

CHAIRMAN'S STATEMENT

主席報告

It is my pleasure to submit on behalf of the Board of Directors (the "Board") the results of GZITIC Hualing Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2001.

本人謹代表國信華凌集團有限公司〔「本公司」〕董事會〔「董事會」〕，欣然向各股東提呈本公司及其附屬公司〔「本集團」〕截至二零零一年十二月三十一日止年度之業績報告。

Financial Highlights

Turnover of the Group amounted to approximately HK\$1,650,988,000 for the year ended 31 December 2001, decreased by about 9% as compared to same period last year. The Group's profit attributable to shareholders reached approximately HK\$10,759,000, representing a drop of about 88% as compared to that of last year. The Board does not recommend the payment of any final dividend for the year ended

財務摘要

截至二零零一年十二月三十一日止年度，本集團營業額約達1,650,988,000港元，較去年同期下跌約9%，經審核股東應佔溢利約為10,759,000港元，較去年下降約88%。董事會不擬派發截至二零零一年十二月三十一日止年度之股息。



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Chairman Chen Xiao-shi
董事長 陳小石

Business Review

During the year under review, the sales volume of the Group's air conditioners has achieved steady growth. The total number of air conditioners sold reached approximately 465,000 units, representing an increase of approximately 10% as compared to that of last year. The number of refrigerators sold recorded approximately 665,000 units, an increase of approximately 10% as compared to that of last year. As for the turnover of the Group, both air conditioner and refrigerator businesses recorded a decrease of 10% and 6% to approximately HK\$1,138,884,000 and HK\$511,864,000 respectively, as compared to that of last year. Fierce price competition was encountered in the domestic household appliance industry, resulting in a significant decrease in the overall price level which severely reduced the profit margin of the industry as a whole, leading to the decrease of the Group's turnover. During the year under review, the Group was committed to take aggressive business strategies and effective cost control measures with an aim to increase the profit margin of the Group's products while managing the downturn of the profitability.

The Group's export business increased significantly, with a growth of approximately 110% and 4% for the air conditioner and refrigerator businesses respectively. The Group developed and launched 52 new products during the year under review, with an intention to aggressively expand its market share in both domestic and overseas markets and to increase the overall competitive strength of HUALING products. In the meantime, the Group has successfully enhanced its production capacity and cost control. The annual production capacity of HUALING air conditioner increased from 700,000 units to 1,200,000 units. By the end of year 2002, upon the completion of enlargement of production capacity for mini-refrigerator factory in Hefei, Anhui, its annual production capacity will increase from 600,000 units to 1,200,000 units. During the year under review, the Group implemented effective cost control measures resulting in a decrease of about 6% for the unit cost of air conditioner and refrigerator.

At the same time, the Group's air conditioner division co-developed the Enterprise Resource Planning ("ERP") with Legend Holdings Limited during the year to improve the information infrastructure so as to upgrade the decision making efficiency and competitiveness. The Group also strived to enhance the calibre of the staff. The Group recruited management specialists and technical experts within and outside the country to conduct training programme for its staff.

For the year under review, the Group actively improved the production technology, product quality and cost structure. It also adopted progressive business strategies in order to maintain a steady growth even in the fierce competitive environment of white household appliance market.

業務回顧

於回顧年內，本集團之空調產品銷售量取得了穩定之增長，空調總銷量約達465,000台，比去年增加約10%；冰箱總銷售量約達665,000台，比去年上升約10%。惟空調及冰箱產品之營業額均較去年下跌分別約10%及6%，約達1,138,884,000港元及511,864,000港元。營業額之下跌主要是由於市場產品價格競爭過度，使國內家電市場的總體價格水平大幅下降，嚴重減低了行業整體之盈利水平。本集團於回顧年內致力以進取之業務策略以及有效之成本控制，以提高產品之邊際利潤，使盈利水平之跌幅減至最小。

本集團之出口業績令人鼓舞，空調及冰箱之出口銷量較去年分別增長約110%及4%。為擴大本集團於國內及海外市場的佔有率，以及擴闊「華凌」品牌之產品種類，本集團於年內新開發的產品種類達52種，大大增強「華凌」產品之綜合競爭力。本集團於改善生產設備及成本方面亦取得進展，「華凌」空調生產能力由700,000台增加至1,200,000台，安徽合肥之小冰箱廠亦動工擴建600,000台，預計於二零零二年年底將完工，屆時生產能力將達到每年1,200,000台。於年內，本集團推出有效之成本控制措施，令空調及冰箱單台成本平均下降約6%。

與此同時，本集團之空調部門於年內與聯想集團有限公司進行合作，共同建設企業資源規劃系統（「ERP」），以改善資訊網絡之建設，提升內部管理層之決策效率及競爭力。本集團亦致力提升員工之水平，於年內聘請國內外企業管理專家及技術專家為員工進行有系統的培訓。

於回顧年內，本集團管理層積極提升產品製造之技術水平、優化產品之素質以及加強控制成本，以進取之業務策略，致力在競爭激烈之白色家電市場上，取得穩健的發展。