

主席報告

CHAIRMAN'S STATEMENT

業績

本集團截至二零零三年六月三十日止六個月的未經審核綜合營業額及股東應佔溢利分別為港幣 16,190,200,000 元及港幣 749,700,000 元，比較去年同期分別增長 25.2% 及 3.3%。按加權平均數基準計算，本集團每股盈利為港幣 0.36 元，而二零零二年則為港幣 0.35 元。

股息

董事局議決於二零零三年十一月三日或前後，向二零零三年十月六日名列本公司股東名冊的股東派發二零零三年度中期股息，每股港幣 0.10 元（二零零二年：每股港幣 0.09 元）。是次二零零三年度中期股息是繼按實物分派方式向二零零三年七月十五日名列本公司股東名冊的股東分派華潤水泥控股有限公司（「華潤水泥」）股份作為特別中期股息以外的股息。以上所述之二零零二年度中期股息是繼二零零二年二月八日就本集團出售銀行業務投資而派發每股港幣 0.25 元的特別股息以外的股息。

暫停辦理股份過戶登記手續

本公司將於二零零三年十月六日至二零零三年十月十日期間（包括首尾兩天）暫停辦理股份過戶登記。為符合獲派中期股息之資格，所有填妥之過戶表格連同有關股票，必須於二零零三年十月三日下午四時三十分前送達本公司之股份過戶登記處——標準證券登記有限公司，地址為香港灣仔告士打道 56 號東亞銀行港灣中心地下。

RESULTS

The Group's unaudited consolidated turnover and profit attributable to shareholders for the six months ended 30 June 2003 amounted to HK\$16,190.2 million and HK\$749.7 million respectively, representing an increase of 25.2% and 3.3% over that of last year. Earnings per share of the Group, on a weighted average basis, was HK\$0.36 compared to HK\$0.35 in 2002.

DIVIDENDS

The Board resolved to declare an interim dividend of HK\$0.10 per share for 2003 (2002: HK\$0.09 per share) payable on or about 3 November 2003 to shareholders whose names appear on the Register of Members of the Company on 6 October 2003. Such interim dividend of 2003 is additional to a special interim dividend effected by way of a distribution in specie of shares in China Resources Cement Holdings Limited ("CR Cement") to shareholders whose name appeared on the Register of Members of the Company on 15 July 2003. The interim dividend of 2002 as mentioned above is in addition to a special dividend of HK\$0.25 per share paid on 8 February 2002 for the disposal of the Group's investment in banking business.

CLOSURE OF REGISTER

The Register of Members will be closed from 6 October 2003 to 10 October 2003, both days inclusive. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Standard Registrars Limited of G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on 3 October 2003.

前景

本集團獨特之零售帶動分銷的經銷模式，業務日漸轉以中國內地及香港的消費市場為中心。本集團於過去數年積極重組業務組合，減少對物業發展業務的依賴，逐步將重心轉向分銷業務。今年，本集團更開始重組旗下的非核心業務，成功分拆建築材料業務，並以實物分派形式將權益分派予股東。新公司——華潤水泥已於二零零三年七月二十九日以介紹上市方式於香港聯合交易所有限公司上市。此外，為強化本集團的核心零售業務，本集團亦已於七月收購母公司的物流業務。這項物流業務將併入本集團目前的物流業務，並以快速消費品的配送為重點，以配合本集團長遠的物流需要。在二月，本集團宣佈收購華潤錦華股份有限公司51%股權，成為首間外資公司持有中國內地上市公司的控股權。是項交易已於七月份完成，標誌著本集團邁進內地紡織業領導地位的重要里程碑。

本集團已經按計劃加快在中國內地的投資，旗下的食品加工及分銷業務已打入中國大陸的肉類市場，也在三月成立合營企業，在上海興建現代化的肉類加工中心。在回顧期內，本集團來自中國內地業務的收入首次超越香港業務的收入。

PROSPECTS

The Group has a unique retail-led distribution model and our businesses are increasingly geared towards the consumer markets of the Chinese Mainland and Hong Kong. Over the past few years, we have restructured our business portfolio to reduce the reliance on property development and focus on distribution businesses. This year, the Group has started to restructure its non-core businesses. We have successfully reorganized our building materials business and distributed the interest to our shareholders in the form of a dividend in specie. The new company, CR Cement, was listed on The Stock Exchange of Hong Kong Limited by way of introduction on 29 July 2003. To increase the core competence of our retailing businesses, the Group acquired our parent company's logistics business in July. It will be integrated with the Group's existing logistics operation with a focus on FMCG distribution to meet our own logistics demand in the long term. In February, the Group announced the acquisition of a 51% stake in 華潤錦華股份有限公司 China Resources Jinhua Co., Ltd., a precedent for a foreign company to take a controlling stake in a Chinese Mainland listed company. The transaction was completed in July. This is an important milestone for our textile business to achieve a leading position in the Chinese Mainland textile industry.

The Group has accelerated its investments in the Chinese Mainland as planned. In particular, our food processing and distribution business has entered the Chinese Mainland meat market and a joint venture to construct a modern meat processing centre in Shanghai was signed in March. For the period under review, the proportion of the Group's revenue from the Chinese Mainland has for the first time exceeded that of Hong Kong.

中港兩地爆發嚴重急性呼吸系統綜合症（「非典型肺炎」）後，大大影響本集團在香港及內地若干地區的業務。幸而在非典型肺炎疫情受控後，情況已經改善，本集團的經營狀況也逐漸得以回復。更緊密經貿合作安排（「CEPA」）促進了粵港之間的合作，加上中國放寬五個主要城市的居民以個人身份旅遊的限制，令來港旅客人數激增，相信將可刺激本港經濟。與此同時，中國內地的經濟增長保持強勁，消費者購買力持續上揚。憑藉目前穩健的財政狀況及現金流量，本集團正蓄勢待發，將充份把握眼前的每個契機，並致力提升經營效率，因此對未來前景充滿信心。

企業管治

本集團於過去數月繼續在不同範疇的企業管治上努力，務求向股東保證本集團的運作符合內部監控、會計準則以及道德操守的要求。董事局成員朝著這個目標，每月平均召開一次會議，親身參與本集團重要的決策過程。在董事局的獨立意見對某些重大決定越見重要的當前，本集團的獨立非執行董事在上半年度參與這些決定的平均會議出席率逾90%，突顯團隊內各有不同專業背景的專業人士的積極參與，令本集團作出重要決策時，皆能周詳考慮各方獨立觀點。

The sudden outbreak of severe acute respiratory syndrome, or SARS, has considerably affected the Group's operations in Hong Kong and certain regions of the Chinese Mainland. The situation has improved after SARS had been under containment, and the Group is recovering from its impact. The Closer Economic Partnership Arrangement, or commonly known as CEPA, enhanced cooperation between Hong Kong and Guangdong as well as the influx of mainland tourists following the relaxation of individual travelers from five mainland cities will stimulate the local economy. At the same time, Chinese Mainland's economy remains robust and there is a continued increase in consumer purchasing power. With a strong balance sheet and steady cashflow, the Group is well-positioned to capitalize on the tremendous investment opportunities ahead. Coupled with our efforts to improve operational efficiency, we are very confident about the future prospects of the Group.

CORPORATE GOVERNANCE

Over the last few months, the Group has continued to work on different aspects of corporate governance to ensure that shareholders are rest assured of the best practice in the Group's internal control, accounting disciplines and ethical behavior. To realize the initiatives, members of the Board met on average once a month to participate in key decision-making process of the Group. While independent views for certain major Board decisions are becoming increasingly important nowadays, average attendance of the Group's independent non-executive directors in meetings for such decisions was over 90% in the first half of the year, showing that the Group's major decisions went through balanced yet independent perspectives and that active participation is made by a team of professionals from diversified background.

完善的企業管治亦包括保障股東權益，尤其是少數權益股東的權益及利益。因此，本集團選擇將當時的非核心業務——建築材料業務以實物分派方式向股東分派。本集團透過向股東實物分派華潤水泥的股份作為特別中期股息，目的是要讓全體股東得享同等權利，一同分享和靈活參與建築材料未來的發展成果。

投資者關係

本集團一向致力推動與投資者的關係，而這方面的努力已見成果，亦備受推崇。根據國際權威財經刊物——Institutional Investor Research Group 在六月進行的調查，本集團被基金經理評為亞洲綜合企業中的「最佳投資者關係」及「投資者關係最大躍進」的綜合企業。同時，亦被分析員評為香港一眾公司中的「投資者關係最大躍進」的企業，並取得亞洲綜合企業中的「投資者關係最大躍進」殊榮。本集團將不斷改善與投資者的溝通，提高透明度。

社會責任

非典型肺炎雖令很多家庭破碎，但亦令許多家庭關係變得更為親密。「以人為本，改善人民生活」是本集團奉行的文化之一，為此，本集團向不同的慈善機構捐獻善款，受惠機構包括香港及中國內地的中國紅十字會，冀藉此協助社會對抗及防範非典型肺炎。本集團承諾會繼續竭盡全力，為顧客、股東及僱員帶來更優質的生活。

Excellent corporate governance also means ensuring shareholders' and especially minority shareholders' rights and benefits. The Group has chosen to divest its building material business, a non-core business then, by way of a distribution in specie to its shareholders. By paying shareholders a special interim dividend in specie of the shares in CR Cement, all shareholders were given an equal right and flexibility to participate in the success and future development of the building materials business.

INVESTOR RELATIONS

The Group's long-time efforts in promoting investor relations have been both rewarding and appreciated. In a survey conducted in June by the Institutional Investor Research Group, one of the world's most respected financial publications, the Group was named the "Best Company IR" and the "Most Improved IR" among conglomerates in Asia by the Buy-side and the "Most Improved IR" among companies in Hong Kong, the "Most Improved IR" among conglomerates in Asia by the Sell-side. The Group will continue to improve communication and transparency to its investors.

SOCIAL RESPONSIBILITY

SARS has separated many families but many more found themselves closer than ever before. As part of the corporate culture, "dedicated to people and improving people's lives", the Group has made a record donation to different charities like The Red Cross Society of China in the Chinese Mainland and Hong Kong in aiding the society to fight against and prevent the resurgence of SARS. The Group pledged to look into different areas in contributing to better quality of life for the customers, shareholders and employees.

僱員

於二零零三年六月三十日，本集團除聯營公司以外僱用約66,000名員工，其中約63,000名員工在中國內地僱用，其餘主要為香港僱員。本集團僱員按其工作性質、個別工作表現及市場情況收取薪酬，附以獎勵計劃，包括現金花紅和購股權等。

致謝

盧雲龍先生已經於六月辭任本公司的獨立非執行董事，本人謹代表董事局全體同仁，感謝盧先生在過去十年的寶貴貢獻。此外，本人亦對員工在期內的努力不懈和辛勤工作致以衷心謝意。

承董事局命
主席
寧高寧

香港，二零零三年九月十日

EMPLOYEES

As at 30 June 2003, the Group, excluding its associated companies, employs approximately 66,000 people, of which approximately 63,000 are employed in the Chinese Mainland, with the remaining predominantly in Hong Kong. The Group's employees are remunerated according to the nature of job, individual performance and market trends with built-in merit components, paid in the form of cash bonuses and share options.

APPRECIATION

On behalf of the Board of Directors, I would like to express our appreciation towards Mr. John Loo Wun Loong, who has resigned as the Company's independent non-executive director in June, for his invaluable contribution to the Board over the last ten years. Nonetheless, we acknowledge our gratitude to our employees for their commitment and hard work during the period.

By order of the Board
Ning Gaoning
Chairman

Hong Kong, 10 September 2003