

Review of Operations

Business Park Sector

Vision Shenzhen Business Park (VSBP)

The year under review witnessed the accelerated development of the phase 2 site, with the completion of construction of phase 2A and the commencement of construction of phase 2B. The Group has committed substantial financial and human capital to this process. This demonstrates the Group's unwavering confidence in the project and commitment to catch up on the missed deadlines.

Phase 2A comprising two blocks of office space and an amenity centre (with a combined gross floor area of 45,500 sm) was completed in January 2006. The quality of the buildings and the external ambience have attracted two prominent corporate names, Huawei Technologies and Emerson Network Powers, to fully occupy the space in March 2006. This has further reinforced the brand recognition of VSBP as a top quality business park facility backed by reliable services.

The construction of the remaining phase 2B commenced in August 2006 and upon completion in late 2007 will add on another some 85,000 sm of gross floor area within two identical 9-storey office blocks, one 5-storey office block and a multi-storey car park with some 695 bays. Preliminary talks have begun with prospective tenants requiring high quality office space.

With phase 1 entering into its sixth year of operation, extensive maintenance and upgrading works were undertaken during the year under review to enable VSBP to fully satisfy tenants' demanding standards and maintain its competitive advantage.

Consistent with VSBP's philosophy that a business park should go beyond just a collection of functionally efficient buildings, the transformation of a 1.6-hectare site within phase 2 into a landscaped park was completed in August 2006. This verdant landscape now provides sporting and recreational facilities, a conducive natural environment, with water features and fountains, and a proposed cafe as a meeting place amidst lush greenery to all those working in VSBP. A focal point of life and vitality, this landscaped park has added yet another unique attraction to VSBP.

業務回顧

商業園

深圳威新軟件科技園(「威新科技園」)

回顧年度見證二期工程發展進度加快，2A期竣工且2B期開始施工。本集團已承諾向此工程投入大量財務及人力資本。這顯示本集團對此工程之信心堅定不移，矢志趕上已錯過之期限。

2A期工程已於二零零六年一月完工，工程由兩幢辦公室物業及一個康樂中心組成，總樓面面積合共為45,500平方米。優質建築及良好外部環境已吸引兩家知名公司華為技術及艾默生網絡能源進駐，自二零零六年三月起，租出全部建成面積。此舉進一步強化威新科技園品牌認可度，印證其服務可靠，屬頂尖優質商業園。

餘下2B期工程已於二零零六年八月開始施工，於二零零七年年底竣工後，兩幢相似之九層辦公室樓宇、一幢五層之辦公室樓宇連同擁有695個車位之多層停車場將提供額外約85,000平方米之總樓面面積。本公司已與需要優質辦公室之潛在租戶展開初步磋商。

伴隨一期工程踏入第六個經營年度，本集團於回顧年度展開大規模維修及翻新工程，從而確保威新科技園滿足客戶需求標準，保持其競爭優勢。

為符合威新科技園之理念，即商業園不應只限於功能齊全之優質建築物樓群，於二零零六年八月，本集團將二期內面積達1.6公頃之地盤改建為景觀公園。綠色景區配備運動及休閒設施，優美的自然環境，輔以噴泉等以水為特色的題材，加上建議處於綠色園林中之咖啡室，為在威新科技園工作之人士提供聚會場所。景觀公園盡顯生命與活力，已成為威新科技園另一獨特賣點。

The pursuit of quality is the hallmark which differentiates VSBP from its numerous competitors within the Shenzhen High-tech Industrial Park and throughout Shenzhen. VSBP has established itself as a location of choice for businesses which require a well-maintained physical environment backed by reliable property management services. This is demonstrated by the consistently over 90% occupancy enjoyed by phase 1 and the full occupancy of phase 2A during the period under review, despite intense competition. Besides, the profile of VSBP's tenants included many well-known international and domestic names.

The VSBP phase 3 site has an area of about 254,000 sm and a developable gross floor area of over 400,000 sm. Despite the lapsed construction deadline of 31 December 2005, the Group remains fully committed to the development of this site and will continue to convince the Shenzhen authorities to review the current position. A positive outcome from this process will allow the Group to proceed with the ambitious plan to create a truly world-class landmark project in Shenzhen and the greater Pearl River Delta region.

Vision International Centre, Beijing (VIC)

Vision International Centre, the Group's joint venture project with Beijing Tsinghua Science Park Co., Ltd., a subsidiary of the prestigious Tsinghua University, 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, VIC has achieved an average occupancy rate of over 95%, with acclaimed tenants such as SOHU.com, Juniper Networks, Sun Microsystems and Starbucks. The building offers an international standard of property management, with a comprehensive range of value-added services and amenities to all its occupants. Despite its relatively short history, VIC is today a landmark building and sought-after address within the environs of Zhongguancun.

追求卓越是區分威新科技園與其他在深圳市高新技術產業園及整個深圳市無數競爭對手的標誌。對於要求可靠優質物業管理服務兼且設施環境保養完善的公司租戶來說，威新科技園已成為設立業務地點之首選。儘管競爭激烈，於回顧期內，第一期之平均出租率持續超過90%，2A期則全部出租，說明該物業廣受好評。此外，就威新科技園租戶層面而言，已有多家知名國際及本地公司入駐。

威新科技園三期工程佔地約254,000平方米，可發展總樓面面積超過400,000平方米。雖然錯過二零零五年十二月三十一日之建設期限，但本集團仍致力發展此工程，並將繼續說服深圳當局審閱現況。倘說服成功，本集團將可開展此一宏偉計劃，在深圳及珠江三角地區創造一個真正世界級的地標項目。

威新國際大廈，北京（「威新國際大廈」）

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之合資項目，為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內。

自二零零四年九月落成後，威新國際大廈之出租率現已超過95%，租戶中不乏著名公司，例如搜狐、Juniper Networks、Sun Microsystems及星巴克。大廈為其租戶提供達國際水平之物業管理服務，並配備完善之增值服務及配套設施。威新國際大廈雖然歷史相對較短，但現已成為中關村質素優越及聲譽卓越之地標建築物。

Real Estate Development

Property Projects in China

Scenic Place, Beijing

Scenic Place is a high-rise residential development in Xuanwu district, Beijing, sited between the West Second Ring Road and the West Third Ring Road. Phase 1 comprising 788 apartments was completed and the last remaining apartment was sold by May 2006.

Since the implementation of new regulations promulgated by the Beijing Land Bureau became effective from 1 August 2004, the Group had been unable to proceed with the development of the contiguous Scenic Place phase 2 site. In compliance with the new regulations, the phase 2 site had to be sold through a public auction. With the objective to resolve the issue of advance payments of the land cost paid, the Group has taken all possible steps and extended utmost co-operation to the relevant government bodies in Beijing to facilitate the occurrence of the auction at the earliest possible date. It is gratifying to note that after a protracted process spanning over 2 years, the public auction of the site was announced on 30 October 2006 and scheduled to close in November 2006. The Group was considering its participation in this auction so that the site could be repossessed for early development.

The Ninth ZhongShan, Dalian

The Ninth ZhongShan, a twin-tower upmarket residential development, one 30-storey and the other 32-storey, is superbly located at the core of the central business district of Dalian and offers panoramic views of the city and its coastline.

With the completion of certain amenities, including a well-equipped and professionally-managed clubhouse, a Japanese restaurant and a convenience store, the Group was able to sell over 110 apartments during the period under review. As at 30 September 2006, over 406 out of the total of 439 apartments – constituting 92% – had been sold, with the remaining units expected to be sold in 2007.

房地產發展

中國之物業項目

蝶翠華庭·北京

蝶翠華庭乃一項位於北京宣武區之高層住宅發展項目，位處西二環路及西三環路之間。包括788個單位之一期工程已完工，最後一個單位於二零零六年五月售出。

鑒於北京土地管理局由二零零四年八月一日起頒布實施新法規，本集團一直未能開發臨近的蝶翠華庭二期地盤。根據新規例，二期地盤須透過公開掛牌出售。為解決已支付之土地成本預付款問題，本集團已採取一切可能措施，並盡最大努力與北京相關政府部門展開合作，以儘早進行掛牌。令人欣慰的是，經過兩年漫長時間後，該地盤於二零零六年十月三十日公開發布掛牌公告，將於二零零六年十一月掛牌競價。本集團考慮參與掛牌，以儘早重新開發該地盤。

中山九號·大連

中山九號是一項兩幢大樓之發展項目（一幢30層高而另一幢32層高），位處大連商業區中心黃金地段，坐擁大連之怡人景緻及沿海風光。

隨著若干配套設施（包括一座設施完備及專業管理之會所、一家日本料理店及一間便利店）落成，本集團得以於回顧期間售出逾110個單位。於二零零六年九月三十日，合共439個單位已售出406個，佔總數之92%，預期餘下單位將於二零零七年售出。

Songjiang Project, Shanghai

This 71-hectare development site, in which the Group holds a controlling 52.04% interest, was acquired in September 2005 following the approval of the independent shareholders at the 15 September 2005 Special General Meeting. This is a sizable project, with an approved gross floor area of some 830,000 sm, and will be developed in multiple phases over the next few years.

This development will be a luxury low-density residential complex, with a complementary retail and recreational component. Songjiang is the biggest and most developed new suburban centre in Shanghai. The site is located about 200 metres away from the proposed Si Jing light railway station, which is expected to be operational by the end of 2007.

The first phase of development will have a gross floor area of 98,500 sm, comprising 418 terrace and semi-detached houses, a clubhouse and some 8,100 sm of commercial and retail space. Development plans for phase 1 have been submitted to the relevant authorities for approval. The marketing launch has been scheduled for the second half of 2007, when the necessary marketing permits would have been obtained.

Completed Apartments in Hong Kong

As at 30 September 2006, all apartments in Elite Court were sold. Meanwhile, the Group continues to hold 133 car parking spaces at the Greenery Place in Yuen Long for lease.

Corporate Development

In yet another step to extend the Company's capital base, a 1 for 2 rights issue was executed and completed on 12 September 2006. As a result, 2,280.8 million rights shares were issued at HK12 cents each. A net HK\$270 million was raised and such fund would be used to finance the development of existing projects and the acquisition of new investments.

松江項目，上海

該71公頃之發展地塊乃經獨立股東於二零零五年九月十五日召開之股東特別大會批准後於二零零五年九月購得，本集團持有52.04%控制性權益。該大型項目可建總樓面面積約為830,000平方米，將於未來幾年分期開發。

該項目將開發成為低密度豪華公寓，輔以配套的零售及娛樂設施。松江是上海最大最發達的新興郊區。該地盤距離擬建的泗涇輕軌站約200米，而該站預期於二零零七年年尾投入營運。

該項目首期工程總樓面面積為98,500平方米，包括418套排屋及半獨立屋、一座會所及8,100平方米之商業及零售商舖。一期工程發展方案已提交予有關部門審批。市場推廣計劃於二零零七年下半年展開，屆時本集團已獲得必要之市場推廣許可。

已落成之香港住宅項目

於二零零六年九月三十日，雅賢軒所有單位已售罄。同時，本集團繼續出租其於元朗翠韻華庭所持有之133個停車位。

公司發展

為採取額外措施擴大本公司資本基礎，於二零零六年九月十二日已簽立及完成以兩股股份發行一股供股股份。因此，按每股12港仙發行2,280,800,000股供股股份。本公司已籌集淨港幣270,000,000元，此等資金將用作撥付發展現有項目及收購新投資。

Prospects

The Group's long-term strategy is to grow its property development, investment and management activities in mainland China, both through the development of its existing land bank and the acquisition of new projects. With mainland China's economic fundamentals continuing to be sound, coupled with the rising urban incomes of a burgeoning middle class, the Group believes that there will be strong and sustainable demand in all property sectors.

With sizable projects in Beijing, Shanghai and Shenzhen, the Group feels particularly well-positioned to capitalize on and benefit from the enormous market forces which will further propel these cities' transformation into vibrant metropolises. With the expansion of its leasable business park space in Shenzhen, the Group is expected to enjoy a robust and growing rental income stream as Shenzhen continues to benefit from the greater economic integration between Hong Kong and the Pearl River Delta region.

Barring unforeseen circumstances, the Group's performance is expected to be satisfactory in the current financial year.

展望

本集團之長期策略乃透過開發其現有土地儲備及收購新項目，以發展其於中國之物業開發、投資及管理業務。中國國內之經濟基本因素持續強勁，加上城市內增長迅速之中產階級收入日漸提高，本集團相信所有物業類別將會出現強勁及持續之需求。

由於在北京、上海及深圳分別擁有大型項目，本集團認為其將受益於推動上述城市成為充滿活力之大都市的龐大市場力量。由於深圳將持續從香港及珠江三角洲區域更深化之經濟整合而從中得益，加上深圳威新科技園可供出租面積之增加，預計本集團可享穩定及呈增長之租金收入流量。

除出現不可預見之情況外，本集團預期本財政年度之業績將令人滿意。