

# 管理層討論與分析

## Management Discussion and Analysis



重組後，本集團的盈利來源為物業開發、租金收入、長期資本漲值三足鼎立，這樣的生意模型能在最大程度上平衡好長、短期利潤增長。

*After the restructuring, the earnings of the Group come from development profits, rental incomes and long-term capital appreciation. This business model provides the best balance between long and short term profit growth.*

### 二零零五年地產發展業務回顧

二零零五年，在宏觀調控的市場環境下，本集團在北京加快推出用家為主的近郊低密度項目及受宏觀調控較小的寫字樓項目；同時，雖然上海樓市受宏觀調控影響很大，但本集團的上海灘花園項目一期去年九月底開盤後的銷售表現仍然能做到優於同區的競爭樓盤；另外，本集團去年下半年在成都、武漢、合肥等二線城市開盤的新項目也錄得令人滿意的銷售成果，因此去年本集團的房屋銷售仍然取得令人滿意的成績。截至十二月底，銷售房屋合同金額達人民幣31.6億元，對比去年同期增長38.7%；銷售面積421,779平方米，同比增長14.8%，為本集團未來的利潤結算打下良好的基礎。各城市的具體銷售情況如下：

### Review of Property Development Businesses in 2005

In 2005, in view of the adverse market condition under the macro-economic austerity measures, the Group speeded up sales of end-user focused low density projects in the suburban areas of Beijing and office properties that were relatively unaffected by the austerity measures. At the same time, although the property market in Shanghai was greatly affected by the macro-economic austerity measures, sales of phase 1 of The Bund Side Project of the Group, which was launched at the end of September last year, still recorded better performance than competing projects in the region. In addition, sales of new projects of the Group in the second tier cities such as Chengdu, Wuhan and Hefei in the second half of the last year also achieved satisfactory results. Consequently, last year's sales performance of the Group was still good despite the unfavourable macro backdrop. At the end of December, properties sales of the Group amounted to RMB3.16 billion, representing an increase of 38.7% year on year. And the corresponding sales areas increased by 14.8% year on year to 421,779 square metres. These provided a solid foundation for future profit booking for the Group. Detailed sales breakdown of the cities are as follows:

截至二零零五年十二月三十一日  
As of 31st December 2005

		合同金額 Contract Value		銷售面積 Sales Area	
		人民幣'000 RMB'000	%	平方米 Square Metres	%
北京	Beijing	2,102,440	67%	235,940	56%
上海	Shanghai	283,523	9%	15,360	4%
成都	Chengdu	543,236	17%	119,606	28%
武漢	Wuhan	108,288	3%	24,043	6%
合肥	Hefei	119,859	4%	26,830	6%
總計	Total	3,157,346	100%	421,779	100%

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在北京，市區高密度住宅項目鳳凰城錄得人民幣7億元的合同金額，雖然鳳凰城二期的銷售受宏觀調控影響較大，但透過拓展海外銷售渠道等手段，去年共銷售人民幣6.3億元；此外，鳳凰城三期於去年十二月開始內部認購，共簽約人民幣7千多萬元。郊區低密度住宅項目翡翠城全年銷售人民幣5.4億元，其中，屬於此項目五期的福提島於去年五月宏觀調控開始後推出市場，由於定位以用家為主，共熱銷人民幣4億元，銷售均價也較翡翠城前期有所提高，業績令人鼓舞。本集團去年還積極推廣寫字樓項目，並成功預售鳳凰置地廣場兩棟（共40,000平方米）予國內一大客戶；同時，全年共售出置地星座寫字樓三棟，項目剩餘的最後兩棟也在今年初成功售出。

在上海，本集團上海灘花園一期首批三座於去年九月底開盤，雖然當地樓市深受宏觀調控政策影響，但項目透過長期的客戶積累，加上備受好評的產品設計與品質，截至年底共售出222套房源中的114套（共15,360平方米），銷售比率51.4%；截至今年二月底累計已售出129套，銷售比率58.1%。根據上海市房地產交易中心數據，本項目銷售比率為同區同年所有新開樓盤之冠。另外，上海灘花園一期後續部分的用地已全部拆遷完畢；項目二期用地也完成拆遷85.2%，估計可以於2006年內完成拆遷工作。

In Beijing, the Phoenix City Project, a high density residential project in the urban area, recorded a total contract value of RMB700 million. Although sales of Phase 2 of the Phoenix City Project suffered higher impact by the macro-economic austerity measures, its sales still reached RMB630 million last year, thanks to various sales strategies including the expansion of overseas sales channels. In addition, internal sales for Phase 3 of the same project, organized in last December, registered sales of over RMB70 million. The total annual sales of the La Firenze Project, a low density residential project in the suburb, were RMB539 million. Fortune Island, the fifth phase of the La Firenze Project, was launched right after the introduction of the macro-economic austerity measures in May last year. Encouragingly, since the project mainly targeted at end users, sales reached RMB401 million and the average selling price was higher than those of the earlier phases of La Firenze. The Group also actively promoted office projects during the year and successfully pre-sold two buildings of Phoenix Plaza (40,000 square metres in total) to a big customer in China. At the same time, the Group sold three office buildings of Grand Constellation last year, with the remaining two buildings of the project also disposed in early this year.

In Shanghai, the first batch of phase 1 of The Bund Side Project of the Group, comprising three buildings, was put up for sale at the end of September last year. In spite of the adverse influence of the macro-economic austerity measures on the property market in the region, the Group still managed to sell 114 units (15,360 square metres in total) out of 222 units by the end of the year, translating into a sale ratio of 51.4%, thanks to a loyal customer base and the highly appraised product quality. By the end of February 2006, the Group has already sold 129 units in total and the sale ratio was 58.1%. According to the data provided by The Shanghai City Property Transactions Centre, the sale ratio of this project was the best in the proximity. In addition, the entire construction site for The Bund Side Phase 1 was cleared. The site for phase 2 of the project has also been cleared by 85.2% and resettlement is expected to be completed in 2006.

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在成都，翡翠城二期16.8萬平方米共1,138套單位（其中包括11套別墅）分別於去年八月及十月取得銷售證。在銷售均價較上一期提高38.5%的挑戰下，透過項目一期建立的品牌效應及成功的銷售策略，翡翠城二期創下八月份第一批324套開盤立即認購約80%的佳績，其後兩次加推也保持了熱銷。截至去年底，項目已售出71%的可售面積（公司保留了部分面積今年適當時候推售），而其中能於二零零六年竣工結算的部分（共100,777平方米）已經全部售罄。

在武漢，鳳凰城一期首批三棟39,390平方米共316套單位於去年十一月中旬開盤，透過複製本集團成熟的市區高密度產品，武漢鳳凰城項目從買地至開盤只用了14個月的時間。銷售方面，通過把銷售中心建成藝術館，將銷售和藝術展覽融為一體等創新手段，截至去年底，一期首批已售出超過189套，代表相應可售面積的61%。鳳凰城一期第二批40,365平方米共318套計劃於二零零六年五月開盤，一期共79,755平方米計劃於今年內全部銷售完畢。

在合肥，瀾溪鎮項目透過複製本集團成熟的近郊低密度產品實現高速開發；透過充分利用項目用地周邊優美的天然環境實現銷售溢價。去年十二月初，項目一期220套單位共34,571平方米開盤，首天認購163套，銷售均價每平方米人民幣4,450元，認購金額為合肥樓市宏觀調控以後各樓盤單日銷售最高額，銷售均價也為合肥多層類物業最高價格。截至去年底，項目已售出190套，已售面積佔總可售面積77.6%。項目二期約54,400平方米計劃於今年五月及十月開盤。

In Chengdu, Jade City Project Phase 2, which has an area of 168,000 square metres comprising 1,138 units (including 11 houses) obtained its sale permits in August and October last year. Although the average selling price was raised by 38.5% over that of Phase 1, by leveraging on the established brand name of the previous phase and by employing successful sale strategies, approximately 80% of the 324 units of the phase 2 was sold in the initial launch in August. The two subsequent add-on launches also saw overwhelming market responses. By the end of last year, 71% of the saleable area was sold (the Group reserved part of the project for sale later this year). The corresponding portion of the project that will be booked in 2006 (100,777 square metres in total) was completely sold out.

In Wuhan, the first batch of the three buildings of Phoenix City Project Phase 1 with an area of 39,390 square metres comprising 316 units were put up for sale in the middle of last November. Through transplanting the Group's matured product design in high density urban projects, it took the Group only 14 months from the purchase of the land to kick-off pre-selling the project. Thanks to the creative concept of building the sales hall into an art gallery, the Group sold over 189 units of the first batch by the end of last year, representing 61% of the saleable area. The second batch of Phoenix City Project Phase 1 with a total area of 40,365 square metres comprising 318 units will be launched in May 2006. The total area of 79,755 square metres of phase 1 of the Wuhan Phoenix City Project is expected to be sold out within this year.

In Hefei, the French Annecy Project experienced high construction efficiency through transplanting the Group's matured product design in low density suburban projects. Its average selling price also fetched a premium by taking full advantage of the beautiful surrounding environment of the site. In early December last year, the Group launched 220 units from phase 1 of the project, with a total area of 34,571 square metres, and 163 units were sold in the first day. The project recorded the highest contract value in the first day of project launch in the city since the introduction of the macro-economic austerity measures. And with an average selling price of RMB4,450 per square metres, French Annecy was also the most expensive mid-rise property project in Hefei. By the end of last year, 190 units were sold, representing 77.6% of the total saleable area. Phase 2 of the project with an area of about 54,400 square metres is expected to be launched this May and October.

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下表列示去年本集團各項目詳細銷售資料：

The table below shows the details of the Group's property sales last year:

		所在城市 Location	預計完工 結算日期 Expected Completion Date	項目類型 Usage (平方米) Sqm	二零零五年 銷售面積 GFA Sold in 2005 (平方米) Sqm	二零零五年 平均售價 Average Price in 2005 (人民幣/平方米) RMB/Sqm
風景翠園	La Firenze Phase 1	北京 Beijing	已完工 Completed	低密度住宅 Low Density Res	9,568	6,392
翡翠城二期	La Firenze Phase 2	北京 Beijing	已完工 Completed	低密度住宅 Low Density Res	14,030	5,472
福提島	Fortune Island	北京 Beijing	二零零六年中 Mid 2006	低密度住宅 Low Density Res	59,131	6,786
鳳凰城二期	Phoenix City Phase 2	北京 Beijing	已完工 Completed	高密度住宅 High Density Res	51,829	12,147
鳳凰城三期	Phoenix City Phase 3	北京 Beijing	二零零六年底/ 二零零七年 End 2006 / 2007	高密度住宅 High Density Res	5,136	13,988
鳳凰置地廣場	Phoenix Plaza	北京 Beijing	二零零七年/ 二零零八年 2007/ 2008	寫字樓/酒店 Office / Hotel	40,000	不適用 N/A
置地星座	Grand Constellation	北京 Beijing	已完工 Completed	寫字樓 Office / Hotel	16,219	不適用 N/A
峻峰華亭	Top Box	北京 Beijing	已完工 Completed	商住 Office / Res	6,443	9,145
其它住宅	Other Residential	北京 Beijing	已完工 Completed	住宅 Res	28,296	N/A
停車場	Car Park	北京 Beijing	已完工 Completed	停車場 Car Park	5,288	4,767
上海灘花園一期	The Bund Side 1	上海 Shanghai	二零零六年底 End 2006	高密度住宅 High Density Res	15,360	18,458
成都翡翠城二期	Chengdu Jade City Phase 2	成都 Chengdu	二零零六年底/ 二零零七年 End 2006/ 2007	低密度住宅 Low Density Res	118,673	4,555
停車場	Car Park	成都 Chengdu	已完工 Completed	停車場 Car Park	933	2,824
武漢鳳凰城一期	Wuhan Phoenix City Phase 1	武漢 Wuhan	二零零六年底 End 2006	高密度住宅 High Density Res	24,043	4,504
瀾溪鎮一期	Hefei French Anncy Phase 1	合肥 Hefei	二零零六年底 End 2006	低密度住宅 Low Density Res	26,830	4,467
總額	Total				421,779	

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### 二零零五年竣工結算項目資料

本集團二零零五年項目結算詳情及營業額構成如下：

截至二零零五年十二月底  
Year Ended 31 Dec 2005 (HK\$ '000)

		結算面積 GFA (平方米) Sqm	結算營業額 Turnover (港幣'000) HK\$'000
風景翠園	La Firenze 1	11,689	69,504
翡翠城二期	La Firenze 2	58,715	339,390
峻峰華亭	Top Box	6,443	54,160
置地星座	Grand Constellation	33,957	533,956
鳳凰城二期	Phoenix City 2	102,610	1,109,559
北京地區住宅小計	Beijing Subtotal	205,238	2,067,754
成都翡翠城一期	Chengdu Jade City Phase 1	122,503	389,586
北京車位	Beijing Car Park	13,993	61,058
成都車位	Chengdu Car Park	10,676	28,869
北京物業租金收入	Rental Income from Beijing	N/A	68,101
北京物業管理收入	Property Management and Related Services Income from Beijing	N/A	91,519
總額	Total	352,409	2,706,886

### Information of the Projects Completed in 2005

Details of the breakdown in turnover and the booking of individual projects in 2005 are listed below:

### 二零零五年物業投資業務回顧

二零零五年，本集團的收租物業組合有重大改變，透過收購華潤集團位於北京、上海、深圳等地的優質投資物業，本集團投資物業資產賬面總值在二零零五年底大幅增長到港幣69.7億元；應佔總樓面面積則從二零零四年底的133,442平方米大幅上漲至二零零五年底的539,530平方米；另外還有約153,000平方米的深圳華潤中心二期正在建設中，其中包括一座君悅酒店，預計工程於二零零八年完工。

除投資物業組合規模大幅提高外，更重要的是被收購的項目均是位於國內一線城市黃金地段的優質物業，並已經接近全部出租。管理層相信，此等物業長遠而言將會有很大的資本漲值空間，短期而言也會為本集團帶來可觀而穩定增長的租金收入。

### Review on Property Investment Businesses in 2005

The Group's rental property portfolio expanded substantially in 2005 after acquiring CRH's premier quality investment properties in Beijing, Shanghai and Shenzhen. Total book value of the Group's investment properties substantially increased to HK\$6.97 billion by the end of 2005. Meanwhile, the corresponding attributable gross floor area also expanded significantly to 539,530 square metres by the end of 2005 from 133,442 square metres a year ago. In addition to that, Shenzhen City Crossing Phase 2, which has an area of approximately 153,000 square metres including The Grand Hyatt Hotel, is under construction and is scheduled to complete in 2008.

Apart from the substantial expansion in its investment property portfolio, it is particularly important that all of the projects acquired by the Group from the parent are high quality properties situated in premium locations in first tier cities in the PRC with nearly full occupancy. Management believes that the properties have a huge capital appreciation potential in the long run, while they will also contribute considerable and stable rental income in the short term.

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下表列示本集團各主要收租物業去年的經營情況，由於本集團對北京華潤大廈、上海華潤時代廣場、深圳華潤中心一期的收購於去年年底完成，其經營業績並沒有反映在本集團的綜合損益表中，但本集團截至二零零五年年底的資產負債表已完全反映是次收購的財務效果。

The following table sets out the operating performance of the Group's key rental properties during last year. As the acquisition of Beijing China Resources Building, Shanghai China Resources Times Square and Shenzhen City Crossing Phase 1 were completed at the end of last year, their operating results were not included in the consolidated profit and loss account but their corresponding assets and liabilities are fully reflected in the balance sheet of the Group as of the end of 2005.

截至二零零五年十二月三十一日 (港幣'000) Year Ended 31 Dec 2005 (HK\$'000)		營業額 Turnover *	年底平均出租率 Year-end Occupancy Rate
不包括在05年收益	Not included in FY05 Accounts		
北京華潤大廈	Beijing China Resources Building	111,232	93%
上海華潤時代廣場	Shanghai China Resources Times Square	92,737	寫字樓97% Office Building 97%
深圳華潤中心一期	Shenzhen City Crossing Phase 1	247,346	商場87% Shopping Mall 87%
			華潤大廈98% Office Building 98%
			萬象城97% The MIXc 97%
不包括在05年收益	Included in FY05 Accounts		
北京西單文化廣場	Xidan Cultural Centre	34,424	95%
北京其他租金收入	Other Rental Income from Beijing	33,677	70%
總計	Total Rental Income	519,121	

\* 營業額包括物業管理費收入。北京收租物業收入不包括聯營公司華威中心。

\* Included property management fee income, if any. Excluded Huawei Centre.

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本集團在國內的主要出租物業詳列如下：

The details of the Group's key investment properties in the PRC are as follow:

所在城市 Location	物業名稱 Property Name	本集團 佔股比例 Interest	總樓面面積 Total GFA (sq m)	所佔樓面面積 Attributable GFA (sq m)	用途 Use		
深圳市	Shenzhen	深圳華潤中心一期 City Crossing Phase 1	100%	229,938	229,938		
		萬象城 The MIXc	100%	133,281	133,281	零售 Retail	
		深圳華潤大廈 Office	100%	40,990	40,990	寫字樓 Office	
		停車場 Car Park	100%	55,667	55,667	停車場 Car Park	
深圳市	Shenzhen	深圳華瑞大廈 Hua Rui Building (Hotel Kapok)	100%	13,789	13,789	酒店 Hotel	
上海市	Shanghai	上海時代廣場 CR Times Square	100%	97,139	97,139		
		商場 Mall	100%	51,190	51,190	零售 Retail	
		寫字樓 Office	100%	36,843	36,843	寫字樓 Office	
北京市	Beijing	北京華潤大廈 China Resources Building	100%	65,222	65,222	寫字樓 Office	
		西單文化廣場 Xidan Cultural Centre	92%	36,184	33,253	零售 Retail	
		置地星座商場 Grand Constellation Shopping Area	92%	20,032	18,409	零售 Retail	
		優士閣商場 U-Space Mall	92%	10,803	9,928	零售 Retail	
		京通商舖 Jing Tong Shops	92%	17,952	16,498	零售 Retail	
		華威大廈 Huawei Centre	46%	54,214	24,911	住宅／零售 Res/Retail	
		華南大廈 Huanan Building	15%	70,058	10,649	零售／寫字樓 Retail/Office	
		其他 Others	92%	21,538	19,793	寫字樓／零售 Office/Retail	
			總樓面面積 Total		636,869	539,530	
			零售物業 Retail		406,745	310,833	
	寫字樓 Office		152,853	152,059			

\* 不包括在建中的深圳華潤中心二期153,000平方米及自用物業6,752平方米。

\* Excluding the 153,000 square metres of Shenzhen City Crossing Phase 2 under construction and the 6,752 square metres that are self-occupied.

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### 土地儲備

去年八月一日，本集團旗下北京公司參加了北京市清河地塊的拍賣，並以人民幣25億6千5百萬元奪得該地塊發展權。該項目已正式命名為橡樹灣，總可銷售面積達80多萬平方米，以住宅為主（佔總銷售面積73%），配套商場及寫字樓。橡樹灣項目毗鄰北京中關村高科技區，大量高學歷、高收入人群為項目的潛在用家客戶。項目預計將於今年下半年開始預售，二零一零年前建設完畢。由於項目規模龐大，本集團計劃與控股股東華潤（集團）有限公司組成合資公司共同開發，本集團旗下北京公司擁有合資公司51%的股權，其餘49%為華潤（集團）有限公司持有。

本集團最新之總住宅土地儲備量為331.8萬平方米（建築面積）。

### Land Bank

On 1st August 2005, The Group's Beijing subsidiary participated in an auction for a piece of land located at Qinghe, Beijing and secured the right for development at a price of RMB2,565,000,000. The project, now officially named as The Oak Bay, has a total saleable area of over 800,000 square metres and will be mainly for residential purpose (accounting for 73% of total saleable area), with ancillary shopping malls and office buildings. The site is adjacent to the high technology area of Beijing's Zhongguancun, with many high-qualification, high-income individuals there being regarded as the potential customers of this project. The Oak Bay Project is expected to be pre-sold in the second half of this year and be completed by 2010. Due to the huge scale of the project, the Group established a joint venture with its controlling shareholder China Resources (Holdings) Company Limited for joint development. The Group's Beijing subsidiary owns 51% of the joint venture, while the remaining 49% is held by China Resources (Holdings) Company Limited.

The Group's current residential land bank amounts to a gross floor area of 3.318 million square metres.

地區 Location		發展中物業 Pty under Development GFA (sq m)	已建成物業 Property held for Sale GFA (sq m)	總建築面積 Total GFA (sq m)
北京*	Beijing*	1,551,302	217,119	1,768,421
上海	Shanghai	207,360	-	207,360
深圳	Shenzhen	103,000	-	103,000
成都	Chengdu	889,791	21,497	911,288
武漢	Wuhan	125,807	-	125,807
合肥	Hefei	202,870	-	202,870
總數	Total	3,080,130	238,616	3,318,746

\* 本集團佔北京地區土地儲備91.9%之權益。

\* 91.9% effective ownership



# 管理層討論與分析

## Management Discussion and Analysis

### 貸款及負債比率

截至二零零五年十二月三十一日，本集團的綜合借貸額為港幣58億元。現金及銀行結存為港幣20億元（加上今年一月份配股融資所得資金則為港幣31億元），存款中98%以上為人民幣（計算配股資金後則為61%），其餘為美元及港幣。本集團的淨負債對股東權益比率為46.9%（計算配股的財務效果後則為29.5%）。

本集團的貸款總額中，約60.2%為人民幣貸款，3.8%為美元貸款，36.0%為港幣貸款。美元貸款中有6,500萬安排了匯率對沖，將匯率變動產生的負面風險維持在審慎水平，同時保留若干空間把握匯率變動產生的好處。

截至二零零五年十二月三十一日，本集團約31.8%的銀行貸款於一年內到期，而其餘則為長期貸款。於今年到期的貸款已全部安排好再融資。

雖然過去一年港幣、美元貸款利率有所上漲，但本集團通過利用港幣及美元利率的息差，並對人民幣貸款進行再融資，本集團把資金成本保持在較低水平。目前本集團的港幣、美元貸款利率均低於年息5%，人民幣貸款利率為基準利率下浮10%（即政策允許的最低水平），去年底的加權平均銀行貸款年息約為4.94%。

截至二零零五年十二月三十一日，本集團約10%貸款為固定利率，其餘為浮動利率。

### Borrowings and Financial Leverage

As of 31st December, 2005, the Group had consolidated borrowings of HK\$5.8 billion. Cash and bank balances were HK\$2 billion (HK\$3.09 billion after adding the proceeds from the share placement in January this year), of which, 98% were denominated in Renminbi (61% after taken account of the proceeds from the share placing) and the rest were in US and HK dollars. The Group's net debt to net equity ratio stood at 46.9% (29.5% after taken account of the proceeds from the share placing).

Of the Group's total borrowings, about 60.2% were denominated in Renminbi, 3.8% in US dollars and 36.0% were in HK dollars. Amongst the US dollar loans, US\$65 million were hedged against currency risk so as to control the downside risk of currency fluctuation at a prudent level while leaving a certain degree of upside potential.

As of 31st December, 2005, about 31.8% of the Group's bank loans were due within one year and the rest were long term in nature. All of the loans which will be due in this year have been re-financed.

Although the interest rates for HK and US dollars loans rose during last year, the Group managed to maintain its borrowing cost at low levels by taking advantage of the divergence of interest rates between HK and US dollars loans and by re-negotiating its Renminbi loans. The Group's current borrowing costs for the HK and US dollars loans were less than 5% per annum and that for Renminbi loans stood at 10% below the basis interest rate, which is the lowest level allowed by relevant regulations. At the end of last year, the weighted average interest rate of bank loans was around 4.94% per annum.

As of 31st December, 2005, approximately 10% of the Group's loans are based on fixed rate and the rest are on floating rate.

# 管理層討論與分析

## Management Discussion and Analysis

### 匯兌損益

去年七月下旬，中國人民銀行改變人民幣匯率機制，此後人民幣對美元及港幣的匯率均有所上漲。

本集團二零零五年一月一日財務報表使用匯率為1人民幣對0.94港幣，同年十二月三十一日則為1人民幣對0.961港幣，全年平均匯率為1人民幣對0.9495港幣。

由於本集團在國內的分支機構的資金來源包括若干外幣（其中包括銀行貸款及本集團香港上市公司給予其之股東貸款），因此，本集團去年錄得約港幣7,006萬元之匯兌收益（扣除稅項及少數股東權益後則為港幣3,435萬元）。

### 僱員及酬金政策

截至二零零五年十二月三十一日，本集團在中國大陸和香港僱用了約1,700多名全職員工（包括屬下的物業及經紀公司）。本集團根據員工的業績表現、工作經驗和市場工資水平來決定員工的薪酬。此外，酌情給予績效獎金，其它員工福利包括公積金、保險與醫療計劃及股票期權計劃。

承董事局命  
王印  
董事總經理

二零零六年三月二十七日  
香港

### Exchange gain and loss

At the end of July last year, the People's Bank of China altered the RMB foreign exchange system. Since then, the exchange rates of Renminbi have appreciated against US and HK dollars.

The exchange rates adopted by the Group in preparing the accounts were RMB1 to HK\$0.94 on 1st January, 2005 and RMB1 to HK\$0.961 on 31st December 2005. The average exchange rate employed for the year was RMB1 to HK\$0.9495.

Since the funding of the Group's PRC based subsidiaries included certain foreign currencies (in the forms of bank loans and shareholders' loans from the Hong Kong listed headquarters of the Group), the Group recorded an exchange gain of HK\$70.1 million (HK\$34.4 million after deducting taxation and minority interest).

### Employee and Compensation Policy

As of 31st December, 2005, the Group employed approximately 1,700 full time staff in Mainland China and Hong Kong (including its property management and agency subsidiaries). The Group remunerates its employees based on their performance, work experience and the prevailing market wage level. In addition, performance bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage as well as share option scheme.

By Order of the Board  
Wang Yin  
Managing Director

27th March, 2006  
Hong Kong