

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

INTERIM RESULTS

The board of directors (the “Board” or the “Directors”) of HKR International Limited (the “Company”) is pleased to announce the results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2006.

The Group’s unaudited consolidated profit attributable to shareholders of the Company for the six months ended 30 September 2006 was HK\$362.5 million, compared with HK\$330.1 million for the corresponding period last year. Earnings per share was HK26.85 cents, compared with HK28.35 cents for the corresponding period last year.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK4 cents per share for the six months ended 30 September 2006 to shareholders whose names appear on the registers of members of the Company on 4 January 2007. The interim dividend will be paid on 15 January 2007. An interim dividend of HK3 cents per share was paid to shareholders for the corresponding period last year.

CLOSURE OF REGISTERS OF MEMBERS

The main and branch registers of members of the Company will be closed from Tuesday, 2 January 2007 to Thursday, 4 January 2007 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the declared interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 29 December 2006.

中期業績

HKR International Limited (香港興業國際集團有限公司) (「本公司」) 董事會 (「董事會」) 欣然宣佈本公司及其附屬公司 (「本集團」) 截至二零零六年九月三十日止六個月之業績。

本集團截至二零零六年九月三十日止六個月之本公司股東應佔未經審核綜合溢利為362.5百萬港元，去年同期則為330.1百萬港元。每股盈利為26.85港仙，去年同期則為28.35港仙。

中期股息

董事會向於二零零七年一月四日名列本公司股東名冊之股東宣派截至二零零六年九月三十日止六個月之中期股息每股4港仙。中期股息將於二零零七年一月十五日派發，去年同期則向股東派發中期股息每股3港仙。

暫停辦理股份過戶登記手續

本公司將由二零零七年一月二日 (星期二) 至二零零七年一月四日 (星期四) 止 (首尾兩天包括在內) 期間暫停辦理股份過戶登記手續。為確保合資格獲取所宣派之中期股息，所有股份過戶文件連同有關股票最遲須於二零零六年十二月二十九日 (星期五) 下午四時正前送達本公司之香港股份過戶登記處香港中央證券登記有限公司，地址為香港皇后大道東183號合和中心17樓1712-1716室，辦理登記手續。

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BUSINESS REVIEW

Hong Kong — Real Estate Development

Discovery Bay

Shielding away from the massive price-cut campaigns by developers in the market, the successful sales launch of Phase 13, namely Chianti, achieved the sale of 41 units at an average price of HK\$6,477 per square foot (G.F.A.) during the period under review. Up to the end of September 2006, a total of 231 units were sold since its first launch in November 2005. Launching of the second batch of units is scheduled to commence in early 2007.

The renovation work in Discovery Bay Plaza to reposition it as a new dining destination fashioned with various cuisines and styles is near completion. For the six months under review, it maintained an average occupancy rate of 80% in Discovery Bay Plaza. Upon opening of new restaurants in the fourth quarter of 2006, it is anticipated to boost rental value and drive up profitability with an additional 12,000 square feet of lettable dining area. The Yi Pak Bay development, under planning, is featured with a five-star hotel, an up-market lifestyle commercial centre, recreational facilities and more. The foundation construction of the hotel has been completed while the superstructure work is anticipated to start in early 2007. The opening of the hotel is targeted for early 2009.

The Group has also been working on enhancing communication and providing quality services to the residents in Discovery Bay by setting up a customer service unit in Discovery Bay to provide one-stop customer service. The Discovery Bay's club operations showed moderate improvement in turnover during the period under review. Patronages of both bus and ferry keep on increasing steadily in line with the population.

The Group has a 50% interest in Discovery Bay.

業務回顧

香港 — 地產發展

愉景灣

愉景灣第十三期尚堤於回顧期內成功推售及售出41個單位，避免了其後發展商在市場上進行大規模割價行動，平均樓面呎價6,477港元。自二零零五年十一月首次推出以來，截至二零零六年九月底，共售出231個單位。第二批單位擬定於二零零七年初推出。

將重新定位為匯聚各國美食及菜式之全新餐飲熱點之愉景廣場，其翻新工程接近完成，將為廣場增加12,000平方呎租賃餐飲面積。於回顧六個月內，愉景廣場之平均出租率維持於80%。新餐廳於二零零六年第四季開業後，預計有助提升租值及帶動盈利。至於計劃中之二白灣發展項目，則包括興建一所五星級酒店、一座高級時尚購物中心及文娛康樂設施等。該酒店之地基工程已竣工，而上層建築工程則預期於二零零七年初展開。該酒店預計可於二零零九年初啟用。

本集團亦透過在愉景灣設立一客戶服務單位提供一站式客戶服務，致力促進與愉景灣住客之溝通及向住客提供優質服務。於回顧期內，愉景灣之會所業務之營業額錄得溫和增長。隨著住客人數增加，巴士及渡輪乘客量亦不斷上升。

本集團於愉景灣擁有50%之權益。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

Tung Chung

During the period under review, the property market in Tung Chung experienced serious price-cut sales of properties in the district. In this connection, the sales launch of La Rossa comprising a total of 783 units, inclusive of 24 duplex and combined specialty units, has been re-scheduled to the end of 2006.

The Group has a 31% interest in the Tung Chung project.

Hong Kong — Real Estate Investment

Attributable to the overall improvement in the retail and leasing market, the Group's 100% owned West Gate Tower in Cheung Sha Wan and the 50% owned Discovery Park Shopping Centre in Tsuen Wan recorded consistently high average occupancy rates of 97% and 92% respectively as of 30 September 2006 which provided an impressive stable revenue to the Group. The 100% owned CDW Building in Tsuen Wan also attained a strong average occupancy rate of 98% for the six months under review.

Wellington Centre which was acquired by the Group in March 2006 was disposed of subsequent to the period end at a consideration of HK\$163.9 million. Upon completion in February 2007, it is anticipated to generate a gain of approximately HK\$22.3 million.

Hanison Construction Holdings Limited ("Hanison"), the Group's 49% owned associated company, continued to provide a stable stream of operating income. Hanison reported an unaudited consolidated turnover of HK\$496.4 million for the period under review. In view of the reduction in number of units in Golf Parkview available for sales, Hanison has just recorded an unaudited profit attributable to shareholders of HK\$15.7 million for the same period. Hanison will continue to actively participate in tenders of both public and private sectors and to acquire properties with good development potential to expand its property portfolio.

東涌

於回顧期內，東涌物業市場受到區內物業大幅割價求售所影響。因此，影岸•紅已重新定於二零零六年底推售。影岸•紅共提供783個單位，包括24個複式相連特色單位。

本集團於東涌項目擁有31%之權益。

香港 — 地產投資

鑑於整體零售及租賃市場有所改善，本集團全資擁有之長沙灣西港都會中心工業大廈及持有一半權益之荃灣愉景新城購物商場，截至二零零六年九月三十日止平均出租率持續高企，分別錄得97%及92%，為本集團帶來理想及穩定收益。於回顧六個月內，全資擁有之荃灣中國染廠大廈亦錄得高平均出租率98%。

本集團於二零零六年三月購入之威靈頓中心於期末後出售，代價為163.9百萬港元。於二零零七年二月交易完成後，預計將產生溢利約為22.3百萬港元。

本集團擁有49%權益之聯營公司興勝創建控股有限公司(「興勝」)繼續提供穩定之營運收入。於回顧期內，興勝錄得未經審核綜合營業額為496.4百萬港元。鑑於可供出售之高爾夫景園單位數目減少，興勝於同期僅錄得未經審核股東應佔溢利為15.7百萬港元。興勝將繼續積極參與公私營機構之投標，及購入具優厚發展潛力之物業，以擴大其物業投資組合。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

China — Real Estate Development and Investment

Dazhongli, Jingan

The resettlement permits for Phase 1 resettlement works of a property redevelopment project in the Jingan District of Shanghai (the “Jingan Project”) were granted in April 2006. With the support from the Jingan District Government, resettlement works started in August 2006. Progress is steady and satisfactory. Up to the end of October 2006, about 30% of the total units have signed up resettlement agreements and moved out of the site and about 10% further of the total units signed up agreements pending moving out shortly.

In late November 2006, the Group has disposed of its 50% interest in the holding company of the Jingan Project to Swire Properties Limited (“Swire Properties”) at the estimated consideration of HK\$1,265.2 million (subject to finalisation, audit and adjustments) resulting in a gain of approximately HK\$550.0 million.

Chelsea

During the period under review, Chelsea recorded an average occupancy rate of 89% at market rental despite keen competition emerged from supply of new serviced apartments. To reduce any possible currency impact, leases are now denominated in Renminbi instead of US dollars. Major renovation to the property is being planned to enhance the competitiveness of Chelsea in the up-market serviced apartments in Shanghai.

The Exchange

Phase 1 of the development of The Exchange in Tianjin, which included the retail mall and north office tower, recorded excellent occupancy rates of 99% and 96% respectively as of 30 September 2006. Construction of Phase 2 of the development comprising the south office tower and a hotel commenced in July 2005 with target completion in 2007.

中國 — 地產發展及投資

靜安區大中里

位於上海市靜安區之物業重建項目（「靜安項目」）首階段安置工程之拆遷許可證已於二零零六年四月獲發出。安置工程於二零零六年八月在靜安區政府支持下展開。工程進度穩定及理想。截至二零零六年十月底，單位總數中約30%已簽署安置協議並已遷出，而單位總數中另外約10%已簽署安置協議並即將遷出。

於二零零六年十一月底，本集團向太古地產有限公司（「太古地產」）出售靜安項目之控股公司之50%權益，估計代價為1,265.2百萬港元（須待落實、核算及調整），而產生之利潤約為550.0百萬港元。

嘉里華庭二座

於回顧期內，儘管新服務式住宅供應帶來激烈競爭，惟以市場租值計算，嘉里華庭二座錄得平均出租率89%。為了減低任何可能出現之貨幣影響，租賃現以人民幣而非美元計算。該物業正計劃進行大規模翻新，以提升嘉里華庭二座於上海豪華服務式住宅之競爭力。

津匯廣場

天津津匯廣場發展項目第一期包括購物中心及北座辦公室大樓，截至二零零六年九月三十日止出租率相當理想，分別錄得99%及96%。發展項目第二期包括南座辦公室大樓及一所酒店，已於二零零五年七月開始興建，預計將於二零零七年竣工。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

China — Manufacturing

The manufacturing business has been undergoing a tough period resulting from a combination of substantially higher fuel costs, increasing labour costs in China, and a highly competitive market in Australia. Imperial Bathroom Products Limited (“Imperial”) performed better than forecast as customers returned from low cost competitors for the new designs, better service, higher quality and back up that Imperial and its subsidiaries offer. Our markets in Australia, the UK and the USA have all shown an improvement over the past six months. The introduction of the new 4.5/3 litre flushing technology together with the range of minimum projection and space saving suites has been well received. Such improvement is expected to continue for the rest of the financial year and the overall performance will be better than forecast.

South East Asia — Real Estate Development and Investment

Development planning for The Sukhothai Residences, Bangkok was completed. Construction of the condominium building on the land parcel south of The Sukhothai hotel is to commence in 2007 with pre-sales commencing in early 2007 as well. In light of the bloodless coup d’etat staged in Thailand in September 2006 and the year long political crisis, the Group remains cautiously optimistic and continues to monitor international investor sentiment, Thailand’s credit ratings, and the overall political and market conditions.

Construction of the deluxe 30-unit condominium development in Nassim Road, Singapore is well in progress. In line with the positive economic growth, launching of the Nassim Road development is scheduled to commence in the first quarter of 2007.

中國 — 製造業

燃油成本大幅上升、中國勞工成本增加及澳洲市場競爭非常激烈，令製造業務面對一段困難時期。由於英陶潔具有限公司（「英陶」）及其附屬公司提供之設計新穎、服務較佳、品質較高及支援較佳，令客戶從低成本競爭者回流，故英陶之表現較預期理想。於過去六個月，本集團之澳洲、英國及美國市場均錄得改善。推出全新4.5/3公升沖廁技術加上減少伸出範圍及節省空間之設計，廣受市場歡迎。該等市場預期將於餘下財政年度繼續改善，而整體表現將勝於預期。

東南亞 — 地產發展及投資

曼谷的The Sukhothai Residences之發展策劃工作已完成。The Sukhothai酒店以南地塊之寓所大樓將於二零零七年展開興建工程，並將於二零零七年初進行預售。鑑於二零零六年九月泰國發生不流血政變及全年存在政治危機，本集團仍然審慎樂觀，並會繼續留意國際投資者情緒、泰國信貸評級及整體政治與市場狀況。

位於新加坡那森路之30間豪華寓所發展項目之建築工程進度理想。配合有利經濟增長，那森路發展項目計劃於二零零七年第一季開始推出。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

South East Asia — Hospitality

The hospitality business overall has performed well for the six months under review with positive contributions being derived from the operations in Thailand. In view of the economic boom in the region, it is anticipated that spa business will continue to be good and that contributions from our hospitality business will continue to increase.

- The Sentosa Resort & Spa — While the average occupancy rate was adversely affected due to renovation work carried out for four months up to July 2006, the operation has performed better than budget in terms of higher room rate and gross operating profit.
- The Sukhothai — The operation overall performed close to budget for the six months under review.
- Siri Sathorn — Though the operation faces increasing keen price-cut competition from many newly renovated serviced apartments in the vicinity as well as the lingering effect of the political uncertainty, the business is able to achieve higher room rate and is running close to budget for the six months under review.

Healthcare Business

The healthcare business overall has achieved better result for the six months under review in terms of higher turnover and net contribution as compared with the same period last year. Healthway Medical, the Group's leading multi-specialty clinic network in Manila, has profitably benefited from the branding effect coupled with the pricing strategy, thus resulting in a remarkable performance in operating profit and cashflow. AmMed Cancer Center continues to grow in medical oncology business and is also the main profit contributor during the period under review.

東南亞 — 酒店管理及服務

於回顧六個月內，酒店管理及服務業務整體表現理想，泰國業務帶來正面貢獻。鑑於區內之經濟蓬勃增長，預計水療業務將會向好，而本集團之酒店管理及服務業務貢獻將會持續增加。

- 聖陶沙百富酒店 (The Sentosa Resort & Spa) — 儘管平均入住率因截至二零零六年七月止四個月進行翻新工程而受到不利影響，惟房租及營運毛利表現比預算理想。
- The Sukhothai 酒店 — 於回顧六個月內，業務整體表現接近預算。
- Siri Sathorn — 儘管業務面臨毗鄰許多最近翻新之服務式住宅之激烈割價競爭，以及政治不明朗之持續影響，惟於回顧六個月內仍能夠收取較高房租，且表現接近預算。

醫療保健業務

於回顧六個月內，醫療保健業務在營業額及淨貢獻方面之業績整體上均較去年同期理想。本集團位於馬尼拉之主要多元化專科網絡Healthway Medical，大大受惠於品牌效應及定價策略，故經營溢利及現金流量均表現出眾。安美癌科治療中心之內科腫瘤科業務繼續增長，亦為回顧期內溢利之主要貢獻來源。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

Hong Kong

- ImagingMed, the Group's diagnostic imaging centre in Central, is progressing gradually through providing the state-of-the-art facilities.
- Qualigenics Medical Limited, the Group's joint venture with The Chinese University of Hong Kong, opened a new Children's Growth Center in July 2006 by focusing on the provision of quality pediatric medical service. Its subsidiary, CardioMed Limited, is the Group's specialised center providing advanced cardiovascular care.
- Health & Care Dental Group, being one of the largest private dental networks in Hong Kong, launched a "flagship" "Novodontics" brand clinic in Central in September 2006 aiming at provision of advanced specialty dental care services. The Group's Macau clinic, benefited from the booming economic sentiment in the area, was also growing steadily.

China

- Arrail Dental Group, the Beijing-based private dental clinic network, has further enlarged its revenue by expanding its Shenzhen clinic. The merger of operation with Orthodontics Asia Limited in September 2006 helps to enlarge the dental care group in China targeting different ends of patients in the market.
- The joint venture between AmMed Cancer Center of Hong Kong with Ruijin Hospital in Shanghai with target launch date in 2007 has received its temporary medical licence and the renovation work for the medical oncology floor will start in the end of 2006.
- Shanghai Puya, which is engaged in the provision of health-checkup business, has finalised a new investment deal in acquiring the 51tjian.com diagnostic clinic in Pudong.

香港

- 本集團位於中環之瑞光放射診斷中心正透過提供最先進的設施逐步發展。
- 本集團與香港中文大學合作成立之Qualigenics Medical Limited於二零零六年七月開設新兒童成長中心，專門提供優質兒科醫療服務。其附屬公司CardioMed Limited為本集團提供先進心血管治療之專科中心。
- 恒健牙科醫療集團為香港最大私人牙科服務網絡之一，於二零零六年九月在中環開設旗艦品牌診所Novodontics，專門提供先進專科牙科護理服務。本集團之澳門診所受惠於區內經濟氣氛好轉，亦穩步增長。

中國

- 以北京為基地之私人牙科診所網絡瑞爾齒科集團透過擴充其深圳診所，進一步增加其收益。於二零零六年九月與Orthodontics Asia Limited之業務合併後，有助擴大中國牙科醫療集團，針對市場上不同病人之需求。
- 香港安美癌科治療中心與上海瑞金醫院合作成立並預計於二零零七年啟用之合營企業已取得臨時醫療執照，而內科腫瘤科樓層之翻新工程將於二零零六年年底展開。
- 上海普亞從事健康檢查業務，已落實收購浦東51tjian.com體檢診所之新投資項目。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

Securities Investments

Global economies have been stable with core inflation rate under control and monetary policy moved towards neutrality. Benefited from a steady appreciation in world equities, the net profit from securities investments increased by 40% to HK\$42.2 million (30.9.2005: HK\$30.2 million) during the financial period under review. The Group has its investment portfolio managed by both in-house investment personnel and experienced fund managers through the employment of various investment strategies and well-balanced allocation of financial assets.

OUTLOOK

2006 is coming to the end in less than a month's time, we saw the overall economy of Hong Kong has been on an upturn. The record-high Hang Seng Index together with the turning south interest rate hike, the local property market is in good shape and properties with superior quality are especially in high demand. The Group's prestigious properties like Chianti in Discovery Bay and La Rossa in Tung Chung have been and will continue to be popular to prospective home up-graders and long-term investors. With the progressive completion of various commercial development and infrastructure projects, Lantau Island will be the core focus in town which will greatly enhance the investment potential of the district. With the prestige and expertise of Swire Properties as the strategic partner for the Jingan Project in Shanghai, the Company is confident that the value of and hence the Group's investment in the project will be enhanced. The Company firmly believes that the project group will achieve strong recurring income from rental opportunity with Swire Properties' high standard of management know-how which Swire Properties is capable of sharing with the project group together with the Group. The Group remains optimistic towards the property development and investment market in Hong Kong, the Mainland China and South East Asia. The Group will continue to look for business opportunities and diversification in other aspects to build up its assets base and profit as a whole.

證券投資

核心通脹速度受到控制，貨幣政策趨向中性，令全球經濟保持穩定。受惠於全球股票穩步升值，於回顧財政期間內，證券投資之純利增加40%至42.2百萬港元(二零零五年九月三十日：30.2百萬港元)。本集團之投資組合由內部投資人才及經驗豐富之基金經理透過運用多種投資策略及均衡的金融資產分配所管理。

展望

二零零六年即將於一個月內結束，我們看見香港整體經濟不斷改善，恒生指數創新高，以及加息調頭，利好本港物業市場，對優質物業之需求特別殷切。本集團之著名物業如愉景灣尚堤及東涌影岸•紅等一直並將會繼續受準換樓人士及長期投資者歡迎。隨著各項商業發展及基建項目相繼完成，大嶼山將成為市內焦點，因而大大提高區內之投資潛力。憑藉上海靜安項目策略夥伴太古地產之聲望及專業知識，本公司對項目之價值將得以提升充滿信心。本公司深信，太古地產可將其高水平之管理知識與項目集團及本集團分享，而項目集團將從租賃中產生強勁經常性收入。本集團對香港、中國內地及東南亞之物業發展及投資市場仍感樂觀。本集團將繼續物色商機及在其他方面發展多元化業務，以建立其整體資產基礎及溢利。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

HUMAN RESOURCES

At 30 September 2006, the total number of employees of the Group in Hong Kong and overseas was 3,093. We value the contribution of our employees and design and implement our Human Resources Policy to attract, retain and motivate quality people by rewarding performance and contributions.

To continue the enhancement of customer service initiatives which had been rolled out in early 2006, a series of training programs including language training, coaching skills workshops and customer service skills training were launched to build the customer service fundamentals for striving service excellence. A series of communication sessions were also conducted to foster better communication between senior management and employees and build the cohesiveness among the workforce.

INFORMATION TECHNOLOGY

The Group continued to use information technologies effectively to enhance the quality of services and optimise the operational efficiency. Following the successful implementation of the Asia's first sea-going Wi-Fi service for ferry passengers, the wireless internet coverage was extended to the newly renovated dining destination in Discovery Bay Plaza, Chianti and Yi Pak Beach, making Discovery Bay a true Wi-Fi community. Communication and collaboration among staff in various locations were improved through the new Remote Office System. Several initiatives on information technology were started off including the replacement of Ferry Ticketing System for Discovery Bay, e-Statement System for Discovery Bay Clubs and CRM System for customer relationship management.

人力資源

於二零零六年九月三十日，本集團在香港及海外之僱員總人數為3,093名。本集團重視僱員之貢獻，並設計及實施人力資源政策以透過獎勵表現及貢獻，吸引、留聘及激勵出色之人才。

為繼續提升於二零零六年初推出之客戶服務措施，本集團推出了一連串培訓計劃（包括語言培訓、訓練技巧工作坊及客戶服務技巧培訓），以奠定客戶服務基礎，致力提供更優質服務。本集團亦進行了一連串溝通會議，促進高層管理人員與僱員間之溝通，建立僱員之凝聚力。

資訊科技

本集團繼續有效運用資訊科技，提高服務質素及提升營運效率。成功為渡輪乘客推出亞洲首創之海上公共無線流動寬頻上網服務後，無線上網覆蓋範圍已擴大至愉景廣場之全新裝修餐飲熱點、尚堤及二白灣沙灘，令愉景灣成為一個真正無線寬頻社區。身處不同地點之員工可透過全新遙距辦公室系統改善溝通及合作。數項資訊科技措施已推出，包括取代愉景灣渡輪票務系統、愉景灣會所之電子月結單系統及管理客戶關係之客戶關係管理系統。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

FINANCIAL REVIEW

Shareholders' Funds

At 30 September 2006, the shareholders' funds of the Company and its subsidiaries (collectively the "Group") increased by HK\$305.9 million to HK\$8,308.3 million (31.3.06: HK\$8,002.4 million). The increase was attributable to an upward fair value revaluation of investment properties and increase in profitability from property sales and operating units. The Group's gross profit margin for operating units generally improved by 15.3% to 47.7% (31.3.06: 32.4%).

Major Cash Flows From Operating/Investing Activities

In June 2006, the Group paid HK\$121.5 million balance payment for the acquisition of Wellington Centre which is located in Central at a consideration of HK\$135.0 million. The property was subsequently disposed of to an independent third party.

During the financial period under review, the Group's investment properties, including CDW Building and commercial centre in Discovery Park, contributed HK\$125.1 million operating cash. Sales launch of the units of Chianti in Discovery Bay also brought HK\$399.3 million cash to the Group.

Financial Liquidity

The financial position of the Group was strong with total cash and investment in securities amounting to HK\$2,984.4 million (31.3.06: HK\$3,131.8 million). Total bank borrowings increased by HK\$192.3 million to HK\$2,321.1 million (31.3.06: HK\$2,128.8 million) after drawdown of certain bank loans mainly to finance the Jingan Project in Shanghai during the financial period under review.

Gearing

The Group maintained a low gearing ratio of 31.3% (31.3.06: 27.3%) as calculated by the Group's consolidated net borrowings to the shareholders' funds.

財務回顧

股東資金

於二零零六年九月三十日，本公司及其附屬公司（統稱「本集團」）之股東資金增加305.9百萬港元至8,308.3百萬港元（二零零六年三月三十一日：8,002.4百萬港元）。增幅乃歸因於重估投資物業公平值增加及物業銷售與各業務部門盈利能力上升。本集團之營運業務毛利率普遍提升15.3%至47.7%（二零零六年三月三十一日：32.4%）。

來自經營業務／投資活動之主要現金流量

於二零零六年六月，本集團支付按代價135.0百萬港元收購位於中環之威靈頓中心之款項餘額121.5百萬港元。該物業其後出售予一獨立第三者。

於回顧財政期間內，本集團之投資物業（包括中國染廠大廈及愉景新城商場）產生125.1百萬港元之營運現金。愉景灣之尚堤單位推售亦為本集團帶來399.3百萬港元之現金。

流動資金

本集團之財務狀況強勁，現金及證券投資總額為2,984.4百萬港元（二零零六年三月三十一日：3,131.8百萬港元）。於回顧財政期間內提取若干銀行貸款以為上海靜安項目提供資金後，銀行借貸總額增加192.3百萬港元至2,321.1百萬港元（二零零六年三月三十一日：2,128.8百萬港元）。

資本負債比率

本集團保持資本負債比率於31.3%（二零零六年三月三十一日：27.3%）之低水平，此比率乃按本集團之綜合借貸淨額除股東資金計算。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

Banking Facilities

At 30 September 2006, the Group had sufficient internal cash and banking facilities, both secured and unsecured, to finance its development projects and operations. At 30 September 2006, the unutilised credit facilities stood at HK\$3,117.9 million (31.3.06: HK\$3,186.6 million).

The maturity profile of bank borrowings was 72% (31.3.06: 77%) falling within one year, 28% (31.3.06: 23%) falling between one to two years, and nil (31.3.06: nil) falling between two to five years at 30 September 2006.

Treasury Policy

The Group centralises its treasury functions and adopts a conservative approach for its treasury management. The majority of assets and liabilities is denominated in HK dollars and US dollars. The Group's foreign currency risk exposures primarily arise from its overseas investments of which project-level debt financings are implemented on local currency basis to create a natural currency hedging position. The Group also entered into certain currency swap arrangements for hedging purpose.

At 30 September 2006, 95% of the Group's banking facilities were on floating rate basis. When appropriate and necessary, interest rate swap would be employed to manage interest rate risk for its short to medium term borrowings.

It is also the policy of the Group to restrict the use of financial derivatives for speculative purpose.

銀行信貸

於二零零六年九月三十日，本集團具備充裕內部現金及有抵押與無抵押之銀行信貸，以應付其發展項目及營運所需資金。於二零零六年九月三十日，未動用之信貸總額為3,117.9百萬港元（二零零六年三月三十一日：3,186.6百萬港元）。

於二零零六年九月三十日，銀行借貸組合中之還款期須於一年內償還的佔72%（二零零六年三月三十一日：77%），須於一至兩年內償還的佔28%（二零零六年三月三十一日：23%），及沒有須於兩至五年內償還之借貸（二零零六年三月三十一日：無）。

財資政策

本集團集中其財務管理職能，並對財務管理採取審慎之政策。資產與負債大部分以港元及美元計算。本集團須面對之外匯風險主要由其海外投資產生，該等投資之項目債務融資乃按當地貨幣進行，以產生自然貨幣對沖作用。本集團亦訂立若干外匯掉期安排作對沖用途。

於二零零六年九月三十日，本集團之銀行信貸中95%乃按浮動息率計算。在合適及需要時，本集團會為中短期之借貸安排利率掉期，以管理利率風險。

本集團之政策為嚴禁使用金融衍生工具作投機用途。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

Pledge of Assets

At 30 September 2006, the Group had pledged certain properties with a total carrying value of HK\$465.4 million (31.3.06: HK\$465.5 million), bank deposits of HK\$74.7 million (31.3.06: HK\$60.8 million) and equipment of HK\$0.1 million (31.3.06: HK\$0.1 million) to secure banking facilities granted to the Group.

The Group's entire interest of 31% in Tung Chung Station Development Company Limited ("TCSDDL") was pledged. The loans to TCSDDL (before provision) amounting to approximately HK\$2,379.3 million (31.3.06: HK\$2,379.3 million) were subordinated to banks to secure the banking facilities granted to TCSDDL.

HKR Properties Limited, one of the Company's wholly owned subsidiaries, also subordinated an inter-company debt of HK\$26.5 million (31.3.06: HK\$25.2 million) due from one of its subsidiaries to secure certain general banking facilities granted to that subsidiary.

Contingent Liabilities

At 30 September 2006, the Group's contingent liabilities in respect of corporate guarantees and undertaking given, to the extent of the Group's proportionate share, in respect of banking and other facilities (or secured indebtedness, if appropriate) granted, slightly increased by HK\$1.0 million to HK\$154.2 million (31.3.06: HK\$153.2 million) due to currency translation.

資產抵押

於二零零六年九月三十日，本集團抵押賬面總值465.4百萬港元(二零零六年三月三十一日：465.5百萬港元)之若干物業、74.7百萬港元(二零零六年三月三十一日：60.8百萬港元)之銀行存款及0.1百萬港元(二零零六年三月三十一日：0.1百萬港元)之設備，以作為授予本集團銀行信貸之抵押。

本集團抵押其於Tung Chung Station Development Company Limited (「TCSDDL」)持有之全部31%權益。向TCSDDL提供之貸款(扣除撥備前)約2,379.3百萬港元(二零零六年三月三十一日：2,379.3百萬港元)已作後償保證予銀行，作為授予TCSDDL之銀行信貸之抵押。

本公司其中一家全資附屬公司香港興業(物業)有限公司亦將應收其中一家附屬公司之公司間債務26.5百萬港元(二零零六年三月三十一日：25.2百萬港元)作後償保證，作為授予該附屬公司之若干一般銀行信貸之抵押。

或然負債

於二零零六年九月三十日，有關於本集團以股權比例為限就獲授銀行及其他信貸或有抵押之債項(如適用)作出公司擔保及承擔之或然負債因貨幣換算而輕微增加1.0百萬港元至154.2百萬港元(二零零六年三月三十一日：153.2百萬港元)。