

MANAGEMENT DISCUSSION & ANALYSIS

管理層分析及討論

Industry Environment

A survey jointly conducted by the Development Research Centre of the State Council, PRC and other related institutions reveals that the current household appliance market in the PRC is undergoing a steady development. The urban market will focus on the theme of renewal, while the rural market will stress on the theme of popularization. Having analyzed the market situation of household appliances in the PRC for the year under review, the management of the Group believes that the domestic market competition is growing more intense whilst the price war will drastically lower the entire market price, resulting in a general plunge of profitability in the PRC's household appliance industry.

The development of domestic air conditioner market is entering a mature stage. In the year under review, although the summer was rainy and the temperature was relatively low, thus affecting the sales of air conditioners, the overall performance of the domestic air conditioners was satisfactory and the total production increased by about 28% over the previous year. The keen market competition led to a dramatic decrease in the price level of the air conditioner market, resulting in a lowered profit level for the entire industry. Fortunately, the technological advancement in the production of air conditioner has substantially strengthened the product competitiveness in the international market followed by a surge in the export business. The total number of units of air conditioners exported reached 5,791,800 units, representing an increase of about 56% compared to that of last year.

After a nearly 20 years of speedy development, the urban refrigerator market in the PRC reached over 85% of penetration level. During the year, a slight increase of about 5.6% over the last year was recorded for the domestic refrigerator production. Despite the reduction of sales volume in the domestic market, there was a rapid growth in the export sector. The total number of refrigerators exported reached approximately 4,530,000 units, representing an increase of about 1,000,000 units to that of last year and the result was encouraging.



行業環境

據中國國務院發展研究中心等單位共同組織進行的聯合調查顯示，目前國內家電市場總體仍處於平穩上升之階段，以更新換代為主題的城市市場及普及化為主的農村市場。對於回顧年內國內家電市場狀況之分析，本集團之管理層認為，國內市場之競爭不斷加劇，而價格戰之掀起更大大地降低產品市場之整體價格水平，令年內中國家電企業之整體盈利水平全面下滑。

國內空調產品市場正進入成熟的發展階段，於回顧年內，夏季雖然多陰雨及氣溫偏低，使空調銷量受到一定影響，但整體而言，年內國內空調之表現理想，總產量比去年上升約28%。然而，由於市場價格競爭激烈，使國內空調的市場總體價格水平大幅下降，減低了行業整體之盈利水平。幸而，國內空調產品技術水平的不斷提高，大大增強了產品於國際市場之競爭力，使得年內空調出口業務大幅增加，年內總出口量約達到5,791,800台，比去年增加約56%。

冰箱行業在經歷了近20年的高速發展後，現時中國城鎮冰箱市場的浸透率已達85%以上；於回顧年內，國內冰箱總產量比去年錄得輕微的增長，上升了約5.6%。雖然國內市場銷量比去年有所減少，但由於出口之快速增長，年內國內冰箱出口量約達到4,530,000台，比上年度增加了約1,000,000台，成績令人鼓舞。

Balance Sheet Highlights

資產負債表摘要

HK\$ Million 百萬港元	1999	2000	2001	00/01 Change 改變
Non-current Assets 非流動資產	728	758	800	6%
Inventory 存貨淨值	455	627	635	1%
A/C Receivables 應收賬款	171	201	301	50%
Cash on Hand 手頭現金	91	171	187	9%
Bank Loan 銀行貸款	529	540	535	-1%
Shareholders' Equity 股東權益	508	601	682	13%

Financial Ratio Highlights

主要財務比率摘要

HK\$ Million 百萬港元	1999	2000	2001	00/01 Change 改變
Current Ratio 流動比率	0.83	0.95	0.94	-1.05%
* Debt/Equity Ratio 負債/股東權益比率	1.04	0.9	0.83	-7.78%
AR/Turnover 應收賬款/銷售比率	14.28%	11.09%	18.22%	64.46%
Gross Profit Ratio (Gross profit/Turnover) (銷售毛利/銷售收入)	32.26%	26.02%	26.29%	1.04%
Net Profit Ratio (Profit attributable to Shareholders/Turnover) (股東應佔溢利/銷售收入)	4.60%	4.98%	0.65%	-86.95%

* Debt/Equity Ratio:
Long-term borrowings + short-term
borrowings/Shareholders' equity
負債/股東權益比率：
長期借款+短期借款/
股東應佔權益

Even though the domestic refrigerator market in the urban area appeared to be saturated in the short run, a large part of the rural market with over 90% of the total population in the PRC has not yet been explored. Coupled with the continuous development of emerging technologies such as digital, network and nanotechnology and their application in the refrigerator, it is believed that new technology will drive new market demand and the domestic refrigerator industry will have tremendous room for development in the future.

The PRC household appliance industry is undergoing rapid development in the international trading market. Currently, the refrigerators made in the PRC accounted for approximately 16% of the total global production whereas air conditioners accounted for about 30%. The total export of household appliance for the year reached approximately US\$6.929 billion, increased by 23.27% compared to the same period last year. The trade balance of the export of household appliances was US\$5.151 billion, after excluding the factor of lower export price, the growth rate was over 30%. With the continuous development of the household appliance market in the PRC, the corporate competitiveness will be increased consequently. Since it is believed that the global household appliance industry will be shifted to the PRC in the future, which is a result of the competitive advantage of the PRC household appliance industry, the development and export of the household appliance industry of the PRC will expand at full speed. It is expected that the household appliance industry of the PRC will take up an important position in the international household appliance market.

The Group maintained a stable development during the year under review in spite of the fierce business environment. It is anticipated that the competition of the domestic household appliance market in 2002 will be intensified. The Group has taken this factor into account and formulated strategic measures to ensure a stable growth of the Group's business development.

儘管短期內國內城鎮冰箱市場仍將呈現趨向飽和的現象，但由於佔中國總人口90%以上之農村市場大部分尚未開發，加上隨著數碼、網絡以及納米等新興技術的不斷發展，以及其在冰箱產品中的運用，新技術將帶動新的市場需求，業界人士認為，未來國內冰箱行業仍有極大發展空間。

中國家電行業在國際貿易市場上正以高速發展，目前在世界總產量中，中國製造之冰箱約佔全球總產量約16%，空調產量則佔大約30%。全年家電產品出口額約達69.29億美元，比去年同期增加約23.27%；家電出口貿易順差為51.51億美元，扣除出口價格下降因素，出口家電銷售增長已超過30%，隨著中國家電市場不斷成熟，企業競爭力也將不斷提高。由於家電製造業競爭優勢所造成的全球家電製造業向中國轉移的活動相信在未来幾年將會持續，從而將進一步帶動中國家電製造業發展和出口高速增長，可以預期中國之家電行業在國際家電市場佔有一重要之地位。

本集團在回顧年內，在困難的營商環境下，仍取得穩健的發展。預計二零零二年國內家電市場之競爭將更趨激烈，本集團對此已作充分考慮，並制定策略性應對措施，以確保本集團業務能維持穩步的發展。