

MANAGING DIRECTOR'S REPORT

董事總經理報告

OVERVIEW

During the year, the residential property market in Hong Kong continued to be positive. The Group had a very successful year in the sales of its latest development projects, namely Chianti, Phase 13 of Discovery Bay and La Rossa of Coastal Skyline in Tung Chung, attaining premium selling prices despite keen price-cut competition in the market. As of 31 March 2007, a total of 243 units of Chianti at an average of HK\$5,847 per square foot (G.F.A.) and 256 units of La Rossa at an average of HK\$3,900 per square foot (G.F.A.) were sold. The second sales launches of the two properties are planned for the second half of 2007.

In Discovery Bay, we have invested over HK\$100 million to overhaul and revamp the DB Plaza and launched a new oceanfront alfresco dining hub called Water Margin. This strategy of repositioning Discovery Bay as a high-end residential area and a new dining hub has yielded encouraging results and significantly increased our rental income.

In addition to focusing on the delivery of unique quality products at a premium price, the Group also continues its strategy of maximising the value of existing portfolio in Hong Kong and diversifying into Mainland China and the Asia Pacific region. We have been actively searching for new projects with potential and good return and our strategies were borne out by the outstanding performance of various projects and operations across the region.

Our Dazhongli project in the Jingan district, Shanghai, will allow the Group to expand and diversify into Mainland China and will provide a broader recurrent income base for the Group in the long term. Our strategic partnership with Swire Properties Limited, known for its expertise in developing premier retail and commercial developments, will further boost the property and investment value of the Dazhongli project. This flagship project is expected to become another future stable source of income for the Group.

In Singapore, Beaufort on Nassim achieved a new benchmark selling price of HK\$16,000 per square foot (over S\$3,200 per square foot) when it was put on the market in early February 2007, which was a record in the country for luxury low-rise residential units.

The Group's hospitality operations delivered good results during the year. Despite the political instability in Thailand, our world-renowned The Sukhothai hotel in Bangkok recorded an average occupancy rate of 71 per cent whilst Siri Sathorn serviced residences had an average occupancy rate of 73 per cent. Although an intensive four-month room refurbishment programme was carried out in the year, The Sentosa Resort & Spa in Singapore also maintained an average occupancy rate of 68 per cent.



副主席兼董事總經理查懋成先生
Mr CHA Mou Zing Victor, Deputy Chairman & Managing Director

業務回顧

於年度內，香港房地產市場保持穩健發展，而集團在物業銷售方面亦取得佳績。縱然市場出現割價競爭，集團旗下兩個最新發展項目包括愉景灣第十三期住宅項目「尚堤」及東涌藍天海岸的「影岸•紅」，均錄得理想銷情及售價。截至二零零七年三月三十一日止，「尚堤」共售出二百四十三個單位，平均售價為每平方呎五千八百四十七港元；而「影岸•紅」共售出二百五十六個單位，平均售價為每平方呎三千九百港元。計劃中，該兩項物業將於二零零七年下半年再度推出發售。

在愉景灣，集團投資超過一億港元為愉景廣場進行翻新工程，同時打造嶄新的環海露天美食區「水滸坊」，把愉景灣重新定位成為一個高級住宅區及時尚飲食新地標。此發展策略成效顯著，令愉景灣零售物業的租值大幅上升。

集團除了致力發展獨特而優質的產品，並以優於市價的定價推售，亦繼續提升香港業務組合之價值，同時加強拓展中國及亞太區的業務。集團正積極尋找具發展潛力及理想回報的新項目，而集團在亞太區各個發展項目及業務範圍的出色表現，可印證其發展策略已見成效。

中國業務方面，位於上海靜安區的大中里項目，讓集團可進一步在內地拓展業務，並將為集團帶來長遠而穩定的收益。集團與發展優質零售及商業項目見稱的太古地產有限公司的策略性夥伴關係，將進一步提升大中里項目的物業發展與投資價值。預期此旗艦項目將成為集團另一長遠而穩定的收入來源。

在新加坡，Beaufort on Nassim 於二零零七年二月初推售時創下當地豪華低密度住宅之新高價，最高呎價達一萬六千港元（即每平方呎逾三千二百新加坡元）。

集團的酒店業務於年度內錄得良好業績。縱然泰國政局不穩，集團馳譽國際的曼谷 The Sukhothai 酒店仍錄得平均出租率百分之七十一，而 Siri Sathorn 服務式公寓的平均出租率維持於百分之七十三。雖然新加坡 The Sentosa Resort & Spa 於年內進行了為期四個月的房間翻新工程，其平均出租率仍維持於百分之六十八。

The Group's regional healthcare business prospered during the year and demonstrated substantial dynamics and prominent growth, leveraging on the growing demand for private healthcare services and the increasing ageing population in the region. The Group will continue to expand its healthcare service network and build multiple specialty clinics as well as a wider client base across the region.

OUTLOOK

Clear strategic directions have been set and we are moving forward with confidence, professionalism and meticulousness to grow our businesses.

The local property market is reviving after a stagnant period, with luxury properties enthusiastically sought after and prices pushed to new highs since 1997. The overall sentiments have remained positive with good fundamental backing. Against this backdrop, the Group is confident about achieving good sales results in the coming year. Moreover, enhanced rental income will be fetched through renovation and improvement to existing properties.

The Group remains optimistic about Hong Kong's long-term economic prospects and is poised to benefit from the thriving global economy and Mainland China's growth momentum. While Hong Kong's real estate business will remain the major source of income for the Group, Mainland China will be one of our key markets in the years to come.

The Group has a good reserve of land bank in Discovery Bay, Shanghai and Bangkok. To support its strategic development and further growth, the Group will search for new land bank in high growth areas in the next few years and will continue to focus on high quality products to maximise return on investment. With the underlying strategy, discussions and negotiations of several sizable development projects are in good progress. In addition, the Group also plans to engage in other projects to add value to its existing portfolio.

Going forward, we will work closely with our Board of Directors, shareholders, business partners and colleagues to continue growing the Group's businesses and create values for all our stakeholders, as well as the communities we serve.



CHA Mou Zing Victor

Deputy Chairman & Managing Director
Hong Kong, 28 June 2007

隨著亞太區對私人醫療保健服務需求日漸增加及長者人口不斷上升，集團的醫療保健業務於年度內發展迅速及持續增長。集團將繼續拓展其醫療保健服務網絡，並在亞太區設立更多綜合專科診所及擴闊客戶基礎。

展望

集團已訂下明確而清晰的發展方向。我們將懷着信心，以專業態度，專心致志地邁步向前。

本港房地產市場經已復甦，市場對豪華住宅物業需求殷切，因而帶動物業售價創下自一九九七年以來的新高。香港整體氣氛良好，加上穩健的經濟基調，在種種利好因素下，集團有信心在來年繼續錄得良好的銷售業績。此外，集團將透過翻新及改善現有物業的質素以提升租金收入。

集團對香港長遠經濟發展前景仍然樂觀。在環球經濟持續向好及中國高速增長的良好勢頭下，集團的業務將會受惠。香港房地產業務仍是集團的主要收入來源，而中國將成為集團在未來數年主力開拓的市場之一。

集團在愉景灣、上海及曼谷擁有充裕的土地儲備。為配合其發展策略及業務增長，集團在未來數年將繼續在高增長的地區找尋新土地儲備及集中發展優質產品，以獲得最高的投資回報。為貫徹集團的發展策略，多個大型發展項目正在洽談及商討中，集團亦計劃投資其他項目，為其現有業務組合增值。

展望未來，我們將與各位董事、股東、業務夥伴繼續保持緊密合作，與員工共同努力發展集團業務，為我們的利益相關人士及所服務的社區創造更高的企業價值。



查懋成

副主席兼董事總經理

二零零七年六月二十八日於香港