

## 業績

集團錄得經營盈利二億二千九百一十萬港元，較二零零零年下降百分之六點二。由於租金收益下跌及持作出售物業減值，物業投資及發展業務之盈利因而下降。儘管如此，部分之盈利下降可由集團具較佳表現之其他業務（包括於回顧年度為集團帶來九百萬港元盈利之影片發行業務）抵銷。從各行業所獲應撥歸股東之盈利已載於第六十五頁之帳項附註四內。

## 物業投資

二零零一年香港經濟環境衰退，導致各租客對租賃物業均採取保守態度。集團物業之租金正承受沉重壓力，尤其經歷二零零一年九月十一日於美國發生之慘劇後，於續約或訂立新租約時商討增加租金事宜更加困難重重。因此，集團投資物業組合在二零零一年收取之租金總收益為二億一千萬港元，較二零零零年下降百分之四點九。

儘管如此，由於始創中心之若干寫字樓及商場主要租約已於二零零一年完成續約，故此集團於二零零二年之租金收益將較為穩定。

## 商業樓宇

集團之旗艦物業始創中心於二零零一年已留住大部份原有租客續約，同時租金亦維持於合理水平。二零零一年底，寫字樓之出租率為百分之九十五點四，而商場之出租率為百分之九十五點五。始創中心於二零零一年之租金總收益為一億七千二百萬港元，較二零零零年下降百分之三點六。

## RESULTS

The Group recorded an operating profit of \$229.1 million, a decrease of 6.2% from 2000. Property investment and development activities registered a drop in profit with the decrease in rental income and the diminution in value of properties held for sale. Nevertheless, the decrease in profit has been partly offset by the improved performance of the Group's other businesses, including the film distribution activities which contributed a profit of \$9 million to the Group during the year under review. A breakdown of the profit attributable to shareholders contributed by various business activities is shown in note 4 on the accounts on page 65.

## PROPERTY INVESTMENT

Hong Kong's poor economic performance during 2001 has resulted in a conservative attitude among all tenants. The rental rates of the Group's properties are under substantial pressure and negotiation for incremental rental upon tenancy renewals or new lettings, especially after what happened in the US on 11 September 2001, have been difficult. Consequently, the gross rental income generated by the Group's investment property portfolio in 2001 was \$210 million, a decrease of 4.9% from the year 2000.

Nevertheless, as renewal of some of the major tenancies in both the office sector and the retail sector of Pioneer Centre were concluded during 2001, the level of rental income for the Group in 2002 will be relatively stable.

## Commercial properties

The Group's flagship property, Pioneer Centre, has retained most of its tenants upon tenancy renewals in year 2001 while maintaining the rental rate at a reasonable level. Occupancy rate for the office sector was 95.4% at the end of year 2001 while that for the retail sector was 95.5%. Total rental income generated by Pioneer Centre was \$172 million in year 2001, 3.6% less than that of year 2000.

位於旺角之旺角中心第一期二十樓於二零零一年底錄得出租率百分之九十五點三，二零零零年則為百分之八十七點八。旺角中心於二零零一年之租金總收益為二百五十萬港元，於二零零零年則為二百六十萬港元。租金收益下降百分之三主要是由於租客提早交回單位及拖欠租金所致。

創建商業大廈於二零零一年十月三十一日以一億五千八百萬港元之代價出售，而位於藍田匯景花園商場之商舖則於二零零一年十一月八日以一億六千三百萬港元之代價出售。截至出售該兩項物業之日止，創建商業大廈及匯景花園商場之商舖之租金收益分別為一千一百五十萬港元及一千三百五十萬港元。出售總額之合共虧損為二億四千三百一十萬港元。

於二零零二年三月，集團以七千七百萬港元之代價購入尖沙咀文華中心（亦稱新文華中心）一樓商場大部份舖位，此舉為本集團持有以賺取租金收益之商業樓宇物業組合增加四萬九千四百三十平方呎之商舖面積。

### 住宅物業

伊利閣受到經濟不景之影響，於二零零一年底僅錄得出租率百分之五十五。由於出租率下降，而租金亦較低，因此，該物業於二零零一年之租金收益為三百七十萬港元，較二零零零年下降百分之十六。

### 停車場

自從香港機場遷移後，土瓜灣美華工業中心附近地區之泊車位需求已見下降，加上鄰近供應充裕之泊車位令情況更為不利。收益於二零零一年下降至二百八十萬港元，較二零零零年下降百分之十一。另一方面，美居中心停車場之租約已於二零零一年初以固定租金兼營業額分帳形式重新續期兩年。美居中心停車場於二零零一年之收益總額為三百九十萬港元，較去年下降百分之三點五。

The 20th Floor of Argyle Centre Phase I in Mongkok improved its occupancy rate, which reached 95.3% by the end of year 2001 as compared with 87.8% at the end of year 2000. Total rental income generated from Argyle Centre was \$2.5 million for year 2001 and \$2.6 million for year 2000. The decrease of 3% was largely due to cases of early surrender and tenant default.

Chong Kin Commercial Building was sold on 31 October 2001 at a consideration of \$158 million while the retail space at Sceneway Garden Arcade, Lam Tin was sold at a consideration of \$163 million on 8 November 2001. Up to the date of their disposals, Chong Kin Commercial Building and the retail space at Sceneway Garden Arcade generated rental income of \$11.5 million and \$13.5 million respectively for the year. The combined loss on total disposals was \$243.1 million.

In March 2002, the Group acquired the major portion of the first floor of the Commercial Podium of Mandarin Plaza (also known as New Mandarin Plaza) in Tsimshatsui at a consideration of \$77 million, which added 49,430 sq ft of retail space to the Group's commercial property portfolio held for rental income.

### Residential properties

The performance of The Elgin suffered substantially from the poor economy. Occupancy was recorded at 55% at the end of year 2001. Owing to the drop in occupancy and the lower rental rates achieved, the rental income generated from the property in 2001 was \$3.7 million, representing a 16% decrease from 2000.

### Car parks

Demand for parking spaces in the area around Merit Industrial Centre in To Kwa Wan has dropped since the relocation of Hong Kong airport and the position is made worse by the ample supply of parking spaces in the vicinity. Income dropped to \$2.8 million for year 2001, representing a 11% decrease when compared with year 2000. On the other hand, the licence agreement for the carpark at Manor Centre has been renewed for a term of two years at fixed rentals with sharing of turnover at the beginning of 2001. Total income from the carpark at Manor Centre was \$3.9 million for year 2001, a drop of 3.5% from last year.

## 物業發展

位於觀塘功樂道四十至四十二號之海天園之住宅單位之需求仍然不理想，市場交易主要集中於價值二百萬港元以下之新建物業。

為配合政府提倡之綠色環保意念樓宇之新概念，集團已就位於香港羅便臣道三十一號之發展地盤之總建築圖則及結構圖則作出修訂，並已於二零零一年第四季獲得批准。地盤之打樁工程已經竣工。

於二零零二年三月，本公司與Polytec Holdings International Limited訂立一項有條件買賣協議，收購一組物業權益，包括四個主要作住宅發展用途之地盤，分別位於包括香港堅尼地城北街12A（亦稱2A）、新界元朗唐人新村第一期及第二期及九龍九龍城太子道377號，以及一個位於九龍彩虹牛池灣之地產項目之獨家發展權及一個位於牛池灣發展項目毗鄰之地盤，總代價約為八億一千六百三十萬港元，惟按協議規定有待作出最後調整。有關交易構成本公司一項關連交易，並將於二零零二年四月十五日舉行之股東特別大會上尋求獨立股東之批准。

## 物業管理

自二零零一年七月一日起，康居物業管理有限公司擁有百分之四十九權益之聯營公司宜居物業管理有限公司接管位於青衣之長青邨及長亨邨之九千七百零四個單位。另一間聯營公司雅居物業管理有限公司已於二零零一年十月成立，並於二零零二年一月獲香港房屋委員會批准參與局限性投標制度下之物業服務合約投標。該兩間具備資格之聯營公司將於二零零二年積極參與公共屋邨及居者有其屋計劃下之物業管理合約之投標。

## PROPERTY DEVELOPMENT

The demand for residential units at The Verandah Garden at 40-42 Kung Lok Road, Kwun Tong remained unsatisfactory with market transactions concentrating on new properties valued at under \$2 million.

In order to incorporate the green innovative building initiatives promulgated by the government, amendments were made to the General Building Plans and Structural Plans of the development site at 31 Robinson Road Hong Kong and approval was obtained in the last quarter of year 2001. Piling work for the site has been completed.

In March 2002, the Company entered into a conditional sale and purchase agreement with Polytec Holdings International Limited for the acquisition of a portfolio of property interests, which include four sites for primarily residential development at 12A (also known as 2A) North Street, Kennedy Town, Hong Kong, Tong Yan San Tsuen, Yuen Long, the New Territories, Phases I and II and 377 Prince Edward Road, Kowloon City, Kowloon and the exclusive rights to develop a real estate project at Ngau Chi Wan, Choi Hung, Kowloon as well as a site adjacent to the Ngau Chi Wan development project site at an aggregate consideration of approximately \$816.3 million, subject to a final adjustment as set out in the agreement. The transaction constitutes a connected transaction for the Company and independent shareholders' approval will be sought at the forthcoming extraordinary general meeting to be held on 15 April 2002.

## PROPERTY MANAGEMENT

Commencing from 1 July 2001, Country House Property Management Limited's 49% owned associated company, Easy Living Property Management Limited, has taken up the management of 9,704 units in Cheung Ching Estate and Cheung Hang Estate in Tsing Yi Island. In October 2001, another associated company, Modern Living Property Management Limited, was formed and, in January 2002, approved by the Hong Kong Housing Authority to bid for property services contracts under the restricted tendering system. Both associated companies, with their qualified eligibility, will actively bid for property services contracts of public housing estates and the Home Ownership estates in 2002.

## 長期上市證券投資

於二零零一年六月，本公司分派五千二百萬股九龍巴士控股有限公司股份予其股東，作為特別中期股息，此舉導致集團之長期上市證券投資組合大幅減少。於二零零一年六月，集團以九百九十萬港元之代價認購四百三十七萬股路訊通控股有限公司股份。

於二零零一年，長期上市證券投資所得總收入為六千七百六十萬港元，較二零零零年下降百分之五，主要因為上述向股東分派九龍巴士控股有限公司之股份後，從該公司所收取之股息收入下降。如投資組合無進一步變動，所得收入於二零零二年將大幅減少。

## 證券買賣

集團之證券買賣業務主要由巨盈投資有限公司經營，於回顧年度錄得純利二百萬港元。

## 金融服務

二零零一年為金融服務業經營困難之一年。九龍建業財務有限公司正面對來自銀行機構之激烈競爭，此等銀行機構透過積極進取之市場策略為其客戶提供較低息率。由於貸款組合減少及於二零零一年就壞帳作出重大撥備，故財務公司於年內錄得五十萬港元之虧損，而二零零零年則錄得三百萬港元盈利。

## 影片發行

年內，金公主娛樂有限公司繼續發行其片庫之影片版權，並向集團貢獻純利九百萬港元，較去年之五十萬港元大幅增加，主要原因是年內成功授出若干受歡迎影片之北美洲發行權，為期十五年。

## INVESTMENTS IN LONG-TERM LISTED SECURITIES

In June 2001, the Company distributed 52 million shares of The Kowloon Motor Bus Holdings Limited to its shareholders as a special interim dividend, which resulted in a substantial reduction in the Group's long-term listed investment portfolio. In June 2001, the Group subscribed 4.37 million shares of Roadshow Holdings Limited at a consideration of \$9.9 million.

Total income received from the long-term listed investments in 2001 was \$67.6 million, a decrease of 5% from 2000, which is mainly due to the decrease in dividend income received from The Kowloon Motor Bus Holdings Limited as a result of the aforementioned distribution to shareholders. If no further change are made to the portfolio, the income will reduce substantially in 2002.

## SECURITIES TRADING

The Group's securities trading activities were mainly carried out by Gargantuan Investment Limited, which reported a net profit of \$2 million for the year under review.

## FINANCIAL SERVICES

2001 has been a difficult year for the financial service industry. Kowloon Development Finance Limited has faced fierce competition from banking institutions who offer lower interest rates with aggressive marketing tactics. With the reduction in loan portfolio and a substantial provision for bad debts made in 2001, the finance company reported a loss of \$0.5 million during the year, as compared with \$3 million profit generated in 2000.

## FILM DISTRIBUTION

During the year, Golden Princess Amusement Company Limited continued to market the film rights of its film library and contributed a net profit of \$9 million to the Group, a substantial increase as compared with last year's \$0.5 million. This is mainly due to the successful licensing during the year of the distribution rights for North America of certain popular films for a period of 15 years.

## 造鞋機器貿易

由於九建雅琳達有限公司之表現持續欠佳，管理層遂於年內終止其所有業務並錄得四百三十萬港元之虧損。

## 證券代理

集團於二零零一年七月以九百萬港元之代價出售其於九建羅建輝證券有限公司之百分之四十股本權益。此項出售導致集團錄得九十萬港元之虧損。

## 巴士營運

為配合集團專注於物業發展及投資業務之新目標，集團於二零零二年三月以二千五百萬港元之代價出售其於豐城有限公司（一間以合營公司形式在中國經營巴士路線之公司）之全部權益，獲得盈利六十萬港元。巴士營運於二零零一年為集團帶來約三百萬港元之盈利。

## 網上原油貿易

於二零零一年七月，集團以一千萬美元之代價出售其於 **Circuit Technology Limited**（一間持有加拿大互聯網原油貿易公司 **NetThruPut Inc** 百分之四十八股權之公司）之全部權益，獲得一百六十萬港元盈利。

## 資訊科技投資

於回顧年度，**Asiasoft Hong Kong Limited** 錄得虧損，而集團所佔金額為一百九十萬港元。於此聯營公司之商譽減值虧損一千五百三十萬港元及投資減值虧損二百萬港元已分別於二零零一年之集團帳目內確認。此項投資之帳面值已撇減至零。

## SHOE-MAKING MACHINERY TRADING

Due to the continuing disappointing performance of KDC Prologue Limited, Management discontinued all its operations during the year for which it recorded a loss of \$4.3 million.

## SECURITIES BROKING

The Group disposed of its 40% equity interest in Kowloon Development K. F. Lo Securities Limited at a consideration of \$9 million in July 2001. This disposal resulted in a loss of \$0.9 million to the Group.

## BUS OPERATION

In line with the Group's new objective to concentrate on the property development and investment business, in March 2002 the Group disposed of all its interest in Harvest City Ltd., a company operating bus routes in China on a joint venture basis, at a consideration of \$25 million realising a profit of \$0.6 million. The bus operations contributed a profit of about \$3 million to the Group for 2001.

## INTERNET-BASED CRUDE OIL TRADING

In July 2001, the Group disposed of all its interest in Circuit Technology Limited which held 48% shareholdings in NetThruPut Inc, the Canadian internet-based crude oil trading company, at a consideration of US\$10 million and realized a profit of \$1.6 million.

## IT INVESTMENT

During the year under review, Asiasoft Hong Kong Limited recorded a loss and the Group's share was \$1.9 million. Impairment losses of \$15.3 million and \$2 million on the goodwill of and investment in this associated company were recognized in the Group's accounts for 2001 respectively. The carrying value of the investment has been written down to zero.

## 皮鞋分銷及銷售

集團擁有一間從事批發及零售皮鞋之公司 **Southern Success Corporation** 之百分之二十權益。消費者於二零零一年整年之消費信心及意欲均非常低沉，因此，該公司之邊際盈利下跌，於回顧年度僅為集團帶來盈利八十萬港元，數目遠較管理層預期為低。

## 財務回顧

### 資金管理

於二零零一年，透過出售兩項投資物業與出售兩間聯營公司 **NetThruPut Inc.** 及九建羅建輝證券有限公司權益之所得款項，本集團之銀行貸款由二零零零年十二月三十一日之八億五千零三十萬港元，大幅削減至二零零一年十二月三十一日之三億零二百萬港元。負債比率亦由百分之二十下降至百分之十。

本集團於二零零一年十二月三十一日有超過四億港元備用銀行信貸額尚未動用。該筆信貸額將足以應付本集團之一般營運資金需要，以及對發展羅便臣道項目之承擔。

自年結日起，本集團已安排充足之銀行信貸，以應付向 **Polytec Holdings International Limited** 收購資產所需之資金需求。

### 利率及貨幣風險

所有銀行借貸乃按浮動息率基準進行，其中二億港元已於二零零一年初安排利率掉期合約對沖。管理層將密切留意其餘財務債務所面對之利率風險。

本集團大部份之業務均位於香港，故此，匯率變動將不會對本集團構成重大影響。

## DISTRIBUTION AND SALE OF FOOTWARE

The Group owns 20% of Southern Success Corporation, a company in the business of wholesaling and retailing of footwear. Consumers' confidence level was very low throughout 2001 with little retail spending. As a result, the company's profit margin was reduced and its contribution to the Group's profit for the year under review was only \$0.8 million, an amount substantially less than Management's expectation.

## FINANCIAL REVIEW

### Fund Management

With the proceeds from the sale of the two investment properties and disposal of the Group's interest in the two associated companies, NetThruPut Inc. and Kowloon Development K. F. Lo Securities Limited in 2001, the Group's bank borrowings reduced significantly from \$850.3 million as at 31 December 2000 to \$302 million as at 31 December 2001. The debt to equity ratio also decreased from 20% to 10% accordingly.

The Group had committed undrawn bank facilities of more than \$400 million available as at 31 December 2001. This is sufficient for the Group's general working capital needs and commitments for the development of Robinson Road project.

Since the year end, sufficient banking facilities have been arranged to meet the funding requirements in respect of the contemplated acquisition of assets from Polytec Holdings International Limited.

### Interest Rate and Currency Exposure

All bank borrowings are arranged on a floating rate basis, of which \$200 million has been hedged by an interest rate swap contract arranged in early 2001. Management will closely monitor the Group's exposure to interest rate risks on the remaining financial obligations.

Most of the Group's activities are in Hong Kong and therefore the Group's exposure to exchange rate fluctuations is insignificant.

## 資產抵押

於二零零一年十二月三十一日，本集團帳面值合共約三十億五千八百萬港元之物業已按固定質押抵押予銀行，以獲取授予本集團之一般銀行信貸。

## 或然負債

本集團就若干聯營公司獲授予之銀行信貸或訂立之履約保證書，已向銀行及保險公司提供擔保，涉及金額達三千四百九十萬港元。此等信貸於二零零一年十二月三十一日已動用三千四百萬港元。

## 僱員福利

### 職員薪酬及培訓

於二零零一年十二月三十一日，本集團僱用一百二十五名員工。年內員工薪酬總額達三千二百七十萬港元。員工薪酬每年按員工表現及市場情況釐定。本集團透過舉辦及資助各類培訓促進員工不斷改進及發展。

### 購股權計劃

本集團設有一項由股東於二零零零年六月十九日通過之購股權計劃。購股權可授予本集團之僱員(包括執行董事)以認購本公司股份。購股權計劃之詳情載於董事會報告書第三十二頁至第三十三頁。

### 公積金計劃

本集團自一九九四年十月一日起已設有固定供款之僱員退休計劃(ORSO計劃)及自二零零零年十二月一日起設有強制性公積金計劃(強積金計劃)。所有於二零零零年十二月一日或之後加入本集團之新僱員均須參加強積金計劃。

## Pledge of Assets

At 31 December 2001, properties of the Group with an aggregate carrying value of approximately \$3,058 million were pledged to banks under fixed charges to secure general banking facilities granted to the Group.

## Contingent Liabilities

The Group has given guarantees to banks and insurance company in respect of bank facilities and a performance bond granted to or entered into by certain associated companies amounting to \$34.9 million. These facilities were utilized to the extent of \$34 million at 31 December 2001.

## STAFF BENEFITS

### Staff Remuneration and Training

As at 31 December 2001, the Group employed 125 staff. Total salaries of the employees for the year 2001 amounted to \$32.7 million. Staff remuneration is reviewed annually based on the staff's performance and prevailing market conditions. The Group encourages continual staff improvement and development by organising and sponsoring various forms of training.

### Share Option Scheme

The Group has a share option scheme which was approved by the shareholders on 19 June 2000. Options may be granted under the scheme to employees of the Group, including the executive directors, to subscribe for shares of the Company. Details of the share option scheme is shown in the Report of the Directors on pages 32 to 33.

### Provident Fund Scheme

The Group operates a defined contribution staff retirement scheme (ORSO scheme) since 1 October 1994 and a mandatory provident fund scheme (MPF scheme) since 1 December 2000. All new employees who join the Group on or after 1 December 2000 are required to join the MPF scheme.