

Financial Review 財務回顧

Results of Nine Months Ended 30 September 2005

Reflecting an all round improvement in the performance of its operations, the Group achieved better results in the nine months ended 30 September 2005. A profit attributable to shareholders of HK\$94 million was recorded compared to the restated profit of HK\$14 million in the year ended 31 December 2004. The earnings per share was HK3.23 cents during the period under review (based on the weighted average number of issued shares) compared to the HK0.51 cent in the preceding year. The operating profit of the period under review amounted to HK\$118 million, which compared favourably with the profit of HK\$51 million realized in 2004.

The accounting policies and methods of computation used in the preparation of the financial statements for the period are consistent with those used in the annual financial statements for the year ended 31 December 2004, except that the Group has changed certain of its accounting policies following the adoption of new or revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards effective for accounting periods which commenced on or after 1 January 2005. Accordingly, the original profit attributable to shareholders of HK\$16 million for the year ended 31 December 2004 had been restated to HK\$14 million.

The improved results for the nine months ended 30 September 2005 were attributable to the higher operating profit margins realized from the sale of the Group's residential property projects in mainland China and Hong Kong, the reduction in operating expenses, the recognition of excess of fair value of net assets acquired over the cost of acquisition of interests in subsidiaries and the write-back of provisions for impairment in the value of assets to reflect change in circumstances.

截至二零零五年九月三十日止九個月之業績

本集團截至二零零五年九月三十日止九個月錄得較好業績，各項業務表現均告好轉。股東應佔溢利為港幣94,000,000元，而截至二零零四年十二月三十一日止年度之重列溢利為港幣14,000,000元。於回顧期間每股盈利為港幣3.23仙（按已發行股份之加權平均數計算），而去年則為港幣0.51仙。於回顧期間之經營溢利達港幣118,000,000元，相對於二零零四年產生之溢利港幣51,000,000元為佳。

編製本期間之財務報表所採用之會計政策及計算方法與編製截至二零零四年十二月三十一日止年度之全年財務報表所採用者一致，惟本集團在採納於二零零五年一月一日或以後開始之會計期間生效之新訂或經修訂香港財務報告準則及香港會計準則後，已更改其若干會計政策。因此，截至二零零四年十二月三十一日止年度之股東應佔原有溢利港幣16,000,000元重列為港幣14,000,000元。

截至二零零五年九月三十日止九個月之業績改善，全賴銷售本集團位於中國及香港之住宅物業項目帶來更高之經營毛利率、減少經營開支、確認已購買淨資產公平值與收購附屬公司權益費用之超額及撥回反映變動情況之資產減值撥備。

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Review of Overall Performance

Turnover for the nine-month period fell by 66% to HK\$186 million, down from HK\$547 million in the year 2004. The fall in turnover was primarily due to reduced sales realized from the completed projects, although partially offset by the increase in rental income as a result of the maiden contribution of rental income derived from Vision International Centre, Beijing.

Gross profit amounted to HK\$42 million for the period compared to HK\$32 million for the year ended 31 December 2004, representing a 31% increase. The improved results were attributable to the robust profit contributions from the sale of the Group's residential projects in mainland China and, to a lesser extent, the cessation of losses incurred by the information technology business upon its divestment on 30 June 2004. During the period, certain provisions were written back, including an amount of HK\$35 million relating to phase 2A of Vision Shenzhen Business Park following its commencement of development in March 2005 and another amount of HK\$8 million recovered in cash resulting from the settlement of a contractual claim. Excess of fair value of net assets acquired over the cost of acquisition of 54.78% shareholding in Supreme Asia Investments Limited of HK\$49 million was recorded during the period.

Finance costs increased to HK\$18 million for the period against HK\$16 million for the year ended 31 December 2004 due to the lesser amounts capitalized, following the completion of the Group's properties under development. Total borrowings increased by HK\$550 million, from HK\$532 million as at 31 December 2004 to HK\$1,082 million as at 30 September 2005 following the acquisition of Supreme Asia Investments Limited. The repayment of some borrowings was made primarily by the proceeds realized from the sale of completed residential apartments.

Final Dividend

The Board has resolved not to propose any final dividend for the period ended 30 September 2005 (2004: Nil).

整體表現回顧

營業額由二零零四年之港幣547,000,000元下跌66%至九個月期間之港幣186,000,000元。營業額減少主要由於來自已落成物業之銷售額下跌，儘管部分已由北京威新國際大廈首次貢獻帶來大幅增加之租金收入抵銷。

本期間之毛利為港幣42,000,000元，而截至二零零四年十二月三十一日止年度則為港幣32,000,000元，相較增長31%。業績有所改善是由於本集團在出售中國之住宅項目帶來豐厚之溢利貢獻，自二零零四年六月三十日摒除資訊科技業務之投資後再無產生虧損。期內，若干撥備已撥回，包括深圳威新軟件科技園2A期於二零零五年三月開始發展後之撥回撥備港幣35,000,000元，以及解決合約索償取回另一筆現金港幣8,000,000元。已購買淨資產公平值與收購Supreme Asia Investments Limited之54.78%股權之費用超額港幣49,000,000元已於期內列賬。

財務費用由截至二零零四年十二月三十一日止年度之港幣16,000,000元增加至本期間之港幣18,000,000元，主要由於本集團之發展中物業完工後撥充資本之金額減少。自收購Supreme Asia Investments Limited之後，借貸總額由二零零四年十二月三十一日之港幣532,000,000元增加港幣550,000,000元至二零零五年九月三十日之港幣1,082,000,000元。償還若干借貸乃主要以出售已落成住宅公寓產生之所得款項支付。

末期股息

董事會建議不派付截至二零零五年九月三十日止期間之任何末期股息(二零零四年：無)。

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Business Segments

Property

The property segment continued to be the key contributor to the Group's revenue during the period under review. Turnover of the property segment was HK\$151 million or 81% of the total turnover, compared to HK\$528 million or 97% of the total turnover for the year 2004. Of the HK\$151 million turnover, HK\$138 million was contributed by the sale of apartments of two residential developments, Scenic Place (phase 1), Beijing and The Ninth ZhongShan, Dalian.

Business park

The turnover generated from the business park segment registered a more than 2-fold increase, from HK\$14 million in 2004 to HK\$35 million for the nine months ended 30 September 2005, as a result of the contribution from Vision International Centre, Beijing, which was completed and became income-generating in the fourth quarter of 2004. With an average occupancy of 71%, Vision International Centre contributed HK\$24 million to the Group's turnover during the period under review. Phase 1 of Vision Shenzhen Business Park continued to provide a stable income stream to the Group with turnover of HK\$11 million during the period under review.

Geographical Markets

Hong Kong

During the period under review, the turnover derived from Hong Kong dropped to HK\$13 million (7% of total turnover) from HK\$82 million (15% of total turnover) in 2004. The decrease in contribution from Hong Kong reflected the depleted stock of completed apartments in the trading portfolio held for sale in Hong Kong.

業務分部

物業

於回顧期內，物業分部繼續成為本集團收益之主要來源。物業分部之營業額為港幣151,000,000元，或佔總營業額之81%，而二零零四年則為港幣528,000,000元或佔總營業額之97%。在營業額港幣151,000,000元中，港幣138,000,000元乃來自銷售兩項住宅發展項目北京蝶翠華庭（一期）及大連中山九號之公寓。

商業園

商業園分部所賺取之營業額錄得逾兩倍增幅，由二零零四年之港幣14,000,000元增加至截至二零零五年九月三十日止九個月之港幣35,000,000元，此乃由於北京威新國際大廈帶來之收入，該大廈於二零零四年第四季完工及賺取收入。威新國際大廈之平均出租率達71%，其於回顧期間為本集團帶來營業額港幣24,000,000元。深圳威新軟件科技園一期於回顧期間為本集團帶來穩定之收入來源，所帶來之營業額達港幣11,000,000元。

地區市場

香港

於回顧期內，來自香港之營業額由二零零四年之港幣82,000,000元（佔總營業額之15%）減少至港幣13,000,000元（佔總營業額之7%）。來自香港之貢獻減少反映在香港持有作出售用途之已落成商品房存貨已近售罄。

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Geographical Markets (continued)

Mainland China

During the period under review, the turnover earned from the operations in mainland China amounted to HK\$173 million (93% of total turnover) compared to HK\$465 million (85% of total turnover) for the year ended 31 December 2004. The turnover comprised mainly the sales realized from the two trading development properties, namely Scenic Place (phase 1), Beijing and The Ninth ZhongShan, Dalian.

With only one apartment left for sale and no new projects in the pipeline in Hong Kong, the Group's future turnover and earnings will be driven almost solely from operations in mainland China. This is consistent with the Group's current strategy of shifting its investment focus and resources to take advantage of the attractive business opportunities there.

Assets

The value of the Group's total assets rose by 85% to HK\$2,754 million as at 30 September 2005 from HK\$1,485 million as at 31 December 2004.

Assets held under the property segment amounted to HK\$1,954 million (71% of total assets) as at 30 September 2005 compared to HK\$811 million (55% of total assets) as at 31 December 2004. The increase was mainly due to the acquisition of 54.78% of Supreme Asia Investments Limited, which holds the development site in Shanghai, on 22 September 2005. Assets held under the business park segment increased to HK\$679 million as at 30 September 2005 from HK\$536 million as at 31 December 2004, reflecting the capitalized development costs and the write-back of provision in relation to the impairment of the value of phase 2A of Vision Shenzhen Business Park. The assets held by the other segments amounted to HK\$121 million, which constituted 4% of the Group's total assets.

地區市場(續)

中國

於回顧期間，來自中國業務之營業額達港幣173,000,000元(佔總營業額之93%)，而截至二零零四年十二月三十一日止年度之營業額則為港幣465,000,000元(佔總營業額之85%)。營業額主要來自銷售兩項發展物業(即為北京蝶翠華庭(一期)及大連中山九號)之銷售額。

本集團於香港僅剩一套待售公寓且無新在建項目，其日後之營業額及盈利將差不多僅源自中國業務。此方向符合本集團目前轉移投資方向及資源之策略，務求盡享當地商機處處之優勢。

資產

本集團於二零零五年九月三十日之資產總值為港幣2,754,000,000元，較二零零四年十二月三十一日之港幣1,485,000,000元上升85%。

於二零零五年九月三十日，於物業分部所持有之資產達港幣1,954,000,000元(佔總資產之71%)，而於二零零四年十二月三十一日則為港幣811,000,000元(佔總資產之55%)。資產值增加主要是由於於二零零五年九月二十二日收購Supreme Asia Investments Limited(其於上海持有可發展地皮)之54.78%股權。於商業園分部之資產由二零零四年十二月三十一日之港幣536,000,000元增加至二零零五年九月三十日之港幣679,000,000元，反映資本化發展成本及撥回深圳威新軟件科技園2A期之減值撥備。於其他分部持有之資產為港幣121,000,000元，僅佔本集團總資產之4%。

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Assets (continued)

Total assets held in mainland China amounted to HK\$2,604 million as at 30 September 2005, representing 95% of the Group's total assets compared to 89% as at 31 December 2004.

Shareholders' Funds

The Group's total shareholders' funds increased by 65% from HK\$665 million as at 31 December 2004 to HK\$1,100 million as at 30 September 2005. On a per-share basis, the consolidated net asset value of the Group as at 30 September 2005 increased slightly to HK24.1 cents, compared to HK23.4 cents as at 31 December 2004. The total shareholders' funds represented 40% of the total assets of HK\$2,754 million as at 30 September 2005.

Financial Resources, Liquidity and Capital Structure

Liquidity and capital resources

The Group's total borrowings increased by 103% to HK\$1,082 million as at 30 September 2005 from HK\$532 million as at 31 December 2004 while the net debt (measured by total bank borrowings minus cash and bank deposits) increased to HK\$799 million as at 30 September 2005 from HK\$277 million as at 31 December 2004. The increase was due mainly to the bank borrowings amounting to HK\$568 million booked under Supreme Asia Investments Limited, which became a subsidiary of the Company on 22 September 2005. The Group's gearing ratio (defined as the total borrowings over total equity (including minority interest)) increased to 79% as at 30 September 2005 from 68% as at 31 December 2004.

With the commencement of construction of phase 2A of Vision Shenzhen Business Park, the Group had an outstanding capital commitment of HK\$65 million as at 30 September 2005.

資產(續)

於二零零五年九月三十日，在中國持有之總資產為港幣2,604,000,000元，佔本集團之總資產95%，而二零零四年十二月三十一日則佔總資產之89%。

股東資金

本集團之股東資金總額由二零零四年十二月三十一日之港幣665,000,000元增加65%至二零零五年九月三十日之港幣1,100,000,000元。按每股基準計算，本集團於二零零五年九月三十日之綜合資產淨值輕微增加至港幣24.1仙，而二零零四年十二月三十一日則為港幣23.4仙。於二零零五年九月三十日，股東資金總額佔資產總額港幣2,754,000,000元之40%。

財務資源、流動資金及資本架構

流動資金及資本資源

本集團之借貸總額由二零零四年十二月三十一日之港幣532,000,000元增加103%至二零零五年九月三十日之港幣1,082,000,000元，而債務淨額(以銀行借款總額減現金及銀行存款計算)則由二零零四年十二月三十一日之港幣277,000,000元增加至二零零五年九月三十日之港幣799,000,000元。債務淨額增加主要由於Supreme Asia Investments Limited(其於二零零五年九月二十二日成為本公司之附屬公司)有港幣568,000,000元之銀行借款入賬。本集團之資產負債比率(定義為總借款除以權益總額(包括少數股東權益))由二零零四年十二月三十一日之68%增加至二零零五年九月三十日之79%。

深圳威新軟件科技園2A期開始發展後，本集團於二零零五年九月三十日之未償還資本承擔為港幣65,000,000元。

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Financial Resources, Liquidity and Capital Structure (continued)

Short-term and long-term borrowings

The maturity profiles of the Group's bank and other borrowings outstanding as at 30 September 2005 and 31 December 2004 are summarized as follows:

		30 September 2005 二零零五年九月三十日		31 December 2004 二零零四年十二月三十一日	
		HK\$ million 港幣百萬元		HK\$ million 港幣百萬元	
			%		%
Within one year	一年內	316	29	400	75
In the second year	第二年內	559	52	-	-
In the third to fifth year	第三至第五年內	207	19	132	25
Total	總額	1,082	100	532	100

Financial Management

Foreign currency risk

The Group continued to maintain a balanced match of renminbi financing in its mainland China projects where cash flows were denominated in that currency to mitigate currency risk. The Group did not use any financial instrument to hedge foreign currency risk.

The denomination of the Group's bank and other borrowings outstanding as at 30 September 2005 and 31 December 2004 are summarized as follows:

		30 September 2005 二零零五年九月三十日		31 December 2004 二零零四年十二月三十一日	
		HK\$ million 港幣百萬元		HK\$ million 港幣百萬元	
			%		%
In HK\$	港幣	139	13	198	37
In RMB	人民幣	943	87	334	63
Total	總額	1,082	100	532	100

財務資源、流動資金及資本架構(續)

短期及長期貸款

本集團於二零零五年九月三十日及二零零四年十二月三十一日之未償還銀行及其他貸款還款情況概述如下：

財務管理

外匯風險

本集團繼續維持均衡之人民幣融資，以減輕在該貨幣為主要現金流量之中國項目之貨幣風險。本集團並無使用任何財務工具對沖外匯風險。

本集團於二零零五年九月三十日及二零零四年十二月三十一日尚未償還之銀行及其他貸款按記賬貨幣分類概述如下：

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Interest rate risk

The Group was exposed to changes in interest rate fluctuations to the extent that they affected the cost of funds for floating rate borrowings. As at 30 September 2005, about 69% of the Group's total borrowings were on a floating rate basis whilst the remaining 31% on fixed rate basis. As at 31 December 2004, 37% of the borrowings were on floating rate and 63% on fixed rate. The Group will continue to maintain a mix of floating rate and fixed rate borrowings and take actions to hedge against any foreseeable interest rate exposure, if necessary.

Following the revaluation of renminbi on 21 July 2005, the Group's borrowings will be increased in their Hong Kong dollar equivalent. Nevertheless, the adverse impact would be more than offset by the appreciation of the Group's renminbi-denominated assets in their Hong Kong dollar equivalent.

Pledge of Assets

As at 30 September 2005, the Group's bank loans were secured by certain investment properties, completed properties held for sale, properties held for development and properties under development with carrying values of HK\$784 million (31 December 2004: HK\$813 million) and cash deposits of HK\$89 million (31 December 2004: HK\$106 million).

Contingent Liabilities

As at 30 September 2005, the Company issued guarantees to the extent of HK\$273 million (31 December 2004: HK\$358 million) of which HK\$263 million (31 December 2004: HK\$324 million) was utilized in relation to bank borrowings granted to its subsidiaries.

利率風險

本集團面對之利率波幅變動，限於浮動利率貸款對資金成本之影響。於二零零五年九月三十日，本集團貸款總額當中，約69%以浮動利率計息，其餘31%以固定利率計息。於二零零四年十二月三十一日，本集團貸款當中之37%為浮息貸款，另外63%則為定息貸款。本集團將繼續維持浮息貸款及定息貸款之借貸組合，並在有需要時採取必要措施對沖任何可預見之利率波動風險。

自人民幣於二零零五年七月二十一日進行重估後，本集團之借款將按港幣等值增加。然而，本集團之人民幣計值資產之港幣等值金額升值足以抵銷所產生之負面影響。

資產抵押

於二零零五年九月三十日，本集團之銀行貸款乃以賬面值港幣784,000,000元(二零零四年十二月三十一日：港幣813,000,000元)之若干投資物業、待出售之已落成物業、持有作發展用途之物業及發展中物業，以及現存款港幣89,000,000元(二零零四年十二月三十一日：港幣106,000,000元)作為抵押。

或然負債

於二零零五年九月三十日，本公司作出擔保合共港幣273,000,000元(二零零四年十二月三十一日：港幣358,000,000元)，其中授予附屬公司之銀行借款已動用港幣263,000,000元(二零零四年十二月三十一日：港幣324,000,000元)。