

本人欣然宣佈二零零六年之全年業績。

業績

截至二零零六年十二月三十一日止年度，本集團營業額下降至889,302,000港元，較去年錄得的1,397,100,000港元下降36%。本公司股東應佔溢利為51,496,000港元（二零零五年：202,540,000港元），較去年下降75%。然而，股東應佔溢利減少，原因是本集團基於審慎原則將往年及本年度的土地增值稅撥備（往年以或有負債形式披露）於年內確認，往年及本年度的土地增值稅撥備分別為261,636,000港元及35,773,000港元。倘若不作撥備，股東應佔溢利為334,563,000港元。

年內本公司股東應佔溢利（未計提額外土地增值稅）增加主要來自：

- (1) 投資物業公允價值之增加；
- (2) 出售一間共同控制公司之收益；及
- (3) 租金收入增加70%。

每股盈利為4.9港仙（二零零五年：23.1港仙），較去年下降79%。然而，倘若不計入之前於或有負債處理的額外土地增值稅撥備，則在利潤表中列示的每股基本盈利應為32.1港仙。

I am pleased to present to you the annual results for 2006.

RESULTS

The turnover of the Group for the year ended 31st December, 2006 was HK\$889,302,000, a decrease of 36% compared to the previous year of HK\$1,397,100,000. The profit attributable to equity holders of the Company was HK\$51,496,000 (2005: HK\$202,540,000), representing a 75% decrease over the previous year. However, the decrease is attributable to the recognition in the current year by the Group in the interest of prudence of a provision for past years and this year PRC Land Appreciation Tax ("LAT") previously noted as a contingent liability. These provisions amounted to HK\$261,636,000 and HK\$35,773,000 respectively. Had these provisions not been made, profit attributable to equity holders would have been HK\$334,563,000.

The increase in profit attributable to equity holders of the Company for the year before the provision for additional LAT was the result of:

- (1) an increase in fair value of investment properties,
- (2) a gain on the disposal of a jointly controlled entity, and
- (3) increase in rental income by 70%.

Earnings per share were HK4.9 cents (2005: HK23.1 cents), representing a decrease of 79% over last year. However, as set out in the income statement, if the provision for additional LAT previously treated as a contingent liability is excluded, basic earnings per share would have been HK32.1 cents.

股息及截止過戶日期

董事會建議派發截至二零零六年十二月三十一日止年度之末期股息每股本公司股份2.5港仙(二零零五年：無) 予於二零零七年五月十八日(星期五)名列本公司股東名冊內之股東(「股東」)。

本公司將於二零零七年五月十五日(星期二)至二零零七年五月十八日(星期五)(包括首尾兩天)暫停辦理本公司股份過戶登記手續，在此期間本公司股份不能過戶。為符合獲享末期股息資格，所有轉讓文件連同相關股票最遲須於二零零七年五月十四日(星期一)下午四時正前送交本公司之過戶登記處秘書商業服務有限公司(地址為香港皇后大道東28號金鐘匯中心26樓)辦理股份過戶登記手續。待股東於本公司即將舉行之股東週年大會上批准後，預期股息單將於二零零七年六月一日(星期五)寄發。

業務回顧

本集團主要經營範圍包括：在中國開發高端住宅、別墅、辦公樓及商用樓宇、物業投資、物業管理、酒店營運，以及生產及銷售建築材料。

二零零六年之業績均符合本集團之既定目標：

- (1) 持續出售非核心資產；
- (2) 增加經常性收入；
- (3) 優化發展溢利；
- (4) 於主要城市增加土地儲備；
- (5) 精簡營運模式；及
- (6) 持續加強專業管理團隊。

DIVIDEND AND BOOK CLOSE

The Board has recommended a final dividend of HK2.5 cents per share of the Company for the year ended 31st December, 2006 (2005: nil) payable to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company at the close of business on Friday, 18th May, 2007.

The register of members of the Company will be closed from Tuesday, 15th May, 2007 to Friday, 18th May, 2007 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's registrar, Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Monday, 14th May, 2007. Subject to approval by the Shareholders at the forthcoming annual general meeting of the Company, dividend warrants are expected to be despatched on Friday, 1st June, 2007.

BUSINESS REVIEW

The Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment, property management and hotel operation, as well as the manufacture and sale of construction materials in China.

The 2006 results are in line with the Group's stated objectives of:

- (1) continuing to dispose of non-core assets,
- (2) increasing recurrent income,
- (3) maximising development profit,
- (4) increasing landbank in major cities,
- (5) streamlining operating processes, and
- (6) continuing to strengthen the professional management team.

有關本集團於二零零六年取得之成果，下文按此等既定目標作為框架逐點分析：

(1) 持續出售非核心資產

於本年度內，我們出售於上海新聯誼大廈有限公司（於上海外灘附近擁有一塊土地）之50%有效權益，以及上海國聯有限公司（於外高橋持有一間保稅倉）之10%權益。出售新聯誼大廈權益為利潤表帶來136,816,000港元的除稅後純利貢獻。

至於我們擁有少數權益之合營企業，我們正與擁有大多數權益股東進行磋商，以出售我們之股權或收購彼等之股權，從而撤出非核心投資或更有效地行使對此等投資之控制權。

有關可能被歸類列為閒置土地之物業項目，我們擬出售認為增長前景較為薄弱的物業，並專注發展位於福州之登雲綜合渡假村。我們認為該渡假村現已轉趨成熟，相信將能夠在可預見將來為本集團帶來締造收益。

(2) 增加經常性收入

為了增加經常性收入，我們自二零零五年起一直採取策略保留更多發展物業以作投資，我們相信此等物業將可增加租金收入來源，並可相應地提高資本價值。此舉背後之理由包括：中國嚴謹之新稅制會對所出售物業所取得之高邊際溢利徵收較高稅款；難以在主要城市收購優質土地；此外，再加上基於中國經濟持續增長，持有大量物業將較出售物業更為合理，原因為持有物業可令本集團受惠於資本增長，但出售物業卻會產生成本，且本集團亦難以另覓土地替代。

Utilising these stated objectives and using them as a framework for discussion, an analysis of the Group's achievements in 2006 is outlined below:

(1) Continuing to dispose of non-core assets

During the year, we disposed of an effective 50% interest in Shanghai New Union Building Co., Ltd., which owned land near the Bund in Shanghai, and a 10% interest in Shanghai Interunited Co., Ltd., which held a bonded warehouse in Waigaoqiao. The sale of the New Union Building interest contributed a net profit after tax of HK\$136,816,000 to the income statement.

As for joint ventures where we have a minority stake, we are in the process of negotiating with the majority shareholders to either sell our stakes or acquire theirs so as to either exit our non-core investments or to exercise better control over them.

Regarding properties which may potentially be classified as idle land, we intend to dispose of those we believe may have lesser growth prospects and to focus on activating our Fuzhou Dengyun integrated resort which we believe is now maturing and should be able to contribute to our earnings in the foreseeable future.

(2) Increasing recurrent income

As to increasing recurrent income, our policy since 2005 has been to retain more of our development properties for investment where we believe these properties will provide increasing rental streams and corresponding increases in capital value. The rationale behind this move includes a tough new PRC tax regime which penalises the high profit margins on property sales, the difficulty in acquiring quality land in major cities, and ultimately with the continuing growth in China, it is commercially sound policy to retain a substantial portion of our properties for their capital growth rather than dispose of them and incur the costs and difficulties of replacing the land.

每當我們將此等物業轉為投資物業，我們均錄得重大收益，此乃由於所有待發展物業乃根據會計準則按成本列值，因此不會重新估值所致。

本集團之租金收入於二零零六年上升70%，並預計將於未來幾年持續上升。

坐落於南京路人民廣場中心商務區附近之上海天安中心已大部分租出。租戶多為跨國大企業，且租金均隨著續租而錄得上升。位於中山路核心商務區之大連天安國際大廈亦已租出逾半總樓面面積，並預期將於本年底大部份租出。南京天安國際大廈之商場樓層均已全數租出，有關貢獻將於二零零八年隨著續租而進一步上升。天安數碼城合營企業亦已保留更多其位於深圳及番禺之發展項目以作出租用途。

我們亦已著手保留部分住宅組合作出租之用，就此而言，我們已將北京天安豪園部分單位出租，而市場對我們公寓之整體反應一直良好。

上海天安陽光半島項目或稱作「麵粉廠」之發展進度令人滿意。有關自該地盤遷出餘下廠房之磋商已踏入最後階段，我們預計第一期發展工程將於今年稍後動工，此項目竣工後將成為上海重要地標之一，我們擬將此整個項目保留作為投資物業。

As and when we transfer these properties into our investment portfolio, we record a significant gain because all properties for development are stated at our cost under the accounting standards and as such are not revalued.

Rental income for the Group has increased by 70% in 2006 and is expected to continue to increase in the next few years.

Shanghai Tian An Centre, located in the business ring around People's Square in Nanjing Road, has been substantially leased. Most of the tenants are international enterprises and rents have been increasing on renewals. We have leased more than half of the Gross Floor Areas (the "GFA") of Dalian Tian An International Tower, which is located in the core business district of Zhongshan Road, and expect it to be substantially leased by the end of this year. The commercial podium of Nanjing Tian An Building is fully leased and its contribution should further increase in 2008 on rental revision. The Tian An Cyberpark joint ventures have also retained more of their developments in Shenzhen and Panyu for rental.

We have also commenced the retention of part of our residential portfolio for rental. In this regard, we are leasing part of our Beijing Park Apartments and the overall feedback on the apartments has been pleasing.

The Shanghai Sunshine Peninsula project, or the "Flour Mill" development, is also progressing satisfactorily. We are in the final stages of negotiation for the removal of the last remaining factories from the site. We envisage Phase 1 of the development should start in the latter part of the year. This project on completion will be a significant landmark in Shanghai and we currently intend to retain it as an investment property.

(3) 優化發展溢利

由於保留項目作為投資物業，我們所出售之總樓面面積大幅減少。本集團於二零零六年售出之總樓面面積約79,100平方米，而二零零五年及二零零四年分別為138,000平方米及225,000平方米。此乃管理層作出之主動決定；此項決定之成果可望於二零零八年及二零零九年各項用作出售之重要發展落成時實現，其中包括漕寶路之上海天安豪園、佘山之上海天安別墅、無錫 The Manhattan、深圳天安高爾夫花園(三期)。此等資產之價值於過去數年顯著上升，故我們將於出售時錄得可觀溢利。

於本年度內，於中國售出之物業包括南通天安花園(三期)、常州新城市花園(五期)、無錫紅山半島(三期)、廣州番禺節能科技園(二期及三期)、大連天安海景花園(二期B)及長春天安第一城。

於本年度內，已竣工商／住宅物業總樓面面積約為83,800平方米(二零零五年：182,000平方米)，較去年同期下降54%。截至二零零六年底，在建工程總樓面面積約為282,300平方米(二零零五年：246,400平方米)，較去年同期上升15%，包括南通天安花園(三期第二部分)、常州新城市花園(五期)、上海天安別墅(二期)、深圳天安高爾夫花園(三期)、深圳龍崗數碼新城(一期)、廣州番禺節能科技園(三期)及長春天安第一城(三期)。

(3) Maximising development profit

As a result of our retention policies there is a resulting drop in our GFA sold. The Group recorded sales of total GFA of approximately 79,100 m² in 2006, compared to 138,000 m² and 225,000 m² in 2005 and 2004 respectively. The benefits of this decision by management will be seen in 2008 and 2009 when key developments for sale will come on stream. This includes Shanghai Tian An Place in Cao Bao Lu, Shanghai Tian An Villa in Sheshan, The Manhattan in Wuxi and Shenzhen Tian An Golf Garden (Phase 3). These assets have significantly increased in value in the last couple of years and we expect to record a substantial profit on disposal.

During the year, properties sold in the PRC consist of Nantong Tian An Garden (Phase 3), Changzhou New City Garden (Phase 5), Wuxi Redhill Peninsula (Phase 3), Guangzhou Panyu Hi-Tech Ecological Park (Phases 2 and 3), Dalian Tian An Seaview Garden (Phase 2B) and Changchun Tian An City One.

A total GFA of approximately 83,800 m² (2005: 182,000 m²) of residential/commercial properties was completed during the year, representing a decrease of 54% over last year. By the end of 2006, a total GFA of approximately 282,300 m² (2005: 246,400 m²) was under construction, representing a 15% increase from the preceding year, including Nantong Tian An Garden (Phase 3 Part 2), Changzhou New City Garden (Phase 5), Shanghai Tian An Villa (Phase 2), Shenzhen Tian An Golf Garden (Phase 3), Shenzhen Longgang Cyber Park (Phase 1), Guangzhou Panyu Hi-Tech Ecological Park (Phase 3) and Changchun Tian An City One (Phase 3).

(4) 於主要城市增加土地儲備

目前，本集團擁有約632.2萬平方米總樓面面積的土地儲備（本集團應佔總樓面面積約為461.5萬平方米，包括已竣工投資物業約22.2萬平方米及待發展物業約439.3萬平方米），主要位於上海、深圳、北京、廣州、惠州、佛山、南通、無錫、常州、南京、福州、長春、大連、武漢、肇慶及江門。

在資本增長前景良好之前題下，我們不斷增加土地儲備。我們於二零零六年在廣東省惠州所收購之淡水物業包括三幅佔地共39.2萬平方米、總樓面面積78.3萬平方米之土地。我們亦與當地機關商討於常州（800畝）及南京（2,700畝）增加土地儲備。就此兩項項目而言，我們擬建設綜合商務園，將包括工業、商業、辦公樓及住宅。

我們之合營企業公司深圳天安數碼城有限公司亦於二零零六年積極增加土地儲備，其中包括東莞及南海。天安東莞數碼城坐落於全新之城市中央地區—南城區，覆蓋土地面積100萬平方米，總樓面面積220萬平方米。天安南海數碼城位於南海桂城，擔當著廣州與佛山都市圈之間的橋樑，覆蓋土地面積10萬平方米，總樓面面積25萬平方米。

整體而言，天安數碼城將擁有356.7萬平方米（本集團應佔152.2萬平方米）土地儲備，相信其土地儲備將會增加，惟需視乎與政府之磋商結果而定。

(4) Increasing landbank in major cities

The Group currently has a landbank of total GFA of approximately 6,322,000 m² (total GFA attributable to the Group is approximately 4,615,000 m², consisting of approximately 222,000 m² of completed investment properties and approximately 4,393,000 m² of properties for development), located mainly in Shanghai, Shenzhen, Beijing, Guangzhou, Huizhou, Foshan, Nantong, Wuxi, Changzhou, Nanjing, Fuzhou, Changchun, Dalian, Wuhan, Zhaoqing and Jiangmen.

We have continued to increase our landbank where we perceive good capital growth prospects. Our Danshui property in Huizhou, Guangdong which was acquired in 2006 comprises interests in three parcels of land with a total site area of 392,000 m² with total GFA of 783,000 m². We are also in the process of negotiating with local authorities to increase our landbank in Changzhou (800 mu) and Nanjing (2,700 mu). For these two projects, we intend to build integrated business parks, which will include industrial, commercial, office and residential components.

Our joint venture company, Shenzhen Tian An Cyberpark Co., Ltd. has also been actively increasing its landbank in 2006. These include Dongguan and Nanhai. Tian An Dongguan Cyber Park is situated in the new city central area – Nancheng District and covers a land area of 1,000,000 m² with gross floor area of 2,200,000 m². Tian An Nanhai Cyber Park is located in Guicheng of Nanhai, which plays a linkage role for Guangzhou-Foshan City Circle, covering a land area of 100,000 m², with gross floor area of 250,000 m².

As a whole, Tian An Cyberpark will have a landbank of 3,567,000 m² (1,522,000 m² attributable to the Group), and this should increase subject to negotiations with the government.

(5) 精簡營運模式

我們繼續在營運層面及業務層面上精簡我們集團的經營模式。

在營運層面上，我們繼續中央化處理財務、招標程序，以及行政職能。我們憑藉雄厚之財力，在可能情況下與往來銀行洽商更佳條款。管理層已設立一個更加全面之項目成本會計系統。為了降低營運成本，我們已訂立計劃關閉有關之閒置公司。

至於業務方面，我們一直利用重提土地增值稅所產生之不明朗市場氣氛，與少數權益合營企業夥伴洽商收購彼等之股權。此舉將使我們能更妥善管理及控制成本。

(6) 持續加強專業管理團隊

我們安排重要管理人員駐於上海，以縮短反應時間。我們一直招聘專業人才，包括工程師及室內設計師，使我們能為客戶提供更高質素之產品。

我們已加強採購部，以改善我們建築物料之訂價、協調及質素。

本公司主要股東之一Orix Corporation亦借調多位高級人員協助加強我們之財政規劃。彼等一直與我們共同發掘新項目，務求把握每個合資機會。引進Orix及其他幾位機構投資者，例如Penta Investments Advisers Limited，亦將有助提高我們的形象。

(5) Streamlining operating processes

We have continued to streamline our operating processes both at an operational and a business level.

At the operational level, we have continued to centralise financial controls, tender processes, and administrative functions. We have taken advantage of our strong financial position to negotiate better terms with bankers where possible. A more comprehensive project cost accounting system has been established. Plans are being made to close relevant dormant companies in order to lower operating costs.

On the business level, we have been taking advantage of the market uncertainties created by the revival of the LAT to negotiate with our minority joint venture partners to acquire their stakes. This is intended to enable us to exercise better management and cost control.

(6) Continuing to strengthen the professional management team

We have based additional key management personnel in Shanghai to reduce response time. We have recruited professionals including engineers and interior designers so as to enable us to deliver better quality products to our customers.

We have strengthened our sourcing division with the view to improving the pricing, consistency and quality of our building materials.

Orix Corporation, a substantial shareholder of the Company, has seconded several senior staff to help strengthen our financial planning. They have been exploring new projects with us with a view to co-investing with us should such opportunities arise. The introduction of Orix and several other institutional investors such as Penta Investments Advisers Limited will strengthen our shareholder profile.

建築物料生產及銷售

銷售建築物料之分類業績於本年度內為本集團帶來14,471,000港元溢利(二零零五年: 10,131,000港元虧損)。水泥及熟料銷量218.6萬噸,較去年同期上升23%。值得注意的是我們之上海水泥廠乃設於上海一個極具吸引力之地點,此項物業於我們賬目中按成本入賬,而我們正設法開啟其價值。

採用新公司標誌

為了提高品牌形象,本公司自二零零七年三月三十日已採用新公司標誌,其外形與本公司主要股東聯合集團有限公司所註冊之標誌相同,惟兩者顏色不同。原有的公司標誌保留給於中國之項目公司(包括附屬公司、聯營公司及共同控制公司)使用。

展望

在人民幣升值及通脹壓力強勁之帶動下,中國經濟繼於二零零六年錄得10.7%增長後,預期將於二零零七年增長約8%。中國政府正嘗試運用加息政策控制通脹壓力,而同時實施土地增值稅,將可能削弱物業市場之氣氛。董事會相信,鑒於物業及建築對中國經濟的強大支持,政府仍會意識到物業發展商所作的貢獻。

董事會認為,憑藉本集團之實力雄厚,本集團有信心能夠推行其於上文所述之既定策略及目標,為本公司全體股東爭取利益。

致謝

本人謹此衷心感謝各董事及員工於過去一年值得表揚之努力及對本集團之貢獻,並感謝各股東的諒解及支持,以及客戶之信任。

主席兼代理董事總經理
李成偉

香港,二零零七年三月三十日

Manufacture and Sale of Construction Materials

The segment results for sale of construction materials for the year provided segment profit of HK\$14,471,000 (2005: loss of HK\$10,131,000) to the Group. The sales volume of cement and clinker amounted to 2.186 million tonnes, representing an increase of 23% as compared to the previous year. Our Shanghai cement factory is located on an attractive site in Shanghai. This property is stated at cost in our books and we are examining ways to realise its value.

ADOPTION OF NEW COMPANY LOGO

In order to enhance the brand image, the Company has adopted a new company logo with effect from 30th March, 2007 by using the same shape as the logo registered by Allied Group Limited, a substantial shareholder of the Company, but in different colour. The old company logo is retained for use by the project companies, including subsidiaries, associates and jointly controlled entities, in the PRC.

OUTLOOK

The PRC economy is expected to grow at around 8% for 2007, following a 10.7% growth rate for 2006, fuelling not only RMB appreciation, but also creating strong inflationary pressure. The PRC Government is attempting to control the inflationary pressure with higher interest rates. This together LAT may weaken property sentiment. The Board believes however that the Government will remain aware of the contribution of property developers as property and construction have provided significant support for the PRC's strong economic growth.

The Board is confident that the Group is in a strong position, and will be able to carry out its stated strategies and objectives for the benefit of all shareholders.

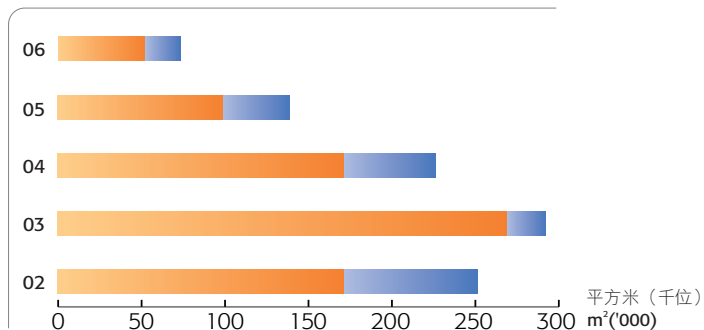
APPRECIATION

I would like to take this opportunity to thank my fellow Directors and the staff for their diligence and contributions to the Group in the past year, to the shareholders for their understanding and support, and to the customers for their trust.

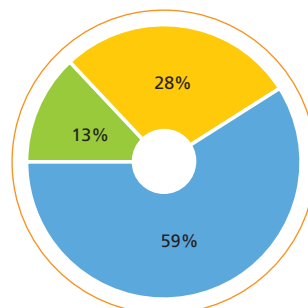
Patrick Lee Seng Wei
Chairman and Acting Managing Director

Hong Kong, 30th March, 2007

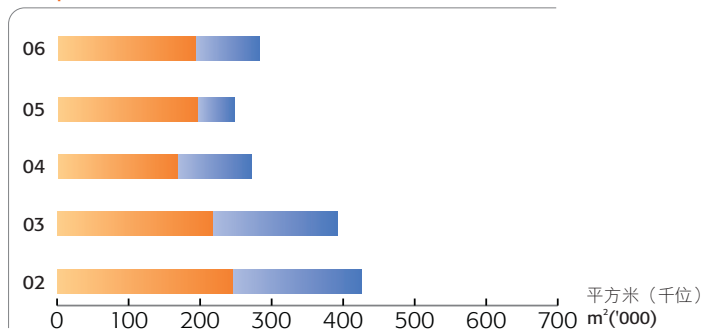
銷售樓面面積
Gross Floor Area ("GFA") Sold



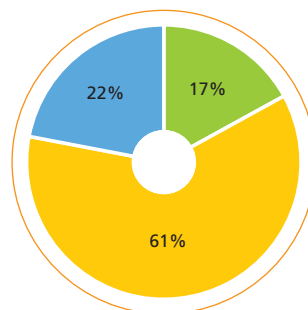
2006年銷售樓面面積之地區分佈
GFA Sold by Region in 2006



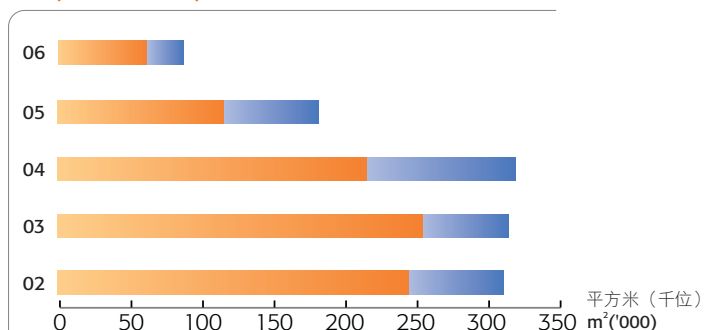
發展中物業樓面面積
Properties Under Construction in terms of GFA



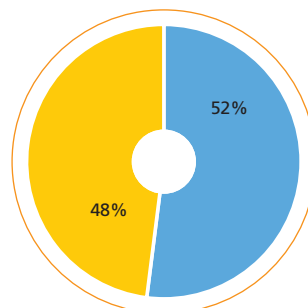
2006年發展中物業樓面面積之地區分佈
Properties Under Construction by Region in 2006



建成樓面面積
Properties Completed in terms of GFA



2006年建成樓面面積之地區分佈
Properties Completed by Region in 2006



住宅 Residential
商業 Commercial

華東 Eastern China
華南 Southern China
華北 Northern China