

投資及其他業務

INVESTMENTS AND OTHERS

截至二零零一年十二月三十一日止年度，投資及其他業務錄得的營業額及未計公司總部利息及費用前純利分別為港幣107,800,000元及港幣27,700,000元，較去年同期減少45.6%及92.9%。

貨櫃碼頭

本集團擁有10%權益的HIT Investments Limited錄得穩定的業績。為深圳及華南製造業提供服務的香港貨櫃碼頭及鹽田深水港業務的合併吞吐量較去年錄得5%的升幅，而息稅前利潤較去年增長2%。在香港方面，與去年同期比較，香港國際貨櫃碼頭及COSCO-HIT在合併吞吐量方面錄得7%的跌幅，及未計利息及稅項前溢利下跌9%，抵銷了鹽田港在吞吐量及盈利的增幅。

銀行

於二零零一年十一月一日，本公司與力寶華潤有限公司訂立一項有條件協議，出售本集團持有香港華人的35.23%實質權益。是次出售事項於二零零二年一月十七日完成，本集團已於截至二零零一年十二月三十一日止年度的損益表內就此確認為數港幣292,000,000元的虧損。

The investments and others segment reported turnover and net profit before corporate interest and expenses for the year ended 31st December, 2001 of HK\$107.8 million and HK\$27.7 million respectively, representing decrease of 45.6% and 92.9% over that of last year.

Container Terminal

HIT Investments Limited, in which the Group has 10% interest, reported steady results. Hong Kong and Yantian deepwater port operation, which together serve the Shenzhen and Southern China manufacturing basin, reported combined throughput growth of 5% and earnings before interest and tax 2% ahead of last year. In Hong Kong, Hongkong International Terminals and COSCO-HIT reported a 7% decline in combined throughput and a 9% decline in earnings before interest and tax as compared to that of last year. This was more than offset by the growth in throughput and earnings of Yantian Terminal.

Bank

On 1st November, 2001, the Company entered into a conditional agreement with Lippo China Resources Limited for the disposal of the Group's effective interest of 35.23% in HCL. Such disposal was completed on 17th January, 2002, and a loss of HK\$292.0 million was recognised in the profit and loss account for the year ended 31st December, 2001.

未來新業務

NEW BUSINESS AHEAD



於二零零一年十一月二十六日，本公司與華潤集團訂立一項有條件之收購協議，向其收購紡織製造（按原設備製造基準）及經銷業務。隨著於二零零二年一月三十一日完成是次收購事項，加強鞏固了本集團在中國內地經銷業務及拓展市場的策略方針。紡織製造及經銷業務是中國內地出口紡織紗線與紡織品往香港及外國之大型出口商之一，並已在中國內地建立規模龐大的紡織品採購及貿易網絡。此綜向整合預期可增強本公司在中國內地成衣零售業務的協力優勢。

On 26th November, 2001, the Company entered into a conditional acquisition agreement with China Resources Holdings to acquire its textile manufacturing (on OEM basis) and distribution operation. The acquisition, which was completed on 31st January, 2002, reinforced the Group's strategic focus in strengthening its distribution business and market expansion in the Chinese Mainland. The textile manufacturing and distribution operation is one of the largest exporters of textile yarn and fabrics in the Chinese Mainland to Hong Kong and overseas and has established an extensive network in the Chinese Mainland for sourcing and trading of textile products. The vertical integration of this operation will enhance synergy with the Company's garment retailing business in the Chinese Mainland.

財務回顧

FINANCIAL REVIEW

資金及融資

本集團採取中央資金管理，務求可更有效地監控庫務運作及營運管理需要，藉此減省平均融資成本。本集團會繼續主要以經營業務所得的流入現金、股本及銀行借貸為其業務及資本開支提供資金。

於二零零一年五月，本集團發行230,000,000美元於二零零六年五月三十一日到期的零息可換股擔保債券（「可換股債券」），所得款項主要用作一般營運資金用途。

本集團於年內發行新可換股債券，可延長本集團之借貸期限。於二零零一年十二月三十一日，本集團包括可換股債券之借貸總額合共為港幣7,610,100,000元，大部份於五年內到期，其中港幣2,592,100,000元於一年內到期，另港幣5,018,000,000元主要於二至五年內到期。本集團於本年內，繼續維持大部份以無抵押基準之借款。於二零零一年十二月三十一日，無抵押借款佔本集團借貸總額的93.2%。以本集團的借貸淨額比對股東資金及少數股東權益計算，本集團的負債比率淨額仍然偏低，約為11.34%。本集團將貫徹實施審慎的理財政策以維持負債比率於低水平及保持穩健的財務狀況，此舉令本集團有信心可從日後出現的投資良機中得益。

除了本集團可換股債券屬於固定息率計息的貸款外，本集團大部份借貸均以浮息計息。

本集團的大部份資產及負債乃以港元、美元及人民幣訂值，故其外幣滙兌風險主要來自美元訂值的借貸。而本集團目前擁有足夠美元存款以應付其美元借貸。

Capital and Funding

The Group centralizes funding requirements for all its operations to achieve better treasury operational control and lower average cost of funds. The Group continues to finance its operations and capital expenditure principally by strong recurring cash inflow from operating activities, equity capital and bank borrowings.

In May 2001, the Group issued US\$230,000,000 zero coupon convertible guaranteed bonds (“convertible bonds”) due on 31st May, 2006, the proceeds of which were primarily used for general working capital purposes.

The issuance of the new convertible bonds during the year enables the Group to extend the maturity profile of its borrowings. As at 31st December, 2001, total borrowings of the Group inclusive of the convertible bonds amounted to HK\$7,610.1 million, the maturity profile spread over a period of five years with HK\$2,592.1 million repayable within 1 year and HK\$5,018.0 million principally repayable within 2 to 5 years. During the year, the Group continued to maintain most of its borrowings on an unsecured basis. As at 31st December, 2001, unsecured debt comprised 93.2% of total borrowings. Calculated based on the Group's net borrowings over shareholders' funds and minority interest, the Group's net gearing ratio remained low at approximately 11.34%. The Group will continue its policy of maintaining a prudent gearing ratio and its strong financial position, which enables the Group to take advantage of investment opportunities with confidence.

The majority of the Group's borrowings are subject to floating interest rates except for the convertible bonds that are fixed rates loans.

Substantial portion of its assets and liabilities of the Group are denominated in Hong Kong dollars, U.S. dollars and Renminbi. The Group is exposed to foreign currency exchange risk primarily with respect to its U.S. dollar dominated borrowings. Currently, the Group possesses sufficient U.S. dollar deposits to meet U.S. dollar borrowings.

或然負債

於二零零一年十二月三十一日，本集團並無重大之或然負債。

企業管治

董事局致力確保企業管治維持在高水平，以股東的利益為依歸，並致力增強與投資者之間的聯繫，增加公司資料的透明度。為使增強各利潤中心之內部溝通、決議及監察、新委員會架構已確立。本集團將會繼續採取進一步行動，以保障及增加股東利益。

於截至二零零一年十二月三十一日止年度，本公司一直遵守香港聯合交易所有限公司證券上市規則附錄十四所載的最佳應用守則，惟非執行董事並無指定委任期而需輪值退任。

僱員

於二零零一年十二月三十一日，本集團除其聯營公司以外僱用約39,000人，其中約33,000人在中國內地僱用，其餘主要駐守香港。本集團僱員按其工作性質及市況收取薪酬，附以獎勵計劃，以花紅形式鼓勵個人表現。本公司設立購股權計劃，旨在激勵合資格員工。本公司的舊購股權計劃已終止，並以已於二零零二年一月三十一日股東大會上通過採納新購股權計劃取代。詳情茲概述於截至二零零一年十二月三十一日止年度之年報內。

Contingent Liabilities

As at 31st December, 2001, the Group has no material contingent liabilities.

Corporate Governance

The Board of Directors is committed to ensure high standards of corporate governance in the interest of the shareholders. Proactive efforts are devoted in the prospective of investor relations to enhance transparency of corporate information. A new committee structure has been introduced to strengthen internal communication, decision making and supervision of the business units. The Group will continue to take further steps to safeguard and increase shareholders' value.

Throughout the year ended 31st December, 2001, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong, except that non-executive directors of the Company have no set term of office but retire from office on rotation basis.

Employees

As at 31st December, 2001, the Group excluding its associated companies employs approximately 39,000 people. Within which, approximately 33,000 people are employed in the Chinese Mainland with the remaining predominantly in Hong Kong. The Group's employees are remunerated according to the nature of the job and market trends with built-in merit components, paid in the form of bonuses, to reward individual performance. The Company operates share option schemes for the purpose of providing incentives to eligible staff. The Group's old share option scheme was terminated and replaced by the adoption of a new share option scheme approved by the shareholders in the general meeting on 31st January, 2002. Details of the schemes are described in the Annual Report for the year ended 31st December, 2001.

前景

鑑於香港經濟低迷，而本集團的資產大部份均位於香港，故此過去一個財政年度是充滿挑戰的一年。然而，在有跡象顯示全球經濟正在復甦及中國內地經濟預期可維持其可觀增長下，本集團在未來一個財政年度的業務前景仍是樂觀的。

中國已加入世界貿易組織，預期中國將會成為全球投資的焦點。本集團將會加快在中國內地的投資步伐。我們的目標是，在五年後本集團的收益及除稅前溢利會有一半來自中國內地，遠高於過去一個財政年度的32%和13%。

在未來數年，董事的目標是使本集團不論在收益、盈利能力、顧客滿意度以及管理方面，均成為中國內地最大的消費產品零售商。董事具體地展望於五年內透過內部增長和外部收購，達到於中國內地零售營業額人民幣伍佰億元的目標。

為了應付新挑戰，本集團亦已強化其管理隊伍。憑藉以零售為首的獨特經銷模式及強勁的財政狀況，本集團現已蓄勢以待，可望把握中國內地及香港日後的商機。

致謝

本人謹藉此機會代表董事局向本集團全體員工於本年度努力不懈、摯誠投入致以最深切謝意。

承董事局命
寧高寧 主席

香港，二零零二年四月十五日

Prospects

Against the background of deteriorating economy in Hong Kong where the majority of the Group's assets are located, the financial year under review has been a challenging one.

However, there are signs that the global economy is recovering and the Chinese Mainland's economy is anticipated to maintain its impressive growth. The outlook for the Group's businesses in the coming financial year is positive.

China is expected to become the hub for global investments following its accession to the World Trade Organisation. The Group will speed up its investments in the Chinese Mainland. We target to derive half of the Group's revenue and profit before taxation from the Chinese Mainland in five years' time, comparing with 32% and 13% respectively during the financial year.

Over the coming years, the Directors aim to build the Group into the largest retailer of consumer goods in the Chinese Mainland in terms of revenue, profitability, customer satisfaction as well as management excellence. Specifically, the Directors intends to achieve a target retailing turnover in the Chinese Mainland amounting to RMB50.0 billion in five years' time through organic growth and by acquisition.

To cope with the new challenges, the management team has also been strengthened. With a unique retail-led distribution model and a strong financial position, the Group is well-positioned to capture the upcoming business opportunities in both the Chinese Mainland as well as Hong Kong.

Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere thanks to all the Group's employees for their continuous support and dedicated services during the year.

By Order of the Board
NING GAONING *Chairman*
Hong Kong, 15th April, 2002