profitability remained normal.

The Group's subsidiary, Shenzhen Shengkong Industrial (Group) Company, acquired 15% stake in the "Shenzhentong" project in Shenzhen, which participated in the development of smart IC cards for public transport and electronic transaction and toll systems. The investment provided the transportation operations with new sources of growth.

The information technology operations grew rapidly. Shenzhen Topway Video Communications Co., Ltd., in which the Group held a stake, had a stable business growth during the year, accomplishing an increase of cable television users of 87,000 to a total of about 600,000. 56,000 new users subscribed to its cable broadband services, increasing the total number of users to 90,000. The company contributed a net profit of HK\$20.6 million to the Group, up 46% from the previous year.

Favourable financing arrangements accelerate development. During the year, an arrangement was entered into between the Company and five leading bankers (including HSBC) in respect of a US\$100 million syndicated loan. The financings will not only reduce the finance costs of the Group but will also further improve its loan structure.

Prospects

Hong Kong and the PRC are expected to witness an economic growth of 4.5%-5.5% and approximate 8% respectively in 2005. Economic progress in both places, coupled with favourable market conditions, will enable the Group to maintain stable development and create further business opportunities.

運輸業務盈利回升 本集團的運輸業務全年完成營業額144.8百萬港元，與上年相若；實現利潤11.0百萬港元，經營和盈利狀況保持正常水平。

集團旗下深港運輸公司投資深圳市「深圳通」項目，持股15%。參與開發整合公共交通智能IC卡以及電子交易收費系統等業務，運輸業務再獲新的發展資源。

資訊業務高速發展 本集團參股的深圳天威視訊有限公司業務穩定增長，年內拓展有線電視用戶8.7萬戶，有線電視用戶總數近60萬戶；新增有線寬頻用戶5.6萬戶，有線寬頻用戶總數達到9萬戶。為本集團錄得純利貢獻20.6百萬港元，比去年增長46%。

優惠融資促進發展 年內，本集團與滙豐銀行等五間主要銀行簽訂了一項1億美元的銀團貸款，改善了本集團的貸款結構。其優惠的借款條件，令本集團融資成本下降。

業務展望

展望二零零五年，香港經濟預期將有4.5%-5.5%的增長，而國內經濟預計可保持8%左右的增長速度。兩地經濟的共同發展，以及良好的市場環境，有助於集團經營保持穩定的增長，為本集團拓展業務增添了更多的機遇和空間。

Looking forward, the Group anticipates the core property business to continue its healthy development. During the year, the Group had a gross floor area of 912,600 square metres under development or under planning. Properties available for sale include Shum Yip Coast in Baoan, Prosperous City and Azure Mangrove Garden Phase II, which were large-scale premium residential developments, as well as modern office and commercial buildings such as IT Square Phase II, Jizhi Centre, Tianan Panyu Hi-Tech Ecological Park and Shum Yip Logistics Tower.

The Group adheres to the principle of prudence while vigorously developing its property operations by expanding its land reserve. In addition to consolidating and enhancing the performance of its property operations in Shenzhen, the Group will steadily penetrate inland, where it plans to develop large-scale residential community developments and technology parks.

The Hong Kong Disneyland will open in 2005. This much-anticipated event will further stimulate the growth of in bound mainland tourists to Hong Kong, directly benefiting the transportation and related industries in both Hong Kong and the PRC, and creating new markets and opportunities for the Group's transportation operations.

The Group will continue to develop its core operations and seek new investments in resources and infrastructure, while maintaining the steady growth of the performance and profitability of its power and infrastructure operations.

The Group maintains prudent in its investments and financial affairs. It will further implement the management and regulatory solutions designed by McKenzie & Company, in order to raise its professional management standards, reduce its operating costs, enhance its core competitiveness and boost its financial efficiency. As such, the Group aims to generate higher return for shareholders. The Board is fully confident of the Group's development prospects.

In line with its principle of conducting business in a practical, efficient, proactive and prudent manner, the Board will make every effort to maintain the Group's healthy development.

預期，本集團的地產核心業務將繼續保持健康發展。年內，集團在建及計劃新開工項目的建築面積達91.26萬平方米，可銷售物業包括寶安深業新岸線、盛世鵬程、碧海紅樹園二期等大型高尚住宅社區，以及創新科技廣場二期、集智中心、番禺科技園、深業物流大廈等現代辦公、商業物業。

集團地產業務堅持積極而謹慎的擴張原則，進一步增加土地資源儲備，在鞏固、提升深圳地產市場的經營的同時，向內地穩健拓展大型社區的住宅項目，以及科技園區地產。

年內，備受矚目的香港迪士尼樂園正式投入營運，將進一步刺激國內人士赴港旅遊人數的增長，令兩地旅遊運輸等相關行業發展直接受惠，也為集團運輸業務發展提供新的市場和機會。

集團將繼續推進核心業務的拓展，在保持現有能源、基礎設施項目經營和盈利穩定增長的同時，積極尋求新的資源類、基建類投資項目。

集團將堅持穩健投資、審慎理財的原則，進一步落實麥肯錫為公司制定的管控方案，提高專業化管理水平，降低經營成本，提升核心競爭力，增加經濟效益，為股東帶來更好的回報。董事會對本集團未來的發展和前景充滿信心。

董事會將秉承務實高效、積極穩健的經營理念，致力保持本集團的健康發展。

Appreciation

On behalf of the Board, I would like to extend my gratitude to all shareholders, the public and employees of the Group for their unfailing support, assistance, service and dedication.

Hu Aimin

Chairman

Hong Kong, 15 April 2005

致謝

本人謹代表董事會對各位股東的大力支持、社會各界的熱忱幫助、以及本集團員工的忠誠服務與勤勞工作，致以衷心的謝意。

主席

胡愛民

香港 二〇〇五年四月十五日