

紡織

本集團於二零零二年一月以港幣940,000,000元的代價，向母公司——華潤集團收購紡織業務。所收購的紡織業務自一九五零年代末開展以來，已成為紡織業鼎尖領導公司之一，主要在中國內地從事製造和經銷紡織及成衣的業務，擁有穩健的進出口網絡，雄厚的供應以及遍佈全球的客戶。本集團已經在二零零二年五月收購了位於山東多個業務單位的少數股權，以及在二零零二年十一月收購位於河北一間公司的控股權益，務求鞏固紡織業務的管理工作。為了減省所收購業務的經營和生產成本，協助本集團落實計劃，提高在中國內地高度分散的紡織成衣業的市場份額，本集團於二零零三年二月宣佈以人民幣163,500,000元的代價，收購深圳的一間上市公司——華潤錦華有限公司的51%股權。是項收購仍有待監管機關審批，包括提出全面收購建議的豁免權，方告完成。此外，本集團亦於二零零三年三月訂立另一項協議，收購位於江蘇的一項紡織生產業務。為了提高品質，從而改善毛利，本集團已經在二零零二年底展開一項計劃，利用內部資源，以先進機器取替舊有機器。美國西岸港口在二零零二年九月的工潮並沒有嚴重影響成衣出口的業務。

紡織業務在截至二零零二年十二月三十一日止年度錄得營業額港幣2,521,500,000元，未計公司總部利息和費用前純利達港幣164,300,000元。在回顧年度內，就華潤集團訂明的盈利保證要求的港幣160,000,000元已經達到。

本集團對於紡織業務非常樂觀，相信更新後的技術在發揮影響力後，業務將會更具競爭力，同時帶來更理想的回報。

TEXTILES

The Group acquired the textile business from its parent, CRH, in January 2002 for a consideration of approximately HK\$940 million. The textile business, established in the late 1950s, is one of the leading players in the textile industry engaging in the manufacturing and distribution of textiles and garments in the Chinese Mainland. The acquired business has an established network for imports and exports with a strong base of supply and customers around the world. In order to strengthen the management for the textile operation, the Group also acquired the minority interests of several operating units in Shandong in May 2002 and a controlling interest in a company in Hebei in November 2002. With a view to reduce operational and production costs of the acquired business and to facilitate the Group's plan to increase its market share in the highly fragmented textiles and garment manufacturing industry in China, the Group announced in February 2003 the acquisition of 51% interests in China Resources Jinhua Co. Ltd., a Shenzhen-listed company, for a consideration of RMB163.5 million. The completion of acquisition is subject to regulatory approvals including a mainland waiver from making a general offer. In addition, the Group entered into an agreement in March 2003 to acquire a textile production operation in Jiangsu. In order to upgrade product quality aimed at improving profit margins, the Group has started a program in late 2002, funded through internal resources, to replace old machines with advanced ones. The west coast port lockout in the United States in September 2002 has insignificant effect to the garment exports business.

For the year ended 31 December 2002, the operation reported a turnover of HK\$2,521.5 million and a net profit before corporate interest and expenses of HK\$164.3 million. Under the provision of profit guarantee from CRH, the guaranteed profit at HK\$160.0 million was met for the year under review.

The Group is optimistic that the operation will turn more competitive in the market place and contribute good returns when the effects of technical upgrade begin to take root.

物業

在回顧年度內，香港的樓市一片淡靜。辦公室和工業物業的淨租金繼續下滑，回復至一九八八年的水平。樓市下滑影響本集團的租金收入，但物業出租率依然維持高企。

物業業務在截至二零零二年十二月三十一日止年度錄得營業額港幣540,800,000元(二零零一年：港幣1,478,900,000元)，未計公司總部利息及費用前純利港幣220,800,000元(二零零一年：港幣512,700,000元)。營業額和盈利較二零零一年遜色，反映本集團已經採取政策轉攻零售業務。

物業發展

本集團在香港的物業發展業務，包括灝景灣發展項目的55%權益，在截至二零零二年十二月三十一日止年度錄得營業額港幣70,800,000元(二零零一年：港幣999,200,000元)，未計公司總部利息及費用前純利港幣12,300,000元(二零零一年：港幣208,000,000元)。灝景灣項目已經竣工，大部份住宅單位已在過往年度售出。在二零零二年底時，僅餘三個住宅單位待售，500個停車位有211個已經售出及有266個已經租出。



PROPERTY

The property market in Hong Kong was lackluster for the year under review. Net rentals of office and industrial properties continued to slide and had returned to the level in 1988. The Group's rental income was affected by property downturn but occupancy rates remained high.

For the year ended 31 December 2002, the property operation reported a turnover of HK\$540.8 million (2001: HK\$1,478.9 million) and a net profit before corporate interest and expenses HK\$220.8 million (2001: HK\$512.7 million). The decline in turnover and profit compared to 2001 reflects the Group's strategy to shift its focus to retail-led businesses.

PROPERTY DEVELOPMENT

For the year ended 31 December 2002, the Group's Hong Kong property development segment, which comprises its 55% interest in the Villa Esplanada project, recorded a turnover of HK\$70.8 million (2001: HK\$999.2 million) and a net profit before corporate interest and expenses of HK\$12.3 million (2001: HK\$208.0 million). The developments have been completed with all residential units substantially sold in prior years. At end of 2002, only 3 residential units were left unsold. Of the 500 car parks, 211 have been sold and 266 leased as at end of 2002.

收租物業

本集團的零售物業位於香港黃金地段，包括銅鑼灣、旺角、尖沙咀和荃灣，總樓面面積約達398,000平方呎。本集團位於南豐中心的新之城，針對年青新一代，自從二零零零年開業以來，租金收入一直保持穩定增長。憑著這次成功經驗，本集團遂決定在二零零三年翻新位於旺角的零售物業，以革新裝修和鮮明主題吸引和挽留客戶。截至二零零二年十二月，大部份零售物業都已經租出。本集團持作工業和辦公室用途的收租物業，總樓面面積分別約達812,000平方呎和163,000平方呎。

本集團的收租物業包括零售店舖、辦公室和工業單位，在截至二零零二年十二月三十一日止年度錄得營業額港幣286,500,000元（二零零一年：港幣309,400,000元），未計公司總部利息及費用前純利港幣148,500,000元（二零零一年：港幣242,500,000元）。本集團已為本業務投資物業在截至二零零二年十二月為止的重估減值計提港幣78,600,000元的撥備，其中港幣57,400,000元已在集團的綜合損益表內反映和港幣21,200,000元在儲備反映。

本集團是香港經營貨倉和冷倉倉庫的主要公司之一，倉庫樓面面積有1,550,000平方呎。經濟持續疲弱，令貨倉和冷倉倉庫的佔用率由去年的91%和90%下滑至今年的89%和86%。儘管競爭加劇，需求偏軟，本業務的營業額仍然有平穩表現，營業額錄得港幣183,500,000元（二零零一年：港幣170,400,000元），純利達港幣60,000,000元（二零零一年：港幣62,200,000元）。

RENTAL PROPERTIES

The Group's retail properties are located in the prime Hong Kong districts including Causeway Bay, Mongkok, Tsimshatsui and Tsuen Wan, occupying a total floor area of about 398,000 square feet. The Group's New Town Mall 新之城 at Nan Fung Centre, targeting younger generations, has enjoyed stable growth in rental income since opened in 2000. Riding on this success, the Group will take steps in 2003 to revamp its retail properties at Mongkok with innovative decors and distinctive themes to attract and retain customers. As of December 2002, most retail properties were fully leased. The Group's rental properties held for industrial and office use, has a total floor area of approximately 812,000 square feet and 163,000 square feet respectively.

For the year ended 31 December 2002, the Group's rental properties segment, which comprises retail stores, office and industrial premises, reported a turnover of HK\$286.5 million (2001: HK\$309.4 million) and a net profit before corporate interest and expenses of HK\$148.5 million (2001: HK\$242.5 million). A provision of HK\$78.6 million has been made, of which HK\$57.4 million was reflected in the Group's consolidated profit and loss account and HK\$21.2 million to the reserves, to reflect the decline in value for the investment properties as of December 2002.

The Group is one of the major godown and cold storage owners and operators in Hong Kong with a total floor area of 1,550,000 square feet. Due to the weak economy, occupancy rates for godown and cold storage operations dropped from last year's 91% and 90% to this year's 89% and 86% respectively. Despite the growing competition and low demands, the operation still reported a stable performance in turnover of HK\$183.5 million (2001: HK\$170.4 million) and net profit of HK\$60.0 million (2001: HK\$62.2 million) for the year under review.

投資及其他業務

截至二零零二年十二月三十一日止年度，本集團的其他投資錄得營業額分別為港幣518,400,000元（二零零一年：港幣774,300,000元），未計公司總部利息及費用前純利港幣407,300,000元（二零零一年：港幣169,500,000元）。

若剔除二零零一年出售資產的港幣59,100,000元收入，以及出售銀行業務投資的已確認虧損港幣292,000,000元，二零零二年度的溢利實質增加1.2%。

貨櫃碼頭

本集團擁有 HIT Investments Limited 的10%權益。香港和鹽田深水港共同服務深圳和華南市場，合併吞吐量和息稅前盈利均分別錄得21%和11%的增長。

建築物料

雖然建築材料業務在回顧年度的表現受稀疏的建築活動影響，但本集團對長遠前景仍然審慎樂觀，因為港府仍會利用大量投資基建項目來維持香港的競爭力。港府已經宣佈出多個重點發展項目，包括維多利亞港、運輸建設、市區重建、興建港口和新市鎮等。這些興建項目均可帶動混凝土的需求。

本業務在截至二零零二年十二月三十一日止年度錄得營業額港幣391,500,000元，比去年減少41.3%，未計公司總部利息及費用前純利為港幣53,300,000元，比去年下降62.4%。

於二零零三年三月二十六日，本集團宣佈建議透過向股東分派股份，重組預拌混凝土業務，務求精簡和專注核心業務。

INVESTMENTS AND OTHERS

For the year ended 31 December 2002, the Group's other investments reported a turnover of HK\$518.4 million (2001: HK\$774.3 million) and a net profit before corporate interest and expenses of HK\$407.3 million (2001: HK\$169.5 million).

Excluding the asset disposal income of HK\$59.1 million and the loss recognised of HK\$292.0 million for the investment in banking business in 2001, profit for the year of 2002 increased by 1.2%.



CONTAINER TERMINAL

The Group has a 10% interest in HIT Investments Limited. The Hong Kong and Yantian deepwater port operations, which together serve the Shenzhen and Southern China manufacturing basin, reported combined throughput growth of 21% and EBIT growth of 11%.

BUILDING MATERIALS

While the performance for the year under review was affected by low construction activities, the Group is cautiously optimistic of its longer-term prospect as the government attaches great importance to invest in infrastructure to maintain Hong Kong's competitiveness. The Hong Kong government has announced various key focus areas for developments including Victoria Harbour, transportation, urban renewal, ports and new towns etc. All these construction activities will generate positive demand for concrete.

For the year ended 31 December 2002, the operation reported a turnover of HK\$391.5 million, a decrease of 41.3% from that of last year and a net profit before corporate interest and expenses of HK\$53.3 million, a decrease of 62.4% as compared to 2001.

On 26 March 2003, the Group announced a proposal to restructure the ready-mixed concrete business by way of distribution in specie of its equity in such business to shareholders with a view to streamline and focus on its core operations.

財務回顧

資金及融資

本集團主要以內部業務所得的現金流入、股本及銀行借貸為其業務提供所需資金。在二零零二年四月全數償還175,000,000美元浮息票據，以及悉數償還港幣29億元銀團貸款後，本集團於二零零二年十二月三十一日的借貸為港幣5,429,000,000元，其中港幣2,278,500,000元於一年內到期。本集團的綜合現金達港幣3,946,100,000元。本集團於二零零二年十二月三十一日尚未動用的借貸備用額約港幣20億元（二零零一年：無）。除了本集團在二零零一年五月發行及於二零零六年五月三十一日到期的230,000,000美元可換股擔保債券以固定息率計算利息外，所有其他銀行貸款均以浮動息率計算。

以本集團的借貸淨額比對股東資金及少數股東權益計算，本集團的負債比率維持在約9.0%的低位。

本集團大部份資產以港元、美元及人民幣訂值。於二零零二年十二月三十一日，本集團的借貸中有21.2%以港元列值、39.3%以美元列值及39.5%以人民幣列值。於二零零二年十二月三十一日，本集團在外匯合約、掉期利息或貨幣或其他金融衍生工具上並無重大風險。

本集團於二零零二年十月獲批出一項價值港幣30億元的雙重貨幣銀團貸款備用額度。美元貸款息率為倫敦銀行同業拆息加39個基點，港幣貸款息率為香港銀行同業拆息加39個基點。是項備用額度將會作為償還現有貸款及應付本集團及其附屬公司的營運資金需求。

FINANCIAL REVIEW

CAPITAL AND FUNDING

The Group finances its operations principally by cash generated from internal operations, equity capital and bank borrowings. After fully repaying the Floating Rate Notes of US\$175 million in April 2002 and settling the HK\$2.9 billion syndicated loan, the Group's borrowings as at 31 December 2002 was HK\$5,429.0 million with HK\$2,278.5 million payable within 1 year. The Group's consolidated cash amounted to HK\$3,946.1 million. Committed borrowing facilities available to the Group, but not drawn as at 31 December 2002, amounted to approximately HK\$2.0 billion (2001: Nil). The US\$230 million convertible guaranteed bonds, issued by the Group in May 2001 and due on 31 May 2006, are subject to fixed interest rate while all other bank borrowings are subject to floating rates.

Calculated on the basis of the Group's net borrowings over shareholders' funds and minority interests, the Group's net gearing ratio remained low at approximately 9.0%.

The Group has a substantial portion of its assets denominated in Hong Kong dollars, U.S. dollars and Renminbi. As of 31 December 2002, the Group has 21.2% of its borrowings denominated in Hong Kong dollars, 39.3% in U.S. dollars and 39.5% in Renminbi. As of 31 December 2002, the Group had no material exposure to foreign exchange contracts, interest or currency swap or other financial derivatives.

In October 2002, the Group sealed a HK\$3 billion dual-currency syndicated loan facility. The interest rate has been set at 39 basis points over the London inter-bank offered rate for the United States dollar loans and 39 basis points over the Hong Kong inter-bank offered rate for the local currency. The facility will be utilized for refinancing the existing loans and general corporate funding needs for the Group and its subsidiaries.

資產質押

於二零零二年十二月三十一日，賬面淨值達港幣466,400,000元(二零零一年：港幣654,000,000元)的固定資產已質押作為港幣370,600,000元(二零零一年：短期貸款港幣438,300,000元和長期貸款港幣37,600,000元)之短期貸款的抵押品。

或然負債

於二零零二年十二月三十一日，本集團並無重大或然負債。

PLEDGE OF ASSETS

As at 31 December 2002, fixed assets with net book value of HK\$466.4 million (2001: HK\$654.0 million) are pledged for short-term loans in the sum of HK\$370.6 million (2001: pledged for short-term loans of HK\$438.3 million and long-term loans of HK\$37.6 million).

CONTINGENT LIABILITIES

The Group does not have any material contingent liabilities as at 31 December 2002