

In 2006, the Group mainly focused on disinvestment from non-core business and enhancement of corporate governance with an endeavour to build up a specialised corporate image. During the year, with its sufficient land reserve, the Group further boosted its principal real estate business by accelerating its property development. Meanwhile, the Group benefited from its structural adjustment with disposal of its non-core business assets and investment in highways. As such, the Group recorded an increase in its results for the fourth consecutive year .

Rapid Development of Real Estate Business and Continuous Increase in Land Reserve

The Group is characterised by a high concentration of real estate business in the Pearl River Delta Region of Southern China and in Middle China. The Group has gradually evolved from a real estate company of a single region to the one covering regions across the nation in recent years, with its property development projects covering wealthy cities in Guangdong Province such as Shenzhen, Dongguan, Huizhou, and inland core cities such as Changsha and Wuhan. Adequate, premium land reserve guarantees the Group's real estate business with a solid profit in the coming five to seven years.

Disposal of Non-core Business Assets to Boost Real Estate Business

In 2006, the Group speeded up its withdrawal from its non-core business and achieved material progress in its disposal plan for non-core business assets. During the year, we completed the equity transfer of power plants of Mawan, Topway Video Communication and SEG and etc. The withdrawn capital will be returned to our shareholders in part while all of the remaining will be invested in real estate and infrastructure projects of great potential.

二零零六年，本集團着力推進非主業退出，提高公司治理，努力打造專業化的企業形象。年內，本集團地產開發進度加快，土地儲備充裕，地產主業發展後勁進一步夯實。同時，通過出售非主業資產，投資高速公路，產業結構調整取得階段性成果。本集團連續第四年取得較好的業績增長。

地產業務快速發展，土地儲備不斷增加

本集團地產業務主要集中在中國華南珠三角地區和華中地區。經過近幾年的發展，本集團逐漸從深圳單一區域性的地產公司向全國性跨區域地產公司轉變，在廣東省深圳、東莞、惠州等經濟發達城市和長沙、武漢等內地中心城市均有房地產開發項目。充裕、優質的土地儲備為本集團未來5-7年的地產盈利提供實質保證。

出售非主業資產，突出地產主業

二零零六年，本集團加快非主業退出，剝離非主業資產計劃取得了實質性進展。年內，基本完成了媽灣電廠、天威視訊、賽格中電等股權的轉讓，回收的資金除部分回報股東，其餘將全部投入有潛質的地產及基建項目。



HU Aimin
胡愛民

Chairman 主席

Adhering to the Philosophy of “Talents First, Performance Prevails” and Engaging Professionals for Enhanced Management and Operation

The Company has explicit management strategies in place. During the year, the Group streamlined the structure of the Board through engaging professionals of high calibre to join the management team of the Group. Meanwhile, we reinforced the McKinsey management processes to enhance our management and operations.

Continuous Improvement in Profitability

In the future, with the continuous and rapid economic development of Mainland China and Hong Kong, we will make continuous endeavours to capitalise on our existing competitive edges, improve our core competitiveness and seize the business opportunities arising from the growing economy of the mainland. Moreover, we will continue to step up efforts in expanding the scale and capacity of property development and upgrade the profitability of our real estate business with a commitment to creating stable and affluent investment returns to our shareholders.

Acknowledgement

On behalf of the Board, I hereby express my sincere appreciation to each shareholder, persons and institutions from the society who always care and support the development of the Group.

HU Aimin

Chairman

Hong Kong, 10 April 2007

堅持「人才為本、績效至上」，大力引進專才，提高管理運營能力

公司管理策略清晰。本年度，集團通過引入高端專才加入管理團隊，優化董事會結構，同時強化麥肯錫管理流程，提高管理運營能力。

不斷提高盈利能力

未來，隨著中國內地與香港經濟持續繁榮，本集團將繼續依托已有優勢，不斷提高核心競爭力，抓住國內經濟快速發展的有利商機，不斷增強地產開發規模和開發強度，提高地產業務的盈利能力，力爭為股東創造穩定、豐厚的投資回報。

致謝

本人謹代表董事會向關心、支持本集團發展的各位股東，及社會各界人士和機構致以誠摯的謝意。

主席

胡愛民

香港 二零零七年四月十日