

# 管理層討論與分析

## Management Discussion and Analysis

### 業務回顧

#### 石油及化學品經銷

本集團的石油及化學品經銷業務主要是在香港及中國內地經銷石油、石油氣及化工品。本業務於截至二零零四年六月三十日止半年度的營業額為港幣8,996,300,000元，較去年同期上升50.5%。若剔除於二零零三年度因出售一間共同控制實體公司所持有在香港國際機場的航空燃料補給設施的權益而獲得一項應佔所得利益的進賬，則期內的未計公司總部利息及費用前純利為港幣148,300,000元，較二零零三年同期增長4.2%。

於回顧期內，全球石油價格上升至十年來的歷史性高位，帶動成品油及化工品價格較去年大幅攀升。強勁增長超過40%的成品油銷量有助於彌補因全球石油價格快速上漲而下滑的毛利率，對業務純利的穩定增長做出了貢獻。

與去年同期比較，成品油分銷業務錄得穩定盈利貢獻增長。儘管面對激烈的價格競爭壓力，本集團仍可取得多項燃料油及航空煤油的供應合同，成品油分銷業務仍然取得不俗的銷售量增長。由於油價高企，而售價調整機制滯後，導致航空煤油貿易業務的毛利率受到成本上漲拖累，大大抵銷因柴油及燃料油銷量上升所帶來的盈利。

於回顧期內，香港和中國內地的石油和石油氣加油站業務的盈利減少。毛利率下降是由於油價上漲，及香港加油站的石油氣價格調整機制滯後所致。

化工產品業務於本年度首六個月的盈利減少。進口化工品面對國內生產的化工品競爭，需調整定價方能保持在中國內地市場的需求量，化工業務的毛利率因而受到影響。

### REVIEW OF OPERATIONS

#### Petroleum and Chemical Distribution

The Group's petroleum and chemical distribution operation is principally engaged in the distribution of petroleum, LPG and chemical products in Hong Kong and the Chinese Mainland. Turnover of the operation for the half year to 30 June 2004 amounted to HK\$8,996.3 million, an increase of 50.5% over the same period of last year. Excluding the sharing of a gain from the disposal of our interest, held through a jointly controlled entity, in the aviation fuel facility at the Hong Kong International Airport in 2003, net profit before corporate interest and expenses for the period of HK\$148.3 million increased by 4.2% over the same period in 2003.

During the period under review, world oil price soared to a decade high level leading to substantial increase in prices of oil and chemical products. A strong volume growth by above 40% of the oil products distribution helped compensate the decline in gross margins due to world oil price escalation and contributed to the steady growth in net profit of the operation.

The oil products distribution operation reported a steady improvement in profit contribution in comparison with the same period of last year. Despite competitive pricing pressure, the operation has enjoyed good volume growth assisted by secured supply contracts of fuel oil and aviation fuel. Gross margin of aviation fuel distribution was affected by increased cost due to high oil price and the time lag of price adjustment mechanism. This has largely offset the increase in profit from sales volume growth of diesel and fuel oil distribution.

The petrol and LPG station operation in Hong Kong and the Chinese Mainland reported a decline in profit for the period under review. Under the environment of escalating oil prices, the time lag effect in LPG price-fixing mechanism of Hong Kong filling stations hampered profit margin.

The chemical operation recorded a decline in profit during the first six months of the year. Gross margins were affected as imported chemical products had to be competitively priced over the domestic chemical products so as to maintain the demand in the Chinese Mainland market.

本集團於二零零三年八月與蘇州市政府合作，在蘇州經營管道燃氣業務，於回顧期內的營業額及純利貢獻理想。蘇州業務將繼續鋪設管道，直接輸送管道燃氣至蘇州新區的用戶。中國內地製造業持續增長、天然氣具備相對成本優勢、以及環保意識日漸提高等因素，均有利於中國內地燃氣業務的發展。本集團將審慎研究這方面的投資機遇，憑藉本集團的經驗，充份發揮競爭優勢。

展望未來，預期中國內地的經濟將繼續穩步發展，而成品油及化工產品的需求將仍然殷切。本集團將進一步擴展成品油產品的經銷網絡，並把握於中國內地燃氣業務的投資機會。鑑於全球油價繼續高企，本集團將採取審慎的存貨控制和對沖措施，以舒緩油價波動對業務表現的影響。

## 零售

本集團的零售業務主要由以下三類業務模式組成：(1)超級市場業務；(2)在中國內地的品牌時尚產品經銷業務及(3)其他零售店業務。在回顧期內，零售業務總營業額達港幣6,873,500,000元，較去年同期增長59.7%。未計公司總部利息及費用前純利達港幣78,700,000元，較去年同期非典型肺炎爆發時的虧損港幣88,800,000元大為改善。

於回顧期內，中國內地經濟仍持續穩定發展，本地消費也錄得增長。今年上半年，消費者購買力保持穩健增長，其中尤以經濟發達城市及周邊地區最為顯著。在本地消費力反彈和中國內地遊客激增的情況下，香港經濟穩步復甦，而零售業得以繼續增長。受惠於經濟回升，加上採取有效管理措施以提高超級市場營運效率，本集團的零售業務在營業額及盈利能力方面均取得可觀的增長。

The piped gas operation in Suzhou, established with the municipal government of Suzhou in August 2003, reported satisfactory turnover and net profit contribution for the period under review. It will continue to construct pipelines to provide direct connection of piped gas to end-users in Suzhou New District. The growing manufacturing industry, relative cost advantage of natural gas and increasing awareness of environmental protection would favour the development of gas fuel sector in the Chinese Mainland. Leveraging on its experience and competitive advantage, the Group would prudently look for investment opportunity in this sector.

Looking forward, the Chinese Mainland economy is expected to maintain a steady growth momentum and the demand for oil and chemical products will remain strong. The Group will further enhance its distribution network of oil products and to capture investment opportunities in the gas fuel sector in the Chinese Mainland. While the world oil price continues to remain at a high level, the Group will take prudent inventory control and hedging measures to mitigate the possible impact of the oil price volatility on the business performance.

## Retail

The Group's retail operation mainly comprises three business segments: (1) supermarket operation; (2) brand-fashion distribution in the Chinese Mainland and (3) other retail stores operation. Turnover of the Group's retail operation during the period totalled HK\$6,873.5 million, a 59.7% increase over the first six month of last year. The operation made a net profit before corporate interest and expenses of HK\$78.7 million for the period under review. This was in marked contrast to the HK\$88.8 million loss recorded in the same period of last year during the SARS outbreak.

During the period under review, the Chinese Mainland economy continued to grow steadily and domestic consumption remained buoyant. Consumer purchasing power, especially that in the urban and suburban regions remained robust in the first half of the year. Fuelled by rising domestic consumption and surging tourist arrivals from the Chinese Mainland, Hong Kong economy recovered moderately and retail sales continued to grow. Benefiting from an economic upswing and effective management measures to enhance operational efficiency of the supermarket operation, our retail operation reported marked improvement in both turnover and profitability.

### 超級市場

超級市場和物流業務營業額錄得顯著增長，達港幣5,893,200,000元，較去年同期上升73.8%。本業務未計公司總部利息及費用前純利為港幣40,200,000元，相對於二零零三年同期則淨虧損港幣66,100,000元。於上半年的未計息、稅、折舊及攤銷前綜合盈利（「EBITDA」）為港幣249,000,000元，對比去年同期虧損港幣10,300,000元。

本集團現時透過三家附屬集團公司經營超市業務，包括華潤萬家有限公司（「華潤萬家」）及蘇果超市有限公司（「蘇果超市」），蘇果超市自二零零三年十月起已成為本公司之附屬公司。於二零零四年六月底，本集團經營近1,700間零售店舖，包括在香港經營超過80間標準超市，而在中國內地則經營18間大型超市，為數約330間標準超市、210間便利店、100間綜合超市，以及超過900間特許經營店舖。

營業額大幅上升，主要原因是在回顧期內合併了蘇果超市的營業額，及二零零三年第二季非典型肺炎爆發，拖低了大型超市的銷售。我們不斷努力提高商品質量和優化商品組合，以滿足顧客需求，對營業額的增長也有幫助。華東及華北的超市業務的同店增長錄得顯著上升。

由二零零三年十月起併入蘇果超市的業績，提升了超市業務的盈利。與去年同期相比，蘇果超市在營業額及盈利方面均錄得強勁增長。憑著有效的定價策略及優化商品組合，蘇果超市於回顧期內同店增長及毛利率取得理想增幅。

包括通道費收入和進貨返利在內的來自供應商的收益是超市業務盈利的重要來源，自二零零三年第三季起新管理團隊實施新供應商回饋收入機制後得以顯著改善。今年上半年其它超市業務（包括華潤萬家）的這部份收益較去年同期大幅上升約54%，加上透過嚴格的成本控制措施令營運效率持續改善，從而降低營運費用，令回顧期內本業務的虧損大幅減少。

### Supermarket

The supermarket and logistics operation reported a significant increase in turnover to HK\$5,893.2 million, a 73.8% increase over the first six months of last year. Net profit before corporate interest and expenses was HK\$40.2 million, compared with a net loss of HK\$66.1 million for the corresponding period in 2003. Consolidated earnings before interest, tax, depreciation and amortisation (「EBITDA」) for the first six months of 2004 totalled HK\$249.0 million, compared with a loss of HK\$10.3 million for the same period in 2003.

The Group currently operates its supermarket business through three groups of subsidiaries, including 華潤萬家有限公司 China Resources Vanguard Co. Ltd. (「CR Vanguard」) and 蘇果超市有限公司 Suguo Supermarket Co., Ltd. (「Suguo」) which became a subsidiary of the Company in October 2003. By the end of June 2004, the Group operates a total of approximately 1,700 stores, including over 80 traditional supermarkets in Hong Kong, whilst 18 hypermarkets, about 330 traditional supermarkets, about 210 convenient stores, about 100 superstores and over 900 franchised stores in the Chinese Mainland.

The substantial increase in turnover was mainly attributable to the consolidation of turnover of Suguo for the period under review and the recovery of hypermarket sales from the outbreak of SARS in the second quarter of 2003. Persistent efforts to improve quality and variety of merchandises in our stores to satisfy the needs of customers also facilitated the growth in sales. A notable increase in same store growth was recorded for the operations in Eastern and Northern China.

The consolidated results of Suguo since October 2003 improved the net earnings of the supermarket operation. Suguo reported a strong growth in both turnover and profit as compared with the same period of last year. With its effective pricing strategy and optimised composition of merchandises, Suguo reported a favourable increase in same store growth and gross margins for the period under review.

Payment from suppliers, which includes volume incentives, store display and promotion income, is a significant source of profit contribution to the supermarket operation. Payment from suppliers of other existing supermarket operation (including CR Vanguard) increased substantially by about 54% as a result of the implementation of new supplier rebate system by new management team since the third quarter of 2003. Coupled with the reduced operational expenses resulted from continuous improvement in operational efficiency through on-going cost control measures, the net loss of the other existing supermarket operation reduced substantially for the period under review.

在回顧期內，蘇果超市和其它超市業務上半年的 EBITDA 分別為盈利港幣 104,000,000 元和盈利港幣 61,500,000 元，而其它超市業務去年同期的 EBITDA 為虧損港幣 51,900,000 元。

隨著香港經濟環境改善，及經過香港進口往中國內地的冷藏食物被暫停，令倉儲需求保持上升，使得現有的倉儲業務持續錄得穩定的經營業績。連同來自新收購物流業務的貢獻，超市業務中的物流業務於本年上半年取得令人滿意的業績。

為了配合本集團超市業務全新品牌戰略的推進，計劃於二零零五年底前在所有超級市場推出全新品牌標誌，惟蘇果超市旗下的超級市場除外。為了進一步增強顧客的忠誠度，本集團在自有品牌及拓展超市產品方面，將進行嚴謹的研究。

為形成江蘇省於超市業務之協同效應，本集團已於六月初與江蘇省果品食雜總公司達成收購協議，再收購蘇果超市 24.25% 股本權益，正待中華人民共和國商務部批准。為貫徹零售帶動分銷戰略，提高不同業務的協同營運效率，並充份把握中國內地加入世貿組織後承諾於今年年底前對外商投資零售業的限制放寬帶來的好處，本集團有意收購華潤萬家餘下的 35% 股權。完善的物流網絡和規模效益將進一步改善盈利能力，並加強本集團超市業務在中國內地富裕地區的市場領導地位。

儘管中國政府自年初以來實施宏觀調控政策，中國內地經濟預期仍將持續保持穩定增長，因此本集團對今年餘下期間零售業務持續改善相當樂觀。

#### 品牌時尚產品經銷

本業務於上半年錄得港幣 513,700,000 元營業額，較去年同期增加 15.0%。本業務未計公司總部利息及費用前純利為港幣 14,100,000 元，相對於二零零三年同期非典型肺炎爆發時則淨虧損港幣 16,500,000 元。

For the period under review, EBITDA of Suguo and other existing supermarket operation amounted to HK\$104.0 million and HK\$61.5 million (2003: a loss of HK\$51.9 million), respectively.

With the improving Hong Kong economic environment and growing demand for warehouse space due to tightening up of import of frozen foodstuff to the Chinese Mainland via Hong Kong, our existing godown business continued to report steady operating results. Together with the contribution from the newly acquired logistics business, the logistics operation under the supermarket operation recorded satisfactory results in the first half of the year.

The Group is working ahead in the progress of the re-branding program of the operation and target to rename all supermarkets, except those under Suguo, by the end of 2005. In order to further enhance loyalty of our customers, the Group will carry out stringent study on the development of supermarket products under our own brand with good quality.

In driving synergies of the entire supermarket operations in Jiangsu, the Group has entered into an acquisition agreement with 江蘇省果品食雜總公司 Jiangsu Foodstuff Co., Ltd. in early June to acquire an additional 24.25% equity interest in Suguo, subject to the approval of Ministry of Commerce of the People's Republic of China. To enhance operational efficiency among different operations of the Group as part of its retail-led distribution strategy and to take advantage of the relaxation of foreign ownership restriction before the end of this year following the Chinese Mainland's entry to the World Trade Organisation, the Group has an intention to acquire the remaining 35% interest in CR Vanguard. The expanded supply chain and the associated cost benefits will further improve profitability and strengthen our market leadership in the most affluent regions in the Chinese Mainland.

Despite the implementation of macro economic tightening measures by the Chinese Government earlier this year, the Chinese Mainland economy is expected to sustain a steady growth. The Group is optimistic that its retailing business will continue to show improvement in the remaining months of this year.

#### Brand-fashion distribution

The operation reported a turnover of HK\$513.7 million for the first half year, an increase by 15.0% from the same period of last year. Net profit before corporate interest and expenses of the operation was HK\$14.1 million, compared with a net loss of HK\$16.5 million for the corresponding period in 2003 at the time of SARS outbreak.

於二零零四年六月底，本集團在中國內地指定城市，透過約690個自營店及特許經營店，經銷10個國際品牌。

本年度上半年銷售情況取得增長，主要是「Esprit」品牌銷售額增加所致。由於店舖數量增加，以及大力宣傳以推廣品牌知名度，刺激了批發業務營業額增長，致使「Esprit」品牌營業額比二零零三年同期上升19.1%。期內對終止經營品牌的商品進行清倉促銷，降低了存貨水平，並改善了財務狀況。

#### 其他零售店

在本年度上半年，本業務的營業額為港幣466,600,000元，維持穩定水平。本業務未計公司總部利息及費用前純利為港幣24,400,000元，反觀去年同期在非典肆虐期間則錄得淨虧損為港幣6,200,000元。

截至二零零四年六月底為止，本集團在香港經營一系列零售店，包括5間中藝、1間華潤百貨及29間華潤堂。

華潤百貨營業額下降，乃位於旺角中心的一間百貨店於二零零三年結業所致。其餘兩間百貨店上半年的營業額取得理想增長。隨著消費意欲進一步回升，本港內部消費情況有所改善，加上訪港內地旅客數目與日俱增，都成為推動銷售持續增長的動力。

在二零零四年上半年，中藝業務的經營溢利有所改善，主要由於銷售額增長和改善商品組合提升了毛利率。位於軒尼詩道華潤百貨結業前的減價促銷錄得理想成績，對整體零售店營業額的增長和扭虧為盈均有幫助。華潤堂業務營業額錄得溫和增長，而因品牌活動宣傳開支增加，令其經營溢利輕微下降。

本集團將會繼續在旗下超級市場內開設更多華潤堂，務求更充份發揮各業務間的協同效應，並會考慮在時機成熟時打入內地市場。

By the end of June 2004, the Group distributed 10 international brands through approximately 690 self-operated and franchised stores at designated cities in the Chinese Mainland.

The sales improvement in the first half of the year was mainly driven by the increase in sales of the "Esprit" brand. Turnover of the "Esprit" brand was 19.1% ahead of the same period in 2003, due to increased number of stores and effective promotion, which also stimulated growth in turnover of wholesales business. Clearance sales for the discontinued brands helped reduce inventory level and improve the financial performance of the operation.

#### Other retail stores

The operation reported a steady turnover of HK\$466.6 million in the first half of the year. Net profit before corporate interest and expenses of the operation was HK\$24.4 million, compared with a net loss of HK\$6.2 million for the SARS-affected same period of last year.

By the end of June 2004, the Group's chain of other retail stores in Hong Kong consists of 5 Chinese Arts & Crafts Stores 中藝, 1 CRC Department Stores 華潤百貨 and 29 CR Care Stores 華潤堂.

The overall decline in department store turnover was due to the closure of Mongkok store in 2003. The remaining two stores in the first half of the year recorded satisfactory growth in turnover. Rising domestic consumption due to further recovery of consumer sentiment and surging tourist arrivals from the Chinese Mainland continued to be the driving forces for the sales improvement.

Chinese Arts & Crafts Stores 中藝 operation recorded an improved operating profit in the first half of the year. This was mainly driven by sales growth and gross margin growth due to change in sales mix. Satisfactory pre-closure sales of CRC Department Stores 華潤百貨 at Hennessy Road also helped contribute overall increase in turnover and a turnaround in profitability. Our CR Care Stores 華潤堂 operation recorded a moderate turnover growth with a reduction in operating profit due to increased promotion expenses for brand building.

The Group will continue to open up more CR Care Stores 華潤堂 within our supermarkets to better leverage the synergies among our businesses and will consider the possibility of expanding into the Chinese Mainland market, when opportunity arises.



### 食品加工及經銷

在二零零四年首六個月，食品加工及經銷業務錄得營業額及未計公司總部利息及費用前純利分別為港幣2,692,200,000元及港幣203,400,000元，與去年同期比較分別增加14.2%及15.9%。若剔除因聯營公司——湖南新五豐股份有限公司之股份於二零零四年六月份在上海證券交易所成功上市而被視為出售部份權益的溢利，本業務在期內的盈利表現相對穩定。

食品經銷業務營業額較去年同期增長18.6%，純利貢獻穩定。經銷量增長不俗，此乃由於亞洲鄰近地區爆發禽流感，致令進口家禽減少，加上香港市民健康意識提高，均令質素較佳的品牌食品需求上升。本集團不斷大力宣傳「五豐」品牌優質鮮肉，並通過產品組合多元化、改良營銷策略以擴大凍肉經銷業務的客源，該等措施成為銷售量增長之主要動力。縱使收入不俗，但由於中國內地活畜價格攀升，使毛利率輕微下降。

遠洋捕撈和水產品加工業務的營業額及純利較去年同期增長8.6%及144.5%。本集團不斷努力開闢更多優質魚場，提高船隊捕撈能力，並拓展銷售網絡，此等行動對改善盈利能力均見成效。

上海的肉類加工中心正在興建中，進度良好。為實施本集團提升各業務間協同效應、進一步擴展中國內地肉食市場之策略，本集團於二零零四年四月與深圳市商貿投資控股公司簽訂協議，收購深圳市食品總公司的70%股權。本集團旨在整合深圳項目與香港市場業務，充份把握珠江三角洲地區發展的機遇，提高業務盈利能力。本集團預期，深圳和上海的肉類加工中心將分別在今年下半年和明年開始產生盈利貢獻。

### 飲品

在二零零四年上半年，飲品業務錄得營業額港幣2,299,000,000元，較去年同期上升20.5%，而未計公司總部利息及費用前純利為港幣57,000,000元，較去年同期增長125.8%。

### Food Processing and Distribution

Food processing and distribution operation reported a turnover and net profit before corporate interest and expenses for the first six months of 2004 of HK\$2,692.2 million and HK\$203.4 million respectively, representing an increase of 14.2% and 15.9% over the same period of last year. Excluding a deemed disposal profit from the dilution of our interests in an associated company, Hunan New Ng Fung Co., Ltd. upon the successful listing of the shares of the company on Shanghai Stock Exchange in June 2004, the performance of established businesses in the operation remained relatively stable during the period under review.

Foodstuff distribution operation reported a turnover growth by 18.6% over the same period of last year with a stable net profit contribution. The operation enjoyed good volume growth, fuelled by the decrease in imported poultry due to the outbreak of avian flu in the nearby Asian regions and the increasing health awareness of Hong Kong citizen that collectively stimulated demand for branded food with better quality. On-going promotion of high quality fresh meat under the 五豐 brand name and enrichment in product mix and refined marketing strategy to broaden customer base for frozen food distribution continued to be the driving forces of the sales volume growth of the operation. High revenues, however, were hampered by the soaring prices of livestock in the Chinese Mainland, leading to a slight decline in profit margin.

Marine fishing and aquatic products processing operation reported turnover and net profit growth by 8.6% and 144.5% over the same period of last year. The on-going efforts in exploring more high quality fishing grounds, enhancing catching capability of fishing fleets and expanding sales network have proven to be effective in improving profitability.

The meat-processing centre in Shanghai is under construction with good progress. In order to implement the Group's retail-led distribution strategy and further expand into the Chinese Mainland meat market, the Group entered into an agreement with Shenzhen Commerce & Trade Investment Holdings Co. in April 2004 for the acquisition of a 70% interest in Shenzhen General Food Corporation. The Group aims to integrate the Shenzhen project with those businesses in the Hong Kong market to take full advantage of the regional development in the Pearl River Delta and to enhance profitability. The Group expects that the two meat-processing projects in Shenzhen and Shanghai will start contributions in the second half of this year and next year respectively.

### Beverage

Beverage operation reported a turnover and net profit before corporate interest and expenses for the first six months of 2004 of HK\$2,299.0 million and HK\$57.0 million respectively, representing an increase of 20.5% and 125.8% over the same period of last year.

本業務的營業額和盈利增長，主要由於啤酒及純淨水業務的銷量增加所帶動，啤酒的銷量增加了17%，約達1,400,000千升，純淨水的銷量則增加了27%，約達200,000千升。不計新收購的釀酒廠，本業務在本年度上半年仍錄得約11%的內涵增長。四川、哈爾濱、湖北和大連等地區釀酒廠的銷量增長勢頭凌厲。為了刺激整體銷量，本業務採取有效的營銷策略，藉以加強分銷網絡的力量，提高對該等地區的零售店舖和食肆的銷量。本業務位於四川的釀酒廠已成功打入鄰近地區的新市場，也有助回顧期內的銷量增長。

儘管原料價格和燃料成本上揚，本業務的毛利率仍然維持與去年相若的水平，主要是由於產量增加，有助減低單位生產成本，以及改良產品結構所致。在回顧期內，利息開支大幅下降，主要是由於將人民幣貸款轉換成為美元貸款。本業務最近在浙江省收購一間釀酒廠，並於安徽省收購了兩間釀酒廠，這些釀酒廠為本業務帶來理想的業績貢獻，令純利得以明顯增長。

由於本業務大力推廣全國知名的「雪花」品牌策略非常成功，使得「雪花」品牌啤酒銷量較去年同期上升38%至近410,000千升，對比去年同期只有約300,000千升。

本業務最近在浙江省和安徽省收購多間釀酒廠後，令主要市場據點進一步伸展至華中以至華東地區。截至二零零四年六月底為止，本集團合共經營逾30間釀酒廠，年生產能力約達5,000,000千升。

為抵消原料價格和燃料成本上漲的影響，在考量當地的營銷策略後，本集團於六月份提高了部份地區的啤酒售價。為推廣全國性品牌——「雪花」啤酒的新一輪廣告攻勢已於七月展開。本集團在廣東省東莞投資約人民幣680,000,000元的新釀酒廠將於11月動工，預期將於2006年年初投產，年產能力最終將達300,000千升。本集團將會繼續專注建立品牌，豐富產品組合，並致力擴充中國內地的市場版圖。

The increase in turnover and profitability of the operation was mainly driven by the growth in sales volume of beer by 17% to approximately 1.4 million kilolitres and purified water by 27% to approximately 0.2 million kilolitres. The organic growth of the sales volume of beer, which excludes newly acquired breweries, amounted to approximately 11% for the first six months of the year. Substantial sales volume growth was recorded by the breweries in Sichuan, Harbin, Hubei and Dalian region. To boost overall sales volume, effective marketing strategies were adopted to improve the distribution network so as to increase respective sales to retail shops and restaurants in these regions. Growth in sales volume was also helped by the successful entrance into neighbouring regions by our breweries in Sichuan.

Despite the increase in raw material prices and fuel costs, gross margin was maintained at the same level as last year. It was mainly attributable to the increase in production volume that helped reduce unit production cost as well as the improvement in product mix. Interest expenses reduced substantially for the period under review primarily attributable to the swapping of Renminbi borrowings with US dollars borrowings. Coupled with the satisfactory results contributed by the newly acquired breweries, one brewery in Zhejiang Province and two breweries in Anhui Province, net profit of the operation improved substantially.

Owing to persistent efforts in promoting our national brand — “Snow”, sales volume increased by 38% to approximately 410,000 kilolitres, compared with approximately 300,000 kilolitres for the same period of last year.

The addition of the newly acquired breweries in Zhejiang and Anhui helps span our significant market presence across the Central and Eastern China region. By the end of June 2004, the Group operates a total of over 30 breweries with an annual production capacity of approximately 5.0 million kilolitres.

To offset the impact of the increase in raw materials prices and fuel costs, the Group has started to increase the beer prices in some areas in June, in line with the local marketing strategies. A new advertising campaign was commenced in July promoting the national brand — “Snow”. The Group will invest about RMB680 million in the construction of a new brewery at Dongguan, Guangdong Province in November and is expected to be operational in early 2006 with an ultimate capacity of approximately 300,000 kilolitres. The Group will continue to focus on brand building, enhance product mix and expand its market presence in the Chinese Mainland.

**紡織**

截至二零零四年六月三十日止上半年，紡織業務的營業額為港幣1,700,700,000元，較去年同期增加20.6%。未計公司總部利息及費用前純利為港幣45,800,000元，較去年同期減少44.3%。

本業務營業額有所增長，主要由於本集團在二零零三年收購的華潤錦華股份有限公司、南通華潤大生紡織有限公司及濟南華豐紡織有限公司帶來的業績貢獻，另外棉價高企驅使產品售價上揚，也帶動本業務的營業額增長。部份補償了由於兩間廠房搬遷新址暫停生產而拖低的銷售量。加上棉價上漲，導致毛利率下跌，以及採購棉花的財務成本增加，因此，本業務在本年度上半年錄得的純利下降。

在目前的經營環境下，預計下半年本業務經營仍會面臨困難。本集團將會繼續採取積極措施，以減輕棉價波動所造成的影響。技術改造的大部份機器將於今年下半年全面投產。本集團深信，技術改造計劃定可改善生產效率、提高紡織業務的產品質量，增強長期盈利能力。

**物業**

物業業務主要包括零售店鋪、辦公室和工業單位的收租物業，於二零零四年上半年分別錄得營業額港幣156,900,000元及未計公司總部利息及費用前純利港幣166,900,000元，較去年同期分別增加了10.0%及0.6%。

在回顧期內，本集團的收租物業錄得營業額及未計公司總部利息及費用前純利分別為港幣150,900,000元及港幣166,300,000元，較去年同期分別上升9.7%及15.7%。

由於物業市場氣氛好轉，零售物業的需求於回顧期內持續上升，零售店鋪的平均出租率維持94.7%的高水平，而工業單位的平均出租率則攀升至90.2%。本集團的投資物業繼續帶來穩定的租金收入。

**Textile**

Turnover of the textile operation for the half year to 30 June 2004 amounted to HK\$1,700.7 million, an increase of 20.6% over the same period of last year. Net profit before corporate interest and expenses was HK\$45.8 million, a decrease of 44.3% from the same period of last year.

The growth in turnover of the operation was mainly attributable to the initial contributions of 華潤錦華股份有限公司 China Resources Jinhua Co. Ltd., 南通華潤大生紡織有限公司 Nantong China Resources Dashen Textiles Co., Ltd and 濟南華豐紡織有限公司 Jinan Hua Feng Textile Co., Ltd., all being acquired in 2003, as well as the increase in selling prices driven by the high cotton prices, and partially offset by a decline in sales volume as a result of temporary suspension of production of two factories due to relocation to new sites. Coupled with the reduction in gross margins due to the surge in cotton prices and the increase in finance cost for the purchase of cotton, the operation reported a decline in net profit in the first six months of the year.

The operation is expected to be difficult in the second half of the year under prevailing business environment. The Group will continue to take proactive measures to mitigate the effect of fluctuation of cotton price. Most of the machinery under the technology upgrade program will be fully operational in the second half of the year. The Group strongly believes that the technology upgrade program is poised to enhance production efficiency and product quality of the textile operation which will, in turn, improve the profitability in the long term.

**Property**

Property operation, mainly comprises the rental properties segment of retail, office and industrial premises, reported a turnover and net profit before corporate interest and expenses for the first six months of 2004 of HK\$156.9 million and HK\$166.9 million respectively, representing an increase of 10.0% and 0.6% over the same period of last year.

For the period under review, the Group's rental properties segment recorded a turnover and net profit before corporate interest and expenses of HK\$150.9 million and HK\$166.3 million respectively, representing an increase of 9.7% and 15.7% over the same period of last year.

Due to the improved sentiment, demand for retail properties continued to pick up during the period under review. Average occupancy rate of retail premises remained high at 94.7% while industrial premises surged to 90.2%. The Group's investment properties continued to provide stable rental income.



本集團位於軒尼詩道的零售物業原先由華潤百貨租用，有關翻新工程已於二零零四年六月初展開，預計將於本年底前完工。

#### 投資及其他業務

繼預拌混凝土業務於二零零三年七月成功分拆後，截至二零零四年六月三十日止六個月，投資及其他業務並無錄得任何營業額（二零零三年：港幣167,900,000元），未計公司總部利息及費用前純利達港幣178,400,000元（二零零三年：港幣167,500,000元）。

#### 貨櫃碼頭

本集團擁有 HIT Investments Limited 的10%權益。香港國際貨櫃碼頭的吞吐量及息稅前盈利分別較上年同期增加12%和5%。鹽田港的吞吐量增長20%，息稅前盈利則有22%增幅，反映二零零三年年底投入運作的鹽田港的第三期兩個新泊位提供的處理容量。鹽田港第三期的最後兩個泊位預計將於二零零四年下半年完成。

#### 資金及融資

本集團對剩餘資金採取中央管理政策，務求可更有效地控制資金運作，藉此減省融資成本。於二零零四年六月三十日，本集團的綜合現金及現金等值達港幣4,588,000,000元。本集團於二零零四年六月三十日的借貸為港幣7,735,000,000元，其中港幣2,670,000,000元於一年內到期，港幣4,973,000,000元於二至五年內到期，以及港幣92,000,000元於五年後到期。本集團於二零零四年六月三十日尚未動用的借貸備用額約港幣1,200,000,000元。除了230,000,000美元可換股擔保債券外，所有借貸均以浮動息率計算。

以本集團的借貸淨額比對股東資金及少數股東權益計算，本集團的負債比率約為17.0%（二零零三年十二月三十一日：16.5%）。

The renovation of the Group's retail property at Hennessy Road, previously occupied by a CRC Department Store 華潤百貨, commenced in early June 2004 and is expected to complete by end of the year.

#### Investments and Others

After the successful spin-off of the ready mixed concrete operation in July 2003, the investments and others operation reported no turnover for the six month ended 30 June 2004 (2003: HK\$167.9 million) and net profit before corporate interest and expenses amounted to HK\$178.4 million (2003: HK\$167.5 million).

#### Container Terminal

The Group has a 10% interest in HIT Investments Limited. In Hong Kong, Hongkong International Terminals reported a growth of 12% in throughput and 5% in EBIT, compared to the same period of last year. Yantian port reported throughput growth of 20% and EBIT growth of 22%, reflecting new capacity from two new berths at Phase III which started operations at the end of 2003. The remaining two berths of Phase III in Yantian are expected to be completed in the second half of 2004.

#### CAPITAL AND FUNDING

The Group's policy is to centralize surplus fund and financing requirements to achieve better treasury control and lower cost of funds. The Group's consolidated cash and cash equivalent as at 30 June 2004 amounted to HK\$4,588 million. The Group's borrowings as at 30 June 2004 were HK\$7,735 million with HK\$2,670 million repayable within 1 year, HK\$4,973 million repayable within 2 to 5 years and HK\$92 million repayable after 5 years. Committed borrowing facilities available to the Group, but not drawn as at 30 June 2004, amounted to HK\$1,200 million. Except for the US\$230 million convertible guaranteed bonds, all the borrowings are subject to floating rates.

Calculated on the basis of the Group's net borrowing over the shareholders' funds and minority interests, the Group's gearing ratio was approximately 17.0% (31 December 2003: 16.5%).

於二零零四年六月三十日，本集團的現金存款餘額中有17%以美元持有、45%以人民幣持有及36%以港幣持有。本集團借貸中35%以美元為單位、38%以人民幣為單位，而其餘則以港元為單位。為減低外匯兌換及利率波動的風險，本集團已訂立若干遠期合約以及利率調期合約，以對沖部份負債的風險。

### 資本開支

本集團於截至二零零四年六月三十日止期間的資本開支約港幣1,300,000,000元，其中約65%用作添置固定資產，其餘用作收購零售帶動分銷戰略下的食品加工及經銷、飲品和紡織業務新項目。資本開支主要以源自經營業務的內部資源支付。

### 資產質押

於二零零四年六月三十日，本集團已抵押賬面淨值為港幣379,500,000元（二零零三年十二月三十一日：港幣357,800,000元）的固定資產，以獲取短期貸款港幣307,200,000元（二零零三年十二月三十一日：質押以獲取短期貸款港幣256,700,000元）以及長期貸款港幣56,400,000元（二零零三年十二月三十一日：質押以獲取長期貸款港幣56,400,000元）。

### 或然負債

於二零零四年六月三十日，本集團並無任何重大或然負債。

### 僱員

於二零零四年六月三十日，本集團除聯營公司以外聘用近80,000人，其中超過90%在中國內地僱用，其餘的主要駐守香港。本集團僱員的薪酬按其工作性質、個別表現及市場趨勢釐定，並以各種獎勵計劃吸引、留住及鼓勵表現突出的員工，包括授出作為長期獎勵計劃的購股權，使僱員利益與股東利益掛鉤。

承董事局命  
副主席兼董事總經理  
宋林

香港，二零零四年九月二日

As at 30 June 2004, 17% of the Group's cash deposit balances was held in US dollars, 45% in Renminbi and 36% in Hong Kong dollars. 35% of the Group's borrowings was denominated in US dollars and 38% in Renminbi with the remainder in Hong Kong dollars. In order to limit the exposure to the fluctuations in foreign currency rates and interest rates, the Group entered into certain forward contracts and interest rate swaps to hedge for part of its borrowings.

### CAPITAL EXPENDITURE

During the period ended 30 June 2004, the Group spent approximately HK\$1,300 million on capital expenditure, of which about 65% for fixed assets additions and the remaining for new acquisitions in food processing and distribution, beverage and textile operations, as part of our retail-led distribution strategy. Capital expenditure was primarily financed by internally generated funds from operations.

### PLEDGE OF ASSETS

As at 30 June 2004, fixed assets with net book value of HK\$379.5 million (31 December 2003: HK\$357.8 million) are pledged for short term loans in the sum of HK\$307.2 million (31 December 2003: pledged for short term of HK\$256.7 million) and long term loans in the sum of HK\$56.4 million (31 December 2003: pledged for long term loan of HK\$56.4 million).

### CONTINGENT LIABILITIES

The Group does not have any material contingent liabilities as at 30 June 2004.

### EMPLOYEES

As at 30 June 2004, the Group, excluding its associated companies, employed approximately 80,000 people, of which over 90% were 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 various incentive schemes to attract, retain and motivate good employees. In particular, share option has been used as a longer term incentive to align interests of employees to those of shareholders.

By order of the Board  
**SONG LIN**  
Deputy Chairman and Managing Director

Hong Kong, 2 September 2004