

Management Discussion and Analysis 管理層討論及分析

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK\$1,156.9 million, representing an increase of 4% as compared to first half of 2005.
- Profit attributable to equity holders amounted to approximately HK\$293.1 million, representing a decrease of 27% as compared to first half of 2005.
- Excluding the exceptional items, profit attributable to equity holders increased by 11% to HK\$184.4 million as compared to first half of 2005.
- Basic earnings per share amounted to HK31.35 cents; diluted earnings per share amounted to HK30.17 cents.
- Excluding the exceptional items, basic earnings per share amounted to HK19.72 cents, representing an increase of 8% as compared to that of first half of 2005.
- Interim dividend of HK4.6 cents per share declared.

財務摘要

- 收入約達1,156,900,000港元，較二零零五年上半年上升4%。
- 股權持有人應佔溢利約達293,100,000港元，較二零零五年上半年減少27%。
- 撇除特殊項目，股權持有人應佔溢利較二零零五年上半年增加11%至184,400,000港元。
- 每股基本盈利達31.35港仙；每股攤薄盈利為30.17港仙。
- 撇除特殊項目，每股基本盈利為19.72港仙，較二零零五年上半年增加8%。
- 宣派每股中期股息4.6港仙。

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ANALYSIS OF PROFIT EXCLUDING EXCEPTIONAL ITEMS 撇除特殊項目後的溢利分析

Excluding the exceptional items, profit attributable to equity holders of the Company increased by 11% to HK\$184.4 million as compared to first half of 2005.

撇除特殊項目後，本公司股權持有人應佔溢利較二零零五年上半年增加11%至約184,400,000港元。

Unaudited
Six months ended 30th June
未經審核
截至六月三十日止六個月

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
As reported	如綜合損益表呈報	293,143	401,932
Exceptional items	特殊項目		
Add: Effect of adoption of HKAS 39 in relation to convertible bonds (see below)	加：對可換股債券採納香港會計準則第39號所產生的影響(見下)	98,080	-
Less: Gain on deemed disposal of partial interest in subsidiaries	減：視作出售附屬公司部分權益之收益	(109,235)	(235,370)
Interest income from initial public offer deposits of a subsidiary	來自一間附屬公司的首次公開發售存款所得利息收入	(97,574)	-
Adjusted profit attributable to equity holders of the Company	經調整本公司股權持有人應佔溢利	184,414	166,562

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COMPANY'S VIEW ON ACCOUNTING TREATMENT FOR CONVERTIBLE BONDS

A convertible bond virtually contains a conversion option which constitutes a derivative in accounting term. Under the prevailing accounting standard, a convertible bond denominated in the same currency as the functional currency is regarded as an equity instrument and its conversion option is regarded as part of equity. However, if the convertible bond is denominated in a currency other than the functional currency, the conversion option is required to be stated at fair value and the resulting change in the fair value would have an impact on the income statement. The change in value of the conversion option is principally affected by the price and the volatility of the stock. For instance, if the stock performance of the Company is good and the stock price exceeds the conversion price, a loss would occur, notwithstanding the fact that the change in value of the conversion right does not affect the cashflow or adversely impact the overall financial position of the Company. Besides we have also noted cases where the issuing entity has adopted an accounting treatment to take its conversion option directly to equity even when the functional currency and the denomination of the convertible bond are not the same, thereby the change in fair value of conversion option is not reflected in the income statement. This obviously makes it even more confusing to shareholders and readers of financial statements. Whilst the directors are concerned that the accounting treatment as prescribed under HKAS39 may not fairly present the operating results of the Company and the Group for the period, its adoption has been necessary in order to fully comply with the prevailing accounting standards, thus avoiding a qualified opinion on the financial statements by the auditors.

Given the above reasons, the readers are reminded to be careful when looking at the effect of the said accounting treatment. To enable you to have a clearer understanding of the operating results of the Company, your attention is drawn to the analysis and explanation under the section headed "Analysis of Profit Excluding Exceptional Items" as set out above.

本公司對可換股債券的會計處理的意見

可換股債券實際上包含一項轉換權，在會計學上構成衍生工具。根據現行會計準則，以功能貨幣相同之貨幣結算之可換股債券被視為股本工具，其轉換權被視為股本的一部分。然而，如可換股債券以功能貨幣以外的貨幣結算，則轉換權須按公平值列值，因而導致之公平值變動將會對損益表構成影響。轉換權的價值變動主要受股份的價值及波動性影響。舉例說，如本公司的股份表現良好，令股價超出換股價，將會因而錄得虧損，惟轉換權的價值變動不會影響本公司的現金流，亦不會對本公司整體財務狀況造成不利影響。此外，吾等亦看到個別例子，即使其功能貨幣不同於可換股債券的結算貨幣，發行公司卻採用將轉換權直接列入股本的會計處理方法，從而使該等轉換權的公平值變化沒有反映在損益表上。這樣明顯地使股東及財務報表讀者更加混淆。儘管董事擔心根據香港會計準則第39號所規定的會計處理方法或未能公平地反映本公司及本集團當期的營運業績，為了能夠完全符合現行會計制度的要求，從而避免核數師對財務報表作出保留意見，本公司必須採納該等會計處理方法。

鑑於上文所述，讀者在考慮上述會計處理方法的影響時必須小心處理。為讓閣下更清晰理解本公司的經營業績，務請閣下注意上文的「撇除特殊項目後的溢利分析」一節的分析及解釋。

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REVIEW OF OPERATIONS

業務回顧

Unaudited
Six months ended 30th June
未經審核
截至六月三十日止六個月

		Revenue 收入		Segment results 分類業績	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Provision of port services	港口服務	472,218	410,941	123,935	91,021
Operation of toll roads	經營收費公路	87,671	91,306	40,693	31,342
Supply of utilities	提供公用設施	594,311	451,321	60,060	60,106
Sales of properties	房地產銷售	2,711	12,359	(7)	3,680
Manufacturing and sales of winery products	釀酒	–	149,671	–	63,220
		1,156,911	1,115,598	224,681	249,369
Gain on deemed disposal of partial interest in subsidiaries	視作出售附屬公司 部分權益之收益			109,235	235,370
Interest income	利息收入			113,232	9,604
Net corporate expenses	公司費用淨額			(14,727)	(42,445)
Operating profit	經營溢利			432,421	451,898
Finance costs	財務費用			(74,319)	(40,314)
Fair value loss on derivative liability of convertible bonds	可換股債券衍生負債 公平值虧損			(92,745)	–
Share of profits/(losses) of Associates (Note) Jointly controlled entities	應佔溢利/(虧損) 聯營公司(附註) 共同控制實體			81,488 (426)	61,253 (5,076)
Profit before income tax	除所得稅前溢利			346,419	467,761
Income tax expense	所得稅費用			(34,674)	(34,973)
Profit for the period	期內溢利			311,745	432,788
Note:	附註:				
Share of profits/(losses) of associates	應佔聯營公司溢利/(虧損)				
Manufacturing and sales of winery products	釀酒			38,009	30,823
Elevator and escalator	升降機及扶手電梯			45,434	30,378
Others	其他			(1,955)	52
				81,488	61,253

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Infrastructure Operations

Port Services

On 24th May 2006, the shares of Tianjin Port Development Holdings Limited ("TPD") (stock code: 3382) were listed on the Main Board of the Stock Exchange and the Group's interest in TPD was diluted from 100% to 62.8%. The result of the initial public offer of TPD was overwhelming and an interest income of HK\$97.6 million was generated from the initial public offer deposits. An exceptional gain of HK\$109.2 million was realised from the deemed disposal of partial interest in TPD.

The revenue of port operations increased by 15% from approximately HK\$410.9 million in the first half of 2005 to approximately HK\$472.2 million in the corresponding period of 2006. The growth in revenue was driven up by an 18% increase in our container throughput from 997,000 TEUs in 2005 to 1,173,000 TEUs in 2006. For the same period, the total throughput of bulk cargo decreased by 13% from 9.3 million tonnes to 8.1 million tonnes.

The segment profit was increased by 36% from approximately HK\$91.0 million for 2005 to approximately HK\$123.9 million for 2006. The increase was primarily caused by the increase in our revenue as well as the improvement of gross profit margin during the period.

Road Operation

During the period ended 30th June 2006, road operation achieved a toll revenue of approximately HK\$87.7 million and realised a segment profit of approximately HK\$40.7 million, representing a decrease of 4% and an increase of 30% over the corresponding period last year.

The Jinbin Expressway operated with satisfactory performance during the period under review, as evidenced by an average daily traffic flow of 17,982 vehicles and toll revenue of approximately HK\$32.9 million, representing an increase of 18% and 16% over the same period last year. This was attributable to the sustained economic growth in the Binhai New Area of Tianjin.

基礎設施業務

港口服務

於二零零六年五月二十四日，天津港發展控股有限公司（「天津港發展」）的股份（股份代號：3382）於聯交所主板上市，本集團於天津港發展的權益由100%攤薄至62.8%。天津港發展的首次公開發售獲得踴躍認購，而首次公開發售認購所得款項產生的利息收入達97,600,000港元。因被視為出售天津港發展部分權益而產生的特殊收益約109,200,000港元。

港口業務的收入由二零零五年上半年約410,900,000港元增長15%至二零零六年同期約472,200,000港元。收入增長乃受我們的集裝箱吞吐量由二零零五年997,000 TEU增長18%至二零零六年1,173,000 TEU所推動。同期，散裝貨物的總吞吐量由9,300,000噸減少13%至8,100,000噸。

分類溢利由二零零五年約91,000,000港元增長36%至二零零六年約123,900,000港元。增長主要由於本集團收入增長及期內毛利率改善所致。

公路業務

截至二零零六年六月三十日止期間，公路營運錄得收費收入約87,700,000港元，實現分類溢利約40,700,000港元，分別較上年同期減少4%及增長30%。

津濱高速公路於回顧期內的表現令人滿意，從平均每天交通流量達17,982架次及收費收入約32,900,000港元，分別較上年同期增長18%及16%足以佐證。此乃天津濱海新區經濟持續發展的結果。

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Due to the entrance control stipulated in middle and inner ring road in early 2006, the Eastern Outer Ring Road's average daily traffic flow of small vehicles such as motorcycles and motor tricycles, whose toll fees were low, increased in the first half of 2006. At the same time, the traffic diversions still existed since the opening of city expressway and the traffic flow of large vehicles, whose toll fees were high, declined during the period. A change of traffic flow mix was resulted and despite the average daily traffic flow on the Eastern Outer Ring Road has rebounded by 4% to 26,340 vehicles during the period, the toll revenue decreased by 13% to approximately HK\$54.7 million over the corresponding period last year.

Utility Operations

The Group's utility businesses are mainly operating in the Tianjin Economic-Technological Development Area ("TEDA"), supplying electricity, water, heat and thermal power to industrial, commercial and residential sectors.

On 13th January 2006, the Group announced that it had entered into an agreement to acquire approximately 90.9421% interest in Tianjin TEDA Tsinlien Heat & Power Co., Ltd. ("Heat & Power Company") at a consideration of HK\$380 million. The acquisition was completed in April 2006. Together with the Electricity Company and the Water Company which were acquired in 2004, the Heat & Power Company form part of the Company's utility operations in the TEDA which are the growth generator of the Group.

Electricity Operation

Electricity Company is principally engaged in the supply of electricity in the TEDA. It also provides services in relation to maintenance of power supply equipment and electric power related technological consulting. Currently, the installed capacity of electricity transmission of Electricity Company is approximately 470,000 kVA.

For this period of 2006, the Group's electricity operation reported a revenue of approximately HK\$454.4 million and a segment profit of approximately HK\$28.2 million, representing an increase of 22% and a decrease of 11% over the comparable period last year respectively. The decrease in segment profit was mainly attributable to the continuous hike of cost of electricity sold and the cost for increased capacity. The total quantity of electricity sold for the period was approximately 782,235,000 kWh, representing an increase of 19% over the comparable period last year.

由於二零零六年初實施中環及內環路車輛進入管制，外環東路收費較低的小型車輛(如摩托車及三輪摩托車)的每日平均交通流量於二零零六年上半年有所增加；同時，自城市高速公路開通以後，交通分流情況仍然存在，收費較高的大型車輛的交通流量於期內有所下降。交通流量組合因而出現變化。儘管外環東路的平均每天交通流量於期內回升4%至26,340架次，收費收入卻較上年同期下降13%至約54,700,000港元。

公用設施業務

本集團的公用設施業務主要在天津經濟及技術開發區(「天津開發區」)經營，為工商業及住宅提供電力、自來水，以及熱能。

於二零零六年一月十三日，本集團宣佈訂立一項協議，以代價380,000,000港元收購天津泰達津聯熱電有限公司(「熱電公司」)約90.9421%權益。收購於二零零六年四月完成。連同於二零零四年收購的電力公司及自來水公司，熱電公司構成本公司於天津開發區的公用設施業務的一部分，此等業務為本集團的增長推動力。

電力業務

電力公司主要從事在天津開發區供應電力，亦提供與供電設備維護有關服務及電力相關技術顧問服務。目前，電力公司的裝機輸電能力約為470,000千伏安。

於二零零六年本期間，本集團的電力營運錄得收入約454,400,000港元，分類溢利約28,200,000港元，分別較上年同期增加22%及減少11%。純利減少主要是由於出售電力成本及新增裝機能力成本持續攀升所致。期內出售電量總量約為782,235,000千瓦時，較上年同期增長19%。

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Water Operation

Water Company is principally engaged in the supply of tap water in the TEDA. It is also engaged in installation and maintenance of water pipes, tap water related technological consulting, and retail and wholesale of water pipes and related parts. The daily water supply capacity of the Water Company reaches approximately 180,000 tonnes.

For this period of 2006, the Group's water operation reported a revenue of approximately HK\$104.2 million and a segment profit of approximately HK\$37.1 million, resulted in the respective increase of 32% and 30% over the corresponding period last year. The total quantity of water sold for the period was approximately 18,216,000 tonnes, representing an increase of 18% over the comparable period last year.

Heat and Thermal Operation

Heat & Power Company is principally engaged in the distribution of steam for industrial users and heating for commercial and residential purposes within the TEDA. The Heat & Power Company has currently made a connection to a total of approximately 300 kilometers steam transmission pipelines and more than 60 processing stations in the TEDA, with a daily distribution capacity reaching 17,280 tonnes of steam.

Since the acquisition of Heat & Power Company was completed in late April 2006, the Heat & Power Company only contributed 2 months' results in 2006 and did not have any contribution to the Group in the same period last year. For this period of 2006, the Group's heat and thermal operation reported a revenue of approximately HK\$35.7 million and a segment loss of approximately HK\$5.3 million. The loss was mainly attributable to the seasonality of the industry. The total quantity of steam sold for the first half of 2006 was approximately 1,381,000 tonnes, representing an increase of 11% over the comparable period last year.

自來水業務

自來水公司主要從事在天津開發區提供自來水，此外亦從事水管安裝及維修、自來水相關技術顧問，以及水管及相關部件的零售及批發。自來水公司每日供水容量達約180,000噸。

於二零零六年本期間，本集團的自來水業務錄得收入約104,200,000港元及分類溢利約37,100,000港元，分別較上年同期增長32%及30%。期內出售自來水總量約為18,216,000噸，較上年同期增長18%。

熱能業務

熱電公司主要從事在天津開發區內為工業用戶分銷蒸汽以及供應暖氣供商住用途。熱電公司現時在天津開發區接駁總長約300公里的輸氣管道及逾60個處理站，日分配能力達17,280噸蒸汽。

由於收購熱電公司乃於二零零六年四月底完成，熱電公司於二零零六年僅貢獻兩個月的業績，於上年同期並無為本集團帶來任何貢獻。於二零零六年本期間，本集團的熱能業務錄得收入約35,700,000港元，分類虧損約5,300,000港元。虧損主要是由於該行業的季節性因素所致。二零零六年上半年出售蒸汽總量約為1,381,000噸，較上年同期增長11%。

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Locating at the TEDA with a planned site area of 33 square kilometers, Electricity Company, Water Company and Heat & Power Company have been benefiting from double-digit growth in consumption in TEDA. Leveraging on their well-established supply network, management expertise and customer base, the Group believes that the utility operations will broaden the earnings base and provide an excellent growth prospect for the Group's core businesses.

Strategic Investments

Winery Operation

During the period under review, sales volume of Dynasty Fine Wines Group Limited ("DFWGL") (stock code: 828) increased from approximately 24.9 million bottles in 2005 to approximately 26.2 million bottles in 2006. Red wine contributed over 94% of total sales volume. The revenue and profit attributable to shareholders of DFWGL amounted to approximately HK\$575.5 million and HK\$82.3 million respectively, representing 13% increase and 30% decrease over the same period in last year. The decrease in the profit was attributable to the significant surge in distribution costs which overtook the growth in sales volume. Increase in distribution costs was primarily due to the increase in advertising and promotion fees incurred to boost market demand, to expand the market shares outside the existing markets in the Eastern region of the PRC and also to facilitate the launch of new products.

DFWGL contributed to the Group a profit of approximately HK\$38.0 million in the first half of 2006. In the comparable period in 2005, the winery operation contributed a segment profit of HK\$63.2 million as a subsidiary before the listing of DFWGL, together with a profit of HK\$30.8 million as an associate to the Group after the aforesaid listing. An exceptional gain of HK\$235.4 million was also resulted from the deemed disposal of partial interest in DFWGL upon its listing. The drop of total contribution by DFWGL to the Group was due to the reduced shareholding of DFWGL as well as the decline in the results of DFWGL.

電力公司、自來水公司及熱電公司位於計劃面積達33平方公里的天津開發區，一直受惠於天津開發區以雙位數增長的消費。憑著本身完備的供應網絡、專業管理技能及客戶基礎，本集團相信公用設施業務將拓寬盈利基礎，為本集團核心業務帶來壯麗的增長前景。

策略性投資

釀酒業務

於回顧期內，王朝酒業集團有限公司（「王朝酒業」）（股份代號：828）的銷售量由二零零五年約24,900,000瓶增至二零零六年約26,200,000瓶。紅葡萄酒對總銷售量的貢獻超過94%。王朝酒業的收入及股東應佔溢利分別約為575,500,000港元及82,300,000港元，分別較上年同期增長13%及減少30%。溢利減少乃由於分銷成本劇增蓋過銷售量的增長所致。分銷成本增加主要由於為刺激市場需求、擴大在中國東部現有市場以外地區的市場份額及為推出新品造勢而增加廣告及推廣費用所致。

王朝酒業於二零零六年上半年為本集團貢獻溢利約38,000,000港元，於二零零五年同期，釀酒業務於王朝酒業上市前以附屬公司身份貢獻分類溢利63,200,000港元及於上市後以聯營公司身份貢獻溢利30,800,000港元。因被視為出售王朝酒業部分權益產生的特殊收益約為235,400,000港元。溢利貢獻下降是由於減持王朝酒業的股權，加上王朝酒業的業績倒退所致。

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Elevator and Escalator Operation

Otis China, the associate of the Group, has recorded continuous satisfactory growth during the period under review. The revenue of Otis China for the first half of 2006 amounted to approximately HK\$3,162.1 million, achieving a 27% increase over the same period in 2005.

For the six months ended 30th June 2006, the contribution of Otis China to the profit of the Company amounted to approximately HK\$45.4 million, representing a 50% increase over the same period of last year. The Group believes that the investment in Otis China will continue to bring in sustainable earnings in the future.

Gas Fuel Supply Operation

Wah Sang Gas Holdings Limited ("Wah Sang") had yet to release any up-to-date financial information and the trading of its shares remained suspended. Wah Sang is continuing its business operations and in the process of applying for a resumption of trading of its shares. The directors of the Company took a cautious view that the resumption of trading in Wah Sang's shares might not happen in the near term, and considered the provision of HK\$120 million for the probable impairment in value of the Group's investment in Wah Sang as at 31st December 2004 should be retained in the preparation of the Group's financial statements for the period ended 30th June 2006.

PROSPECTS

On 24th May 2006, the shares of TPD were listed on the Main Board of the Stock Exchange and the IPO was very well received by both international and Hong Kong investors. The Hong Kong public offer resulted in an over-subscription of 1,703 times, breaking the Hong Kong Stock Exchange record for number of times of over-subscription. The amount locked up by the over-subscription was over HK\$187 billion. TPD raised about HK\$1.2 billion from the capital market and this can fuel its expansion in order to capture the flourishing market in Tianjin. The implicit value of the Company's investment in TPD was fully realised and the Company's strategy of leveraging its competitive advantage in Tianjin and strengthening its core businesses is proved well received by the investors, in terms of the tremendous success of the spin off of TPD and the hike of share price of the Company in the first half of 2006.

升降機及扶手電梯業務

本集團的聯營公司奧的斯中國於回顧期內繼續錄得滿意的增長。奧的斯中國於二零零六年上半年的收入約為3,162,100,000港元，與二零零五年同期相比增長27%。

截至二零零六年六月三十日止六個月，奧的斯中國對本公司溢利的貢獻約為45,400,000港元，較上年同期增長50%。本集團相信於奧的斯中國的投資未來將繼續不斷帶來盈利。

氣體燃料供應業務

華樂燃氣控股有限公司（「華樂」）最新的財務資料尚待發佈，該公司的股份仍然維持暫停買賣。華樂仍在繼續其業務營運，並正在申請恢復其股份的買賣。本公司董事持審慎的看法，認為華樂股份近期內可能不會恢復買賣，並認為本集團於二零零四年十二月三十一日就華樂的投資價值的可能減值作出的120,000,000港元撥備於編製本集團截至二零零六年六月三十日止期間的財務報表內應予保留。

前景

天津港發展之股份於二零零六年五月二十四日在聯交所主板上市，國際及香港投資者對首次公開發售反應熱烈。香港公開發售錄得1,703倍之超額認購，打破了聯交所超額認購記錄。超額認購凍結之款項逾1,870億港元。天津港發展從資本市場集資約12億港元，可為其業務開拓提供動力，從而受惠於欣欣向榮的天津市場。本公司於天津港發展投資的內在價值得到充分體現的同時，從分拆天津港發展獲得空前成功，以及本公司股價於二零零六年上半年節節攀升證明，本公司利用其於天津市的競爭優勢及強化核心業務的策略被投資者極為受落。

Management Discussion and Analysis 管理層討論及分析

The Company will continue strive to grasp every chance to maximise the return to our shareholders. As the State Council has approved the “11th Five Year Plan (2006-2010)”, which positions Tianjin as the economic centre in northern China, there are definitely immense opportunities for investment and development. Among all, Tianjin Binhai New Area (“TBNA”) will be the focus. The government will devote efforts to transform the TBNA into a modern manufacturing and R&D base, international shipping hub and international logistics centre in northern China.

Being a key area in TBNA and having double digit annual growth from 1998 onwards and in the foreseeable future, TEDA has huge development potential. The Group will increase investment in our core utilities operations to capture the robust economic growth of TEDA. On the other hand, the Group is actively seeking investment opportunities in Bohai Rim Region including infrastructure and utility businesses and projects. Being the sole listed flagship of the Tianjin municipal government in Hong Kong, we are best positioned to acquire good quality utility and infrastructure assets in the TBNA.

I would like to take this opportunity to express our gratitude to our past and current directors and our staff for their dedication and hard work and to the investors for their continuous support.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 30th June 2006, the Group's total cash on hand and total bank borrowings stood at approximately HK\$3,629 million and approximately HK\$1,855 million respectively (31st December 2005: HK\$2,505 million and HK\$1,826 million respectively) of which approximately HK\$322 million bank borrowings will be matured within one year. Convertible bonds amounted to approximately HK\$222 million (31st December 2005: HK\$388 million) is redeemable at 119.93% of its respective principal amount of HK\$250 million in 2008. Loans from minority shareholders of subsidiaries amounted to approximately HK\$227 million (31st December 2005: HK\$201 million) which bore interest at the rate of 6.4% per annum and have no fixed terms of repayment.

本公司將繼續致力把握每個盡量提升股東利益的機會。隨著國務院批准《第十一個五年計劃（二零零六年至二零一零年）》，該規劃將天津定位為華北經濟中心的地位，肯定將帶來無限投資和發展機會，天津濱海新區（「天津濱海新區」）將成為其中的焦點。政府將致力於使天津濱海新區轉型為華北地區的現代化製造及研發基地、國際航運樞紐及國際物流中心。

作為天津濱海新區的重點區域，並自一九九八年以來及於可預見之將來錄得雙位數的年增長率，天津開發區具備龐大的發展潛力。本集團將加大於核心公用設施業務的投資，以期從天津開發區的強勁經濟增長中受惠。另一方面，本集團現正積極尋求環渤海地區的投資機會，包括基建及公用設施業務及項目。作為天津市政府於香港的唯一旗艦上市公司，本集團具備優越條件收購天津市濱海新區的優質公用設施及基建資產。

本人謹藉此機會，對各位前任及現任董事及全體員工的不懈努力以及廣大投資者的持續支持，致以衷心謝意。

流動資金及資本來源分析

於二零零六年六月三十日，本集團的現金總額及銀行貸款總額分別約為3,629,000,000港元及1,855,000,000港元（二零零五年十二月三十一日：分別為2,505,000,000港元及1,826,000,000港元），其中約322,000,000港元之銀行借貸將於一年內到期。約222,000,000港元（二零零五年十二月三十一日：388,000,000港元）之可換股債券須於二零零八年按其本金額250,000,000港元之119.93%贖回。來自附屬公司的少數股東貸款約為227,000,000港元（二零零五年十二月三十一日：201,000,000港元），按年利率6.4%計息，並無固定還款期。

Management Discussion and Analysis 管理層討論及分析

The gearing ratio as measured by total borrowings to shareholders' funds is approximately 36% as at 30th June 2006, compared to approximately 41% as at 31st December 2005.

Of the total HK\$1,855 million bank borrowings outstanding at 30th June 2006, HK\$806 million was fixed rate debts with annual interest rate ranging from 4.3% to 7.7%. The remaining HK\$1,049 million of bank loans were subject to floating rates with spread of 0.52% to 0.8% over HIBOR or LIBOR of relevant interest periods.

As at 30th June 2006, 43% (31st December 2005: 39%) of the Group's total bank borrowings was denominated in Renminbi, 54% (31st December 2005: 59%) was denominated in US dollars and 3% (31st December 2005: 2%) was denominated in HK dollars.

For the period under review, the Group has not entered into any derivative contracts or hedging transactions.

EMPLOYEES AND REMUNERATION POLICIES

The Company and its subsidiary companies had a total of approximately 3,900 employees at the end of the period, of which approximately 820 were management and technical staff, with the balance production workers.

The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in the PRC. The Group also contributes to a mandatory provident fund scheme for all Hong Kong employees. The contributions are based on a fixed percentage of the members' salaries.

CHARGE ON ASSETS

None of the Group's assets are charged or subject to any encumbrance.

於二零零六年六月三十日，按借貸總額相對於股東資金計算的資產負債比率約為36%，於二零零五年十二月三十一日則約為41%。

截至二零零六年六月三十日未償還銀行貸款共約1,855,000,000港元，其中約806,000,000港元為定息債項，年利率介乎4.3%至7.7%不等。銀行貸款餘額約1,049,000,000港元為根據有關利息期內香港或倫敦銀行同業拆息加0.52%至0.8%不等的浮動利率計息。

於二零零六年六月三十日，本集團銀行貸款總額內43%（二零零五年十二月三十一日：39%）以人民幣結算，54%（二零零五年十二月三十一日：59%）以美元結算，3%（二零零五年十二月三十一日：2%）以港元結算。

於回顧期間，本集團並無訂立任何衍生工具合約或對沖交易。

員工及薪酬政策

於本期末，本公司及其附屬公司共擁有約3,900名員工，其中約820人為管理人員及技術人員，其餘為生產人員。

本集團向一項由中國政府所設立的僱員退休金計劃供款，該退休金承諾承擔本集團現時及未來為中國的退休職工提供退休福利的責任。本集團亦為所有香港僱員向強制性公積金計劃供款，其供款乃以僱員工資的某一固定百分比計算。

資產押記

本集團的資產並無作出抵押，亦無任何產權負擔。