

Chairman's Report 主席報告書

Life is the unreachable horizon.

It retreats to open an unlimited vision.

生命的動力，源自無可限量的明天。



主席查濟民先生 Mr. Cha Chi Ming, Chairman

業績

二零零二／二零零三年度對集團來說是非常艱辛的一年，集團是年度的營業溢利為港幣一億六千八百萬元，但在為藍天海岸及投資物業作價值重估及撥備後，集團首度錄得虧損。

截至二零零三年三月三十一日止，集團股東應佔虧損為港幣七億零六十萬元，去年的溢利為港幣一億三千八百八十萬元；每股虧損為港幣六十一仙，去年每股溢利十二仙。是年度之營業額為港幣二十一億五千八百七十萬元，略高於去年同期之港幣二十一億元。

愉景灣於本年度繼續為集團帶來可觀的銷售營利，成為年內的主要收入來源，但由於集團須就東涌地鐵站上蓋二期物業及於香港、東南亞地區的發展項目作撥備，以至錄得赤字。於二零零二／二零零三年度內，集團為東涌藍天海岸撇賬港幣七億六千二百二十萬元。

股息

鑑於目前惡劣的營商環境及為應付將來的挑戰作準備，董事會建議不派發本年度的末期息。集團於二零零一／二零零二年以每持有八股集團股票，可獲發一股興勝創建股份的計算方式，向股東發放共一億四千四百六十七萬二千二百五十三股的特別股息。

Results

The year 2002/2003 was an extraordinarily difficult one to the Group. For the year ended 31 March 2003, the Group reported HK\$168 million in operating profits before share of loss in the Tung Chung Station Package II Development Project.

The Group for the first time recorded losses attributable to shareholders for a total of HK\$700.6 million compared with the previous year's profit of HK\$138.8 million. Losses per share for the year were HK\$0.61, compared with HK\$0.12 in earnings per share for the previous year. Turnover for the year was HK\$2,158.7 million, compared with HK\$2,100 million for the preceding year.

For year 2002/2003, Discovery Bay generated substantial profits to remain the major revenue source for the Group whereas the value of its Tung Chung project Coastal Skyline was written down further for a total of HK\$762.2 million.



Dividends

In view of the difficult business environment and to prepare for the challenges ahead, the Board of Directors does not recommend paying any final dividend to shareholders. For year 2001/2002, a special dividend in specie of 144,672,253 shares in Hanison Construction Holdings Limited (HCHL) was distributed to shareholders on a pro-rata basis of one HCHL share for every eight shares held in the Company.



愉景灣最新發展項目海澄湖畔 Siena, the latest development of Discovery Bay

年度業務摘要

於年內，集團業務的主要進展包括：

1. 愉景灣第十二期海澄湖畔二段於二零零二年九月正式公開發售。縱然經濟仍然疲弱不堪，截至二零零三年三月底為止，於首批推出合共二百八十個單位中，仍能成功售出二百五十八個。從海澄湖畔二段推出後穩定的銷情看來，集團在發展優質物業方面仍保持優勢，愉景灣作為一個優質的發展項目，憑藉其優美的自然環境及健康的生活格調，對本地和外籍人士始終別具吸引力。
2. 東涌地鐵站上蓋二期物業 — 藍天海岸第一期於二零零二年十二月開售，旋即成為市場焦點，於年結日前以高於同區市場的售價售出五百七十六個單位。
3. 二零零二年十二月，集團與上海靜安區有關當局達成協議，將數幅相連的優質地皮，重建為總樓面面積約三十一萬三千平方米的商住兩用的優質物業。



愉景灣海澄湖畔 Siena, Discovery Bay

集團財務

截至二零零三年三月三十一日，集團持有的現金及投資證券總值為港幣三十二億七千五百四十萬元（去年同期：港幣二十八億一千六百五十萬元）。而銀行借貸總值則為港幣三十一億七千二百六十萬元（去年同期：港幣二十五億一千二百五十萬元）。由於海澄湖畔及藍天海岸售出不少單位，加上因應發展策略而出售了個別非核心業務，進一步增加了集團可動用的流動現金。



東涌藍天海岸示範單位一隅 A corner of show flat of Coastal Skyline, Tung Chung

Highlights of the Year

The followings were some significant developments for the Group during the year:

1. Sales of Discovery Bay Phase 12, Siena Two, were launched in September 2002. Despite the weak economy, 258 of the 280 units marketed had been sold by the end of March 2003. The steady sales to local and expatriate buyers have again underlined the development's niche in the local property market - the healthy and natural environment in Discovery Bay and its unique appeal to the cosmopolitan clientele.
2. Phase 1 of the Tung Chung Station Package II development, Coastal Skyline, was marketed in December 2002 and immediately became the market focus. A total of 576 units had been sold by the end of March 2003 for an average price outperforming prevailing market levels in the surroundings.
3. The Group reached agreement with the authorities of Jingan District, Shanghai, in December 2002 to redevelop several adjoining prime sites in the district into a mixed use development with a combined gross floor area of about 313,000 square metres.

Corporate Finance

As at 31 March 2003, the Group held a total of HK\$3,275.4 million in cash and investment securities (Last year: HK\$ 2,816.5 million) whereas its bank borrowings were HK\$3,172.6 million in total (Last year: HK\$2,512.5 million). Sales of Siena and Coastal Skyline and the disposal of non-core business assets according to its business strategy have augmented the Group's cash position.

另一方面，集團趁著去年的低利率經濟環境，成功爭取共港幣十三億二千萬元的低利率銀團貸款，並重組原來的信貸組合，以應付現有及新項目的發展需要。集團繼續保持百分之二十五的低負債比率。

憑著現金、證券和銀行信用安排，本集團之流動資金充裕，足以應付資金需要。旗下位於愉景灣、東涌、上海及海外多個投資項目均由集團內部現金及銀行貸款撥資發展。



藍天海岸的主題室外兒童遊樂場

Children's themed playground in Coastal Skyline

集團維持一貫的謹慎方針，處理貨幣風險。集團大部份銀行信貸皆以港元或美元結算，而外幣債務亦與其資產相吻合。集團堅持貫徹審慎理財之原則，嚴格禁止進行任何投機性衍生工具交易。

策略方針及業務前景

為配合集團的長遠發展策略，擴展中國內地業務將會是集團未來的發展方向之一，但與此同時，集團仍會以香港作為業務的主要基地。雖然非典型肺炎對國內經濟發展的長遠影響仍有待觀察及評估，但相信其對經濟基礎構成的影響有限。國內經濟的急速發展將繼續帶動整體金融基建的發展，中產階層將會日益壯大，而新興的按揭市場亦會迅速成熟。此三因素將有利於私人物業市場的發展。

The Group continued to take advantage of the low interest environment in the past year during which it renegotiated existing and secured new syndicated loans totaling HK\$1,320 million at low interest rate to refinance its existing working capital loan and to finance new projects. The Group continued to maintain a low gearing ratio of 25 per cent.

With the cash, securities and banking facilities on hand, the Group maintains a strong liquidity position and has sufficient funds to meet its working capital requirements. Its projects in Discovery Bay, Tung Chung, Shanghai and overseas are financed by internal cash and bank loans.

The Group's conservative financial policy with respect to currency exposure will not change. Bank borrowings are mostly denominated in Hong Kong and US dollars while foreign currency liabilities are generally matched with assets of the same denomination. The Group strictly forbids the use of derivatives for speculative purpose.

Strategic Directions and Prospects

As a long-term strategy for the Group, diversification into Mainland China will be an important priority for the next few years but Hong Kong remains a base for the Group. While the SARS impacts on China's economy have to be monitored and reassessed in the longer term, damage to the fundamentals seems minimal. The fast economic growth in China will continue to drive the recovery of the financial infrastructure, the expansion of the emerging middle class and the maturation of its newly developed mortgage market. Such trends are giving effect to an environment favourable to the private property market.



海澄湖畔臨湖而建的洋房及低座住宅單位 Houses and low-rise units around Siena Lake

集團正蓄勢待發，準備拓展內地龐大的市場。上海靜安項目便是向前邁進的一個指標。集團現正積極進行有關項目的規劃事宜，並以發展香港愉景灣的獨特經驗為藍本，致力將該項目發展為靜安區的地標項目。上海靜安項目將於中期內為集團帶來合理的收入。

本地的營商環境方面，二零零三／二零零四年仍將是極具挑戰性的一年，市場競爭亦會更趨白熱化。眾所周知，非典型肺炎對本地經濟的長遠影響尚未全面浮現，加上原本已經疲弱的經濟及失業率高企，令市場對樓宇的需求量進一步萎縮，使樓價持續受壓。集團期望樓市的供求量可於不久將來恢復平衡，買家亦可隨著經濟復甦而重拾入市信心。



曼谷The Sukhothai酒店
The Sukhothai Hotel in Bangkok

從積極的一面來看，隨著過去數年的樓價不斷下滑，加上歷史性的低按揭利率，使買家的按揭供款只及月入的百分之二十至二十五，亦令購買力攀升至二十年來的新高。去年年底開始，政府頒布了一系列挽救樓市措施，包括暫停拍賣政府土地等，種種因素將有助樓市復甦。

儘管經濟持續不振、市場競爭激烈，集團將繼續發揮所長，發展高質素的住宅，為買家創造更理想的優質家居，並建立別具品味的生活格調。集團的愉景灣及東涌兩個項目均能以高於同區平均市價成功推售，足證集團以發展優質項目為目標的理念得到買家的認同。

The Group is poised to tap China's enormous growth and the investment in the Jingan project in Shanghai is a big step in this direction. Plans are in hand to develop this project into a landmark in the premium district, drawing on the Group's unparalleled experience accumulated from the development of Discovery Bay in Hong Kong. In the medium term, the project is expected to bring reasonable returns to the Group.



藍天海岸示範單位 Coastal Skyline show flat

Locally, the business landscape is increasingly competitive and year 2003/2004 will continue to be challenging. While the full aftermath of SARS in Hong Kong has yet to be seen, property prices will remain under pressure in view of the shrinking demand as a result of the weak economy and increasing unemployment rate. It is hoped that the supply-and-demand equilibrium can be restored and that buyers' confidence can revive together with the economy in the not too distant future.

On the positive side, affordability of housing is at a two-decade high after years of price correction with historical low mortgage rate, making the mortgage payment amount to about 20 to 25 per cent of monthly income on average. Since late last year, the Government has also announced a number of measures including a moratorium on government land sales. These factors help contribute to the market environment positively.

Despite the difficult economy and competitive market, the Group will continue to build high quality properties to meet the aspiration of home buyers with distinctive style. The strategy has proved to be successful in the sales of the Group's Discovery Bay and Tung Chung developments. In both projects, the Group has achieved selling prices that have outperformed the prevailing market levels at the surroundings.

雖然香港正經歷策略性定位及發展方向上的結構性轉型，但其作為國際大都會的角色將維持不變。除了保持獨有的競爭優勢，香港將可繼續受惠於中國內地經濟起飛及全球經濟一體化等經濟環境。

本人希望藉此機會表揚和感謝各董事及管理層的領導、各級員工的勤奮和貢獻，使本集團能於最艱辛的時刻保持良好的競爭力。

最後，本人謹對各位股東和業務夥伴的鼎力支持和信任，表達衷心謝意。

主席
查濟民

二零零三年六月二十七日於香港

Though Hong Kong has been undergoing a structural change in terms of its strategic position and future direction, its role as a cosmopolitan city would remain unchanged. That is a distinct competitive edge that Hong Kong will continue to benefit from the economic growth of Mainland China and the globalized economic environment.

I would like to take this opportunity to express my thanks to the directors for their guidance and to all the staff for their dedication and hard work, which together have enabled the Group to remain competitive in one of the toughest moments.

Lastly, I would also like to thank our shareholders and business partners for their invaluable support and confidence in the Group.

CHA Chi Ming

Chairman

Hong Kong, 27 June 2003