

The directors are pleased to present their first annual report and the audited consolidated financial statements of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2006.

CORPORATE REORGANISATION

The Company was incorporated with limited liability in the Cayman Islands on 20 July 2006.

Pursuant to a group reorganisation scheme to rationalise the structure of the Group in preparation for the public listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 22 February 2007.

Details of the group reorganisation are fully explained in the paragraph headed "Corporate reorganisation" (the "Group Reorganisation") in Appendix VII to the prospectus of the Company dated 8 February 2007 (the "Prospectus").

The shares of the Company were listed on the Main Board of the Stock Exchange with effect from 22 February 2007.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 1 to the financial statements.

RESULTS AND PUBLISHED PROFIT ESTIMATE

The Group's consolidated profit attributable to equity holders refer revaluation increase of investment properties net of deferred tax for the year of approximately RMB217.6 million, represents an excess of approximately RMB7.6 million over the profit estimate as set out in Appendix II to the Prospectus.

董事會欣然提呈本公司及其附屬公司(合稱「本集團」)截至2006年12月31日止年度首份年報及經審核綜合財務報表。

企業重組

本公司於2006年7月20日在開曼群島註冊成立為有限公司。

為籌備本公司股份在香港聯合交易所有限公司(「聯交所」)公開上市，本集團曾進行集團重組計劃，以整頓本集團架構，而本公司因此於2007年2月22日成為本集團成員公司的控股公司。

集團重組詳情在本公司於2007年2月8日刊發的招股章程(「招股章程」)附錄七「公司重組」一段詳述。

本公司股份於2007年2月22日起於聯交所主板上市。

主要業務

本公司為投資控股公司，而其附屬公司之主要業務載於財務報表附註1。

業績及已刊發溢利估計

於本年度，本集團投資物業重估增加前(扣除遞延稅項)權益持有人應佔綜合溢利約為人民幣217,600,000元，較招股章程附錄二所載之溢利估計高出約人民幣7,600,000元。

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31 December 2006 (2005: Nil).

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the year are set out in note 27 to the financial statements.

Details of the movements in the issued share capital of the Company after 31 December 2006 are set out in notes 27 and 33 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in Note 27 to the financial statements.

At 31 December 2006, the Company's reserve available for distribution to its shareholders comprises contributed surplus amounted to approximately RMB294.8 million.

INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

Details of the investment properties and investment properties under development of the Group during the year are set out in note 16 and 17 to the financial statements respectively.

PROPERTIES, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group during the year are set out in note 15 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's largest customer and five largest customers taken together accounted for 36.7 percent and 51.1 percent of the aggregate of the Group's total turnover and the sale proceed for disposal of properties under development for the year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers taken together accounted for 41.2 percent and 90.3 percent of the Group's total purchase for the year.

None of the Directors, their respective associates or, so far as the Directors are aware, any Shareholder who owns more than 5% of the issued share capital of the Company has any interest in any of the other top five customers and suppliers of the Group for the year.

股息

董事並不建議派付截至2006年12月31日止年度的末期股息(2005年：無)。

股本

本公司年內已發行股本變動詳情載於財務報表附註27。

於2006年12月31日後本公司已發行股本的變動詳情載於財務報表附註27及33。

儲備

本集團儲備變動的詳情載於財務報表附註27。

於2006年12月31日，本公司可供分派予股東的儲備包括實繳盈餘約人民幣294,800,000元。

投資物業及發展中投資物業

本集團於年內的投資物業及發展中投資物業詳情分別載於財務報表附註16及17。

物業、機器及設備

本集團於年內的物業、機器及設備詳情載於財務報表附註15。

主要客戶及供應商

年內，本集團最大客戶及五大客戶所佔之總銷售額分別佔本集團本年度總營業額及出售發展中物業所得銷售收益合計的36.7%及51.1%。

本集團最大供應商及五大供應商所佔之總採購額分別佔本集團本年度總採購的41.2%及90.3%。

概無董事、彼等各自之聯繫人、或就董事所知擁有本公司已發行股本5%之任何股東於年內擁有本集團任何其他五大客戶及供應商的權益。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company subsequent to the year end and up to the date of this report were:

EXECUTIVE DIRECTORS:

ZENG Yunshu	(appointed on 20 July 2006)
HAN Qinchun	(appointed on 20 July 2006)
ZENG Sheng	(appointed on 20 July 2006)
YE Qingdong	(appointed on 20 July 2006)
OUYANG Junxin	(appointed on 20 July 2006)

NON-EXECUTIVE DIRECTORS:

ZHANG Huaqiao	(appointed on 31 January 2007)
CHEN Junyu	(appointed on 31 January 2007)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

LI Jun	(appointed on 31 January 2007)
CHEUNG Ngai Lam	(appointed on 31 January 2007)
LIN Weifang	(appointed on 31 January 2007)

The biographical details of the directors are set out on page 17 to page 20 of this report.

Each of the executive directors has entered into a service contract with the Company for a term of 3 years commencing from the Listing Date. Each service contract will continue thereafter until terminated by not less than six months' notice in writing served by either party on the other.

Each of the non-executive and independent non-executive directors has been appointed for a term of one year commencing on 31 January 2007. In addition, the appointment of each of the non-executive and independent non-executive directors is subject to retirement by rotation in accordance with the Company's Articles of Association.

Other than disclosed above, none of the directors has entered or has proposed to enter into any service contract with the Company or any of its subsidiaries which is not expiring or determinable by the employing company within one year without payment of compensation other than statutory compensation.

The Company had received confirmation from each of the independent non-executive directors of their independence and considered all independent non-executive directors to be independent. In accordance with the provisions of the Company's Articles of Association and the respective letters of appointment, Mr. Zeng Yunshu, Mr. Han Qinchun and Mr. Zeng Sheng will retire from the Board at the forthcoming annual general meeting but, being eligible, will offer themselves for reelection. Detail of directors' emoluments on a named basis are set out in note 9 to the financial statements on page 72 of this annual report.

董事及董事服務合約

本公司年底後及截至本報告日期之董事如下：

執行董事：

曾雲樞	於2006年7月20日獲委任
韓秦春	於2006年7月20日獲委任
曾勝	於2006年7月20日獲委任
葉慶東	於2006年7月20日獲委任
歐陽俊新	於2006年7月20日獲委任

非執行董事：

張化橋	於2007年1月31日獲委任
陳軍余	於2007年1月31日獲委任

獨立非執行董事：

李珺	於2007年1月31日獲委任
張毅林	於2007年1月31日獲委任
林偉芳	於2007年1月31日獲委任

董事履歷詳載於本年報第17至20頁。

各執行董事與本公司訂立為期三年的服務合約，自上市日期起生效。各服務合約將一直生效，直至任何一方向另一方發出最少六個月書面通知終止為止。

各非執行董事及獨立非執行董事已獲委任一年任期，由2007年1月31日起計。此外，各非執行董事及獨立非執行董事之委任須根據本公司組織章程輪流退任。

除上述所披露者外，概無董事已或擬與本公司或任何其附屬公司訂立任何聘用公司不支付賠償（法定賠償除外）則不可於一年內到期或終止之服務合約。

本公司已接獲各名獨立非執行董事有關彼等獨立身份的書面確認，並認為所有獨立非執行董事均為獨立人士。根據本公司組織章程規定及有關委任書，曾雲樞先生、韓秦春先生及曾勝先生須於應屆股東週年大會退任，惟彼等符合資格並願意重選。按姓名分類之董事酬金詳情載於本年報第72頁財務報表附註9。

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2006, the Company had not received any notice of interests to be recorded under Section 352 of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong ("SFO") as the Company had not been listed on the Stock Exchange as at that date.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2006, the Company had not received any notice of interests to be recorded under Section 336 of the SFO as the Company had not been listed on the Stock Exchange as at that date.

PRE-IPO SHARE OPTIONS

In recognition of the contributions made by employees of the Group towards its growth and success, on 31 January 2007, an aggregate of ten share options have been granted by the Group to, and accepted by the relevant employees prior to listing of the Company's shares on the Stock Exchange. The details of the share options have been fully disclosed in the Appendix VII of the Prospectus.

董事所持股份權益

於2006年12月31日，由於本公司尚未在聯交所上市，故並無獲知會任何須根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第352條予以記錄的權益。

董事於重大合約的權益

本公司或任何其附屬公司概無訂立任何本公司董事於其中直接或間接擁有重大權益而於年結日或年內任何時間仍然生效的重大合約。

董事收購股份的權利

本公司、其控股公司或任何其附屬公司於年內概無訂立任何安排，致使本公司董事可透過收購本公司或任何其他法團之股份而取得利益。

主要股東

於2006年12月31日，由於本公司尚未在聯交所上市，故並無獲知會任何須根據香港證券及期貨條例第336條予以記錄的權益。

首次公開發售前購股權

為肯定本集團僱員為本集團的增長及成功作出貢獻，於2007年1月31日，本集團向僱員授出合共十份購股權，並於本公司股份在聯交所上市前獲有關僱員接納。購股權詳情已於招股章程附錄七全面披露。

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was conditionally adopted by the shareholders' written resolution of the Company dated 31 January 2007.

Since the Share Option Scheme had only become unconditional upon the listing of the Company's shares on the Stock Exchange on 22 February 2007, no share options were granted, exercised or cancelled by the Company under the share option scheme during the year and there are no outstanding share options under the Share Option Scheme as at 31 December 2006.

Save as disclosed herein, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of acquisitions of shares in, or debentures of the Company or any other body corporate, and neither the directors nor the chief executive, nor any of their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or any had exercised any such right.

SUMMARY OF PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Company to grant options to employees, senior executive or officer, manager and directors of the Company or any of its subsidiaries and outside third parties who, in the sole discretion of the board of directors of the Company, have contributed or will contribute to the growth and development of the Group.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall be 103,610,000 Shares, representing 10% of the issued share capital of the Company as at the date of this annual report.

The total number of Shares issued and to be issued upon exercise of options granted and to be granted to each grantee under the Share Option Scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time.

There is no general requirement that an option must be held for any minimum period before it can be exercised but the board of directors of the Company is empowered to impose its discretion any such minimum period at the time of grant of any particular option. The period during which the options may be exercised will be notified by the Board to each grantee upon grant of each option, provided that it shall commence on a date not earlier than the date of the grant of an option and not be more than 10 years from the date of grant of the option. An offer of grant of an option must be accepted being a date not more than 14 days after the date of grant. The amount payable on acceptance of an option is HK\$1.00.

購股權計劃

於2007年1月31日，根據本公司股東書面決議案，有條件通過購股權計劃（「購股權計劃」）。

由於購股權計劃僅於本公司股份在2007年2月22日於聯交所上市後方成為無條件，年內本公司並無根據購股權計劃授出、行使或註銷任何購股權，而於2006年12月31日，根據購股權計劃亦無任何尚未行使購股權。

除本文所披露者外，於年內，本公司或任何其附屬公司概無訂立任何安排，致使本公司董事可透過收購本公司或任何其他法團之股份或債券而獲益，亦無致使本公司董事或主要行政人員、或彼等之配偶或未滿18歲子女有權認購本公司證券或行使任何該等權利。

購股權計劃主要條款概要

購股權計劃旨在由本公司董事會全權酌情向對本集團增長及發展有貢獻之本公司或其任何附屬公司之僱員、高級行政人員或主管、經理及董事及外界第三方授出購股權。

根據購股權計劃可予授出之購股權全面獲行使時而可發行之股份總數為103,610,000股，相等於本年報日期本公司已發行股本的百分之十。

於任何12個月期間，根據購股權計劃授予或將授予每名承授人之購股權獲行使而發行及將予發行之股份總數不可超逾本公司不時已發行股本百分之一。

行使購股權前並無任何有關持有最短時限之一般規定，惟本公司董事會獲授權於授出任何特定購股權時釐定任何持有最短時限。董事會須於每次授出購股權時向每位承授人知會購股權期間，惟購股權期間不得早於購股權授出日期，及不得遲於購股權授出日期起計十年。授出之購股權必須於提呈日期起計十四天內接納。於接納提呈購股權時，須支付1.00港元。

The subscription price for the Shares under the Share Option Scheme shall be a price determined by the Board at its absolute discretion and shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

CONNECTED TRANSACTIONS

During 2006, the Company was not listed and did not have any connected transactions which were subject to the requirements of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' REMUNERATION

The director's fees, basic salaries and other allowances are disclosed in note 9 to the financial statements.

The contributions to pension schemes for directors for the financial year are disclosed in note 9 to the financial statements.

There were no compensation paid during the financial year or receivable by directors for the loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group distinguishing between contractual and other payments.

PENSION SCHEMES

The pension schemes of the Company and its subsidiaries are primarily in form of contributions to the China statutory public welfare fund.

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this annual report, to the best knowledge of the directors and based on the information publicly available to the Company, there is a sufficient public float as required by the Listing Rules.

根據購股權計劃，股份認購價由董事會全權決定，有關價格不得低於下列各項之最高者：(i) 股份於提呈日期聯交所每日報價表所報之收市價；(ii) 股份緊表提呈日期前五個營業日聯交所每日報價表所報之股份收市價平均值；或 (iii) 股份之面值。

關連交易

於2006年，本公司尚未上市，故並無任何須遵守上市規則之關連交易。

管理合約

年內概無訂立或存在任何關於本公司業務全部或任何重要部分之管理及行政合約。

董事酬金

董事袍金、基本薪金及其他津貼披露於財務報表附註9。

董事於本財政年度之退休金福利計劃供款披露於財務報表附註9。

於本財政年度，除訂約及其他付款外，概無就本集團任何成員公司董事離職或失去任何其他有關管理本集團任何成員公司事務之職位而已付或應付董事之任何賠償。

退休金計劃

本公司及其附屬公司之退休金計劃主要為中國法定公益金供款計劃。

充足公眾持股量

於刊發本年報前之最後可行日期，就董事所知及根據本公司所獲資料所示，本公司具有符合上市規則之充足公眾持股量。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2006. The Company did not have any listed securities before its shares were listed on the Stock Exchange on 22 February 2007.

POST BALANCE SHEET EVENT

Details of significant events occurring after the balance sheet date are set out in note 33 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under company laws in the Cayman Islands.

AUDITORS

KPMG were first appointed as auditors of the company in 2006. KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Zeng Yunshu

Chairman

24 April 2007

購買、贖回或出售本公司上市證券

截至2006年12月31日止年度，本公司或任何其附屬公司概無購買、贖回或出售本公司任何上市證券。於2007年2月22日本公司股份在聯交所上市前，本公司並無任何上市證券。

結算日後事項

結算日後發生之重大事項詳情載於財務報表附註33。

優先權

雖然開曼群島公司法例並無對優先權作出任何限制，惟本公司之公司組織章程並無關於優先權之規定。

核數師

畢馬威會計師事務所於2006年首次獲委任為本公司核數師。畢馬威會計師事務所任滿告退，惟表示願意膺選連任。有關重新委任畢馬威會計師事務所為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

主席

曾雲樞

2007年4月24日