

## 管理層討論與分析

### Management Discussion and Analysis

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## 業務回顧 Review of Operations

## 零售 Retail

		二零零六年 2006 港幣百萬元 HK\$ million	二零零五年 2005 港幣百萬元 HK\$ million	轉變 Change (%)
營業額	Turnover	20,418	16,202	26%
應佔溢利	Attributable profit	217	107	103%
未計利息、稅項、折舊及攤銷前盈利	EBITDA	1,044	756	38%
資本開支及新收購項目	Capital expenditure and new acquisitions	1,214	1,438	-16%



本集團的零售業務主要由以下三類業務模式組成：(1)超級市場及物流；(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。

本集團零售業務於二零零六年的經營業績錄得改善，主要來自超市業務的內涵增長持續改善，以及於二零零五年年末購入的浙江華潤慈客隆超市有限公司(「浙江慈客隆」)的盈利貢獻。營業額及應佔溢利分別為港幣20,418,000,000元及港幣217,000,000元，較二零零五年分別增加26.0%及102.8%。

與此同時，中國內地的經濟保持平穩的發展。對外貿易得以快速增長，外商直接投資有所增加；就業市場的改善，使城鎮居民可支配收入穩步上升，居民消費力日漸提高，且帶動社會消費品零售總額增長，令本集團的整體消費業務得以受惠。

香港於二零零六年的出口強勁，市場氣氛持續樂觀。就業人數上升，家庭收入增加及樓市持續暢旺，促使整體消費持續向好，香港的零售業可望穩步增長。

## 超級市場及物流

超級市場及物流業務於二零零六年的營業額為港幣18,187,000,000元，較二零零五年增加28.7%。二零零六年的應佔溢利為港幣152,000,000元，較二零零五年增加1.8倍。

本業務的區域發展在二零零六年有實質進展。通過開設新店、收購項目及邀請特許經營店舖加盟，穩健地拓展零售網絡，使本集團在目標市場的佔有率得以擴大。於二零零六年十二月底，本集團在香港及中國內地共經營約2,100間店舖，其中約48%是直接經營，其餘則為

The Group's retail division mainly comprises three business segments: (1) supermarket and logistics; (2) brand-fashion distribution in the Chinese Mainland and (3) other retail stores operation.

In 2006, the Group's retail division showed improved performance, underpinned by sustained organic growth in the supermarket operation and further boosted by China Resources Cikelong (Zhejiang) Supermarket Co., Ltd. ("Zhejiang Cikelong") 浙江華潤慈客隆超市有限公司 acquired in late 2005. Turnover and attributable profit amounted to HK\$20,418 million and HK\$217 million respectively, representing an increase of 26.0% and 102.8% over 2005.

At the same time, the economy of the Chinese Mainland sustained considerable growth. Foreign trade continued to grow fast with an increase in foreign direct investment. Improvement in job market has raised individual income levels in both the urban and suburban areas. Increasing domestic consumption drove up local consumer goods retail sales, and the Group's consumer businesses have thus benefited as a whole.

In Hong Kong, overall market sentiment remained positive due to buoyant export trade in 2006. The general increase in household income, continuous improvement in the local job market and steadily improving property market gave rise to a distinct pick up of local consumption expenditure. Market outlook of the local retail industry is encouraging with steady growth.

## Supermarket and Logistics

Turnover of the supermarket and logistics operation for 2006 was HK\$18,187 million, representing an increase of 28.7% over 2005. Attributable profit for 2006 amounted to HK\$152 million, an increase of 1.8 times.

The division's regional development strategies delivered promising results in 2006. Through new store openings, acquisitions, line-up with franchised stores and continuous expansion in retail networks, the Group increased its market share in target regions. As at the end of December 2006, the Group altogether operated a total of approximately 2,100 stores in Hong Kong and the Chinese Mainland, of which approximately 48% were self-operated and the rest

特許經營。店舖業態大致分為大型超市、綜合超市、標準超市以及便利店。以區域劃分二零零六年的營業額貢獻，華東及華中佔55.2%，華南佔26.6%，香港佔12.6%，而華北則佔5.6%。

二零零六年營業額增長的主要動力來自持續開設新店以擴大經營規模，以及顯著的同店增長。本年錄得整體同店增長率達8.2%，尤其中國內地的同店增長率達9.6%。零售網絡的改善令採購系統更集中，提高了本集團與供應商的議價實力，來自供應商的通道費收入和進貨返利收入得以不斷增加，有助提升營業額及改善整體經營業績。此外，透過整合供應鏈及精簡管理架構，配送能力及營運效率得以提高，並減低成本。二零零六年未計利息、稅項、折舊及攤銷前綜合盈利（「EBITDA」）達港幣773,000,000元，較二零零五年增長34.2%。

華東及華中地區的同店增長率達10.0%。由於蘇果超市採取多業態組合方式及密集佈點、加強媒體廣告的營銷策略，以及於年內整合加盟店，實行直營化，進一步優化網點及穩固市場佔有率，蘇果超市的同店增長率達10.1%。然而，開業不足一年的購物廣場（蘇果的全新業態）在吸引人流等方面尚需時間培養，為積極改善新業態及表現欠佳門店的業績，激勵模式已作革新，而營運流程和管理體系亦已作完善。二零零五年年末完成收購的浙江慈客隆在本年帶來顯著的盈利貢獻。本集團於年內與寧波一家營運商共同組建公司，以進一步提升在浙江省（華東地區）的市場佔有率，擴大零售網點。

華南地區在店面改造、營銷策略運用、整合配送中心以提高配送能力等方面取得理想成效，帶動營業額上升，大型超市和綜合超市的同店增長率分別達11.2%和13.4%。精簡及優化組織架構，重新核定人員編制，既提高工作效

were franchised stores. Major store formats are hypermarkets, superstores, supermarkets and convenience stores. In terms of geographical contribution, Eastern and Central China, Southern China, Hong Kong and Northern China respectively accounted for 55.2%, 26.6%, 12.6% and 5.6% of the division's turnover for the year under review.

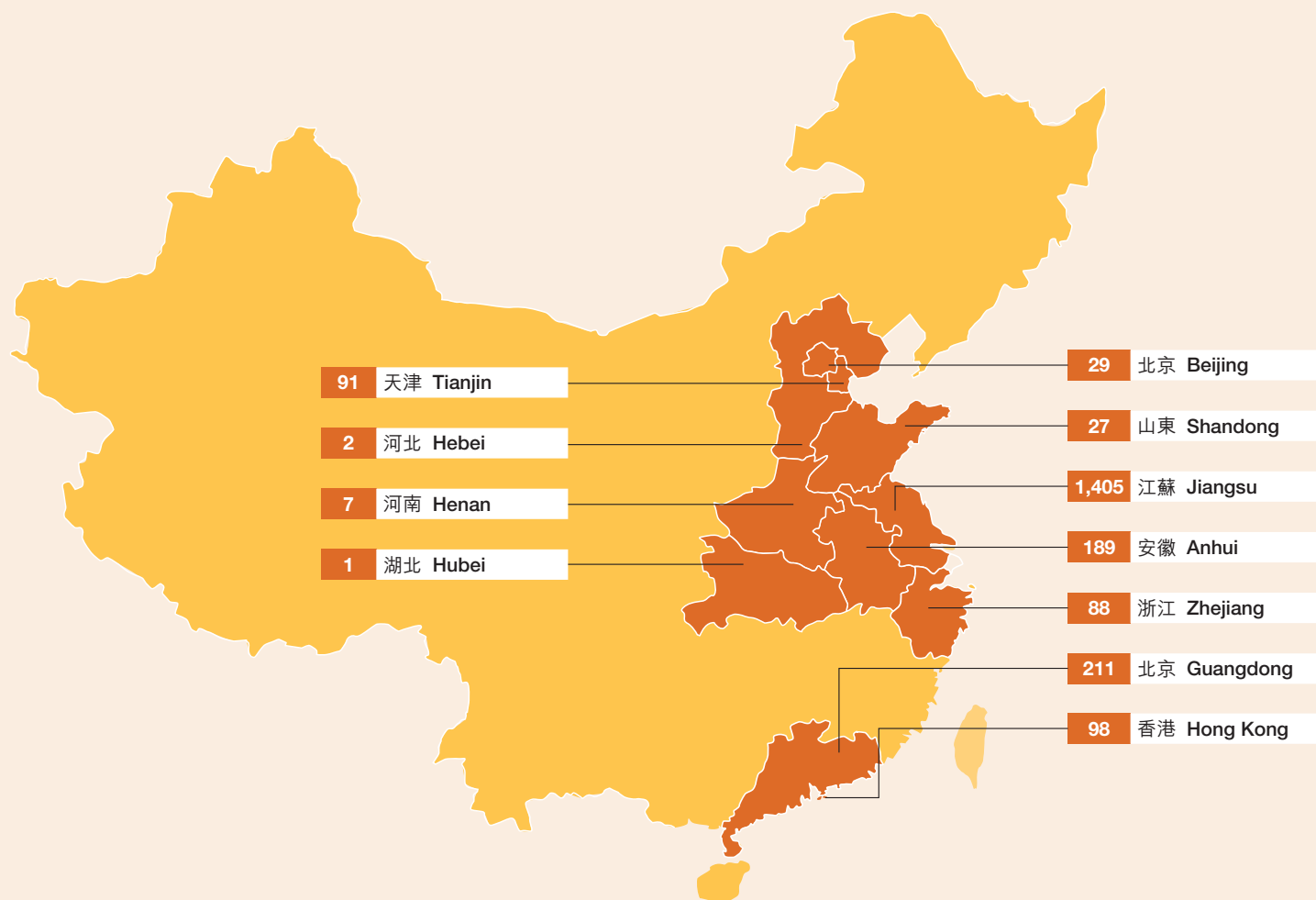
Turnover growth in 2006 was mainly driven by store openings as well as a remarkable same store growth. Overall same store growth for the year was 8.2%, in particular a 9.6% increase was achieved for the Chinese Mainland. The increase in payments from suppliers, which included incentives, store display and promotion income, further boosted the turnover growth and improved the overall operating results. The increasingly centralized purchase system from improved retail networks strengthened the bargaining power in negotiations with suppliers. In addition, optimization of operational logistics and rationalization of management structure helped improve efficiency and achieve cost effectiveness. Consolidated earnings before interest, tax, depreciation and amortization ("EBITDA") for 2006 amounted to HK\$773 million, representing a 34.2% growth over that of 2005.

The Eastern and Central China operation recorded a satisfactory same store growth of 10.0%. Suguo succeeded in maintaining its market share and optimizing its distribution network through the adoption of a multi-format approach with mass coverage, active business promotion in the media as well as consolidation of franchised stores during the year, which have achieved a same store growth of 10.1%. However, Suguo's newly opened hypermarkets, a new store format adopted in 2005, still need adjustments to drive shoppers flow. To improve the profitability of new stores and non-performing stores, key processes and administration setups were modified and incentive schemes were refined. Zhejiang Cikelong, acquired in late 2005, reported satisfactory profit contribution for the year. To further enhance store clusters and market share in Zhejiang Province, the Group also started a joint venture with a local supermarket chain in Ningbo during the year.

In Southern China, store facelifts, better supply chain management and innovative marketing initiatives delivered satisfactory results. Same store growth of hypermarkets and superstores reached 11.2% and 13.4% respectively. Streamline and optimization of management structure also helped rationalize key processes and drive down cost. Whilst the performance of stores in Zhongshan

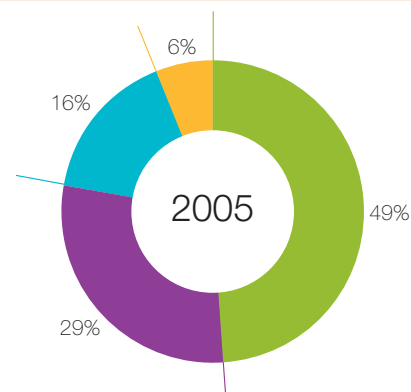
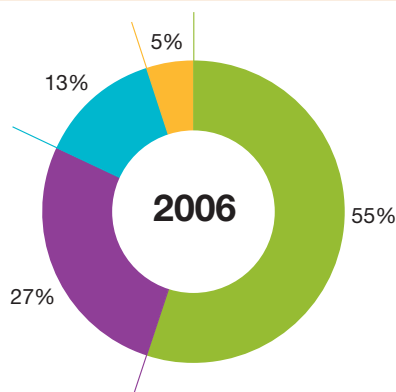


本集團超市於二零零六年十二月三十一日的地區分佈  
Geographical distribution of the Group's supermarkets as at 31 December 2006



店舖總數 Total number of stores : 2,148

超市業務營業額地區分佈之明細  
Geographical turnover breakdown of the supermarket business



率，也節省員工成本。儘管中山市的標超和包括東莞 Lifestyle Store 在內的部分大型超市的本年業績表現仍未如理想，本集團將致力優化及豐富商品組合，調整供應鏈，強化門店網絡的營運能力，以達致改善盈利能力。

華北地區的營業額增加26.3%，主要來自天津收購店舖和新開店舖。然而，部分舊店舖面對多家實力較強之外資零售營辦商的劇烈競爭，部分聯營廠家撤柜、招商未如理想，周邊進行拆遷影響客流量，致使本年度持續錄得淨虧損。本集團將放緩擴張步伐，集中調整現有店舖和理順供應鏈，調整商品組合，以吸引人流，提升店舖的盈利能力。本集團於二零零六年十月訂立協議在北京興建一座物流中心以整合華北地區的採購及物流網絡。

香港地區面對本地主要對手的強大競爭壓力，本集團審慎監察所給予顧客的多項折價優惠，以維持市場佔有率。隨著本港重現消費意欲、零售業銷售持續增長及市場對優質倉儲的需求日形殷切，相信中期至長遠而言有利於香港業務的發展。

為應對目前零售市場激烈的競爭，本集團將通過收購新項目和開設新店發展大型及綜合超市，將經營網點伸延至二、三線城市，加速提高目標地區的市場佔有率。

### 品牌時尚產品經銷

品牌時尚產品經銷業務於二零零六年錄得營業額及應佔溢利分別為港幣1,553,000,000元及港幣26,000,000元，分別較二零零五年增加11.1%及85.7%。

and certain hypermarkets and supermarkets, which include the lifestyle store in Dongguan, were still slack for the year under review, the Group will concentrate its efforts in product mix enrichment as well as supply chain and store operation reinforcement to drive the overall profitability of the segment.

The 26.3% turnover increase in Northern China was mainly attributable to the acquisition of stores in Tianjin and new store openings. In spite of this, the operation recorded net loss for the year owing to head-on competition from foreign retail operators in same areas and withdrawal of certain in-store consignment counters. Certain redevelopment works in the areas also affected customer traffic. The Group is slowing its pace of expansion in the region, putting in more efforts to rationalize existing stores and its related supply chains, and adjusting the product mix to improve store profitability. Meanwhile, the Group has entered into an agreement in October 2006 to set up a distribution centre in Beijing for the integration of procurement and logistics network in Northern China.

The Hong Kong operation faced strong competition from major local market players. The Group cautiously monitored the concessions offered to customers while securing its market share at the same time. With solid revival in domestic consumption expenditure, sustainable retail sales growth and growing demand for quality warehouse space, it is believed that the Hong Kong operation will benefit in medium to long term.

To cope with prevailing keen competition in the retail market, the Group will focus on new acquisitions and development of hypermarkets and superstores through new store openings and moving into second and third tier cities in order to raise market presence in the target regions.

### Brand-fashion Distribution

The brand-fashion distribution segment reported turnover and attributable profit for 2006 of HK\$1,553 million and HK\$26 million respectively, representing an increase of 11.1% and 85.7% over 2005.





「Esprit」品牌的營業額及應佔溢利於回顧年度內分別持續強勁增長34.4%及50.0%。零售及批發業務增長，主要因現有店舖的形象翻新、新店開業、積極進行業務推廣以提高品牌知名度，以及改良產品設計所致。自營店的同店增長率達19.7%，特許經營店的營業額取得滿意增長亦有助提升批發業務的表現。於二零零六年十二月底，中國內地的「Esprit」品牌經銷網絡已設立近730間自營及特許經營店。

本集團自二零零五年最後一季起不斷檢討品牌組合，已於相關經銷合約屆滿時停止經銷若干品牌，及已放棄若干發展潛質有限的品牌。於二零零六年內進行的清貨促銷及多間門店相繼結業，對業務整體盈利有所影響。

### 其他零售店

其他零售店業務於二零零六年錄得營業額及應佔溢利分別為港幣678,000,000元及港幣39,000,000元，大致與二零零五年相若。截至二零零六年十二月底，本集團的連鎖零售店包括5間在香港經營的中藝和37間在香港及中國內地經營的華潤堂。

中藝於下半年內的營業額較去年同期有所提升，主要由太古廣場分店於二零零六年六月喬遷後，以及中環分店於八月復業所推出的開業促銷所致，並且令本年盈利得以改善。

港人對健康日益關注，令市場對保健食品和傳統中藥的需求上升，華潤堂把握形勢不斷調整商品組合，令致二零零六年的毛利額有所改善。然而，因店舖租約到期需續約或調整位置令租金上漲，令業務於回顧年內錄得輕微虧損。華潤堂透過調整店舖佈局及資源，同時積極開發自有品牌產品，整體盈利能力可望持續改善。

The “Esprit” brand delivered strong growth in turnover and attributable profit of 34.4% and 50.0% respectively for the year under review. The growth of retail and wholesale business was largely the result of existing stores facelifts, new store openings, active business promotion for higher brand recognition, together with enhanced product design. Self-operated stores recorded a same store growth of 19.7% while satisfactory sales growth of franchised stores also helped improve the performance of wholesale business. The distribution network of the “Esprit” brand as at the end of December 2006 comprised approximately 730 self-operated and franchised stores in the Chinese Mainland.

The continuous brand portfolio review since the last quarter of 2005 has showed effect; distribution of certain brands ceased upon expiry of the distribution contracts, while certain brands considered to have limited development potential have been pulled out. Clearance sales and successive store closures in 2006 impacted the overall profitability of the segment.

### Other Retail Stores

Other retail stores segment reported turnover and attributable profit for 2006 of HK\$678 million and HK\$39 million, which remained relatively comparable to last year. The Group's chain of retail stores as at the end of December 2006 consisted of 5 Chinese Arts & Crafts 中藝 stores in Hong Kong and 37 CR Care 華潤堂 stores in Hong Kong and the Chinese Mainland.

Owing to an increase in turnover during the second half of the year largely from business promotion associated with re-opening of a relocated store at Pacific Place in June 2006 and another store in Central in August 2006, Chinese Arts & Crafts 中藝 reported improvement in profitability.

Ongoing product mix enrichment to capture increasing demand for health food and traditional Chinese medicine, amidst rising health awareness amongst local community, contributed to improved gross profit for CR Care 華潤堂 stores in 2006. However, cost pressure from increased store rentals resulting from tenancy renewal upon expiry or stores relocations have caused the operation to report a small loss for the year under review. Through enhancement of store layout, resources alignment and the development of its own branded products, improvement in overall profitability of CR Care 華潤堂 stores is anticipated.





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## 飲品 Beverage

		二零零六年 2006 港幣百萬元 HK\$ million	二零零五年 2005 港幣百萬元 HK\$ million	轉變 Change (%)
營業額	Turnover	9,455	6,855	38%
應佔溢利	Attributable profit	174	136	28%
未計利息、稅項、折舊及 攤銷前盈利	EBITDA	1,306	1,056	24%
資本開支及新收購項目	Capital expenditure and new acquisitions	1,416	841	68%



飲品業務於二零零六年的營業額及應佔溢利分別為港幣9,455,000,000元及港幣174,000,000元，分別較二零零五年增長37.9%及27.9%。

二零零六年的啤酒銷量上升34.4%至約5,305,000千升，其中行銷全國的「雪花」啤酒更創下佳績，銷量達3,037,000千升，佔總銷量的57.2%，增長幅度達91.9%，成績斐然。營業額及銷量的上升主要是內涵增長帶動，其中以四川、遼寧、安徽、黑吉及京津地區的銷量增長較為顯著。這有賴本集團重視「雪花」啤酒的品牌策略，通過積極的市場推廣，公司品牌整合取得顯著成效。另一方面，因傳統旺季的天氣較預期炎熱，加上受暖冬氣候的影響，進一步刺激了消費者對啤酒的需求。

於回顧年度，隨著消費者品味提升，本集團不斷改良大部份地區的產品銷售組合，使平均售價較二零零五年輕微上升，彌補了因生產成本上升而導致每千升酒平均成本上升，令整體毛利率仍能維持穩定。由於部份地區仍處市場拓展初期階段，在銷售渠道和提高消費者對「雪花」啤酒的認知度等方面均作出了較大的投入，令每千升啤酒的平均銷售費用上升，從而減少了銷量增長對應佔溢利的貢獻。

本集團截至二零零六年底於中國內地經營近50間啤酒廠，年產能約7,600,000千升。於年內，本集團成功完成多個收購項目。為進一步鞏固本集團的市場根基及配合現有及目標地區的擴張，本集團分別收購了泉州清源啤酒有限公司的85%權益、浙江銀燕啤酒有限公司的100%權益，以及安徽淮北相王啤酒有限責任

The beverage division reported turnover and attributable profit for 2006 of HK\$9,455 million and HK\$174 million respectively, representing a corresponding increase of 37.9% and 27.9% over 2005.

Sales volume of beer rose by 34.4% to approximately 5,305,000 kiloliters for 2006. In particular, our national brand “SNOW” achieved remarkable performance, with sales volume reached 3,037,000 kiloliters, representing 57.2% of the total sales volume and an impressive growth of 91.9%. The increase in turnover and sales volume was mainly contributed by organic growth with a notable sales volume increase in Sichuan, Liaoning, Anhui, Heilongjiang/Jilin and Beijing/Tianjin regions. This was mainly attributable to the successful brand name integration through initiatives in the “SNOW” brand promotion and in market distribution. Market demand was further driven by the hotter than expected weather in typical peak season and the warmer weather in winter.

For the year under review, the Group put in continuous efforts for product mix enrichment in most of the regions so as to cater for the lifting of consumer's taste. The slight increase in average selling price per kiloliter compensated for the increase in production cost; overall gross profit margin remained comparable. However, considerable investment was expended on building sales distribution channels and consumer popularity of the “SNOW” brand during preliminary market expansion in certain regions. As a result, the increase in average selling and distribution expenses per kiloliter offset the contribution of sales volume increment to profitability.

As at the end of 2006, the Group operated approximately 50 breweries in the Chinese Mainland with an annual production capacity of approximately 7.6 million kiloliters. The Group successfully completed several new acquisitions during the year. With a strategic move to reinforce the Group's market position and to supplement the operations in existing and target regions, the Group acquired an 85% interest in 泉州清源啤酒有限公司 (Quanzhou Qingyuan Brewery Company Limited) and a 100% interest in 浙江銀燕啤酒有限公司 (Zhejiang Yinyan Brewery

公司、烏蘭浩特蒙原酒業有限責任公司及山西月山啤酒有限公司與啤酒業務相關的資產。此外，位於黑龍江哈爾濱的新酒廠，主要為生產「雪花」啤酒，亦已於二零零七年一月投入試產。本集團亦於同月訂立協議，透過收購藍劍（集團）有限責任公司的全部股權，收購位於中國四川省的啤酒公司的餘下38%權益及一家位於貴州省啤酒公司的100%權益。

市場擴張帶動生產擴張，本集團將對現階段產能已達飽和的啤酒廠實施擴建，以鞏固作為中國內地最大銷量的啤酒商地位，及保持行銷全國的「雪花」啤酒的增長勢頭。

展望未來，中國啤酒業還將進一步面對激烈的市場競爭。為加強本身的競爭優勢，本集團將致力優化產品品牌結構，進一步降低營運成本，繼續整合現有市場、拓展新市場，力求把握中國內地啤酒消耗量與日俱增的有利形勢。

Company Limited), and the related brewing assets in 安徽淮北相王啤酒有限責任公司 (Anhui Huaibei Xiangwang Brewery Company Limited), 烏蘭浩特蒙原酒業有限責任公司 (Wulanhaote Mengyuan Brewery Company Limited) and 山西月山啤酒有限公司 (Shanxi Yueshan Brewery Company Limited). Additionally, the new brewery in Harbin, Heilongjiang, which is also for the production of the “SNOW” brand beer, commenced trial operation in January 2007. In the same month, the Group entered into an agreement to acquire the remaining 38% interest in the brewery companies in Sichuan and a 100% interest in a brewery company in the Guizhou Province of the Chinese Mainland through the acquisition of the entire interests in 藍劍（集團）有限責任公司 (Blue Sword (Group) Company Limited).

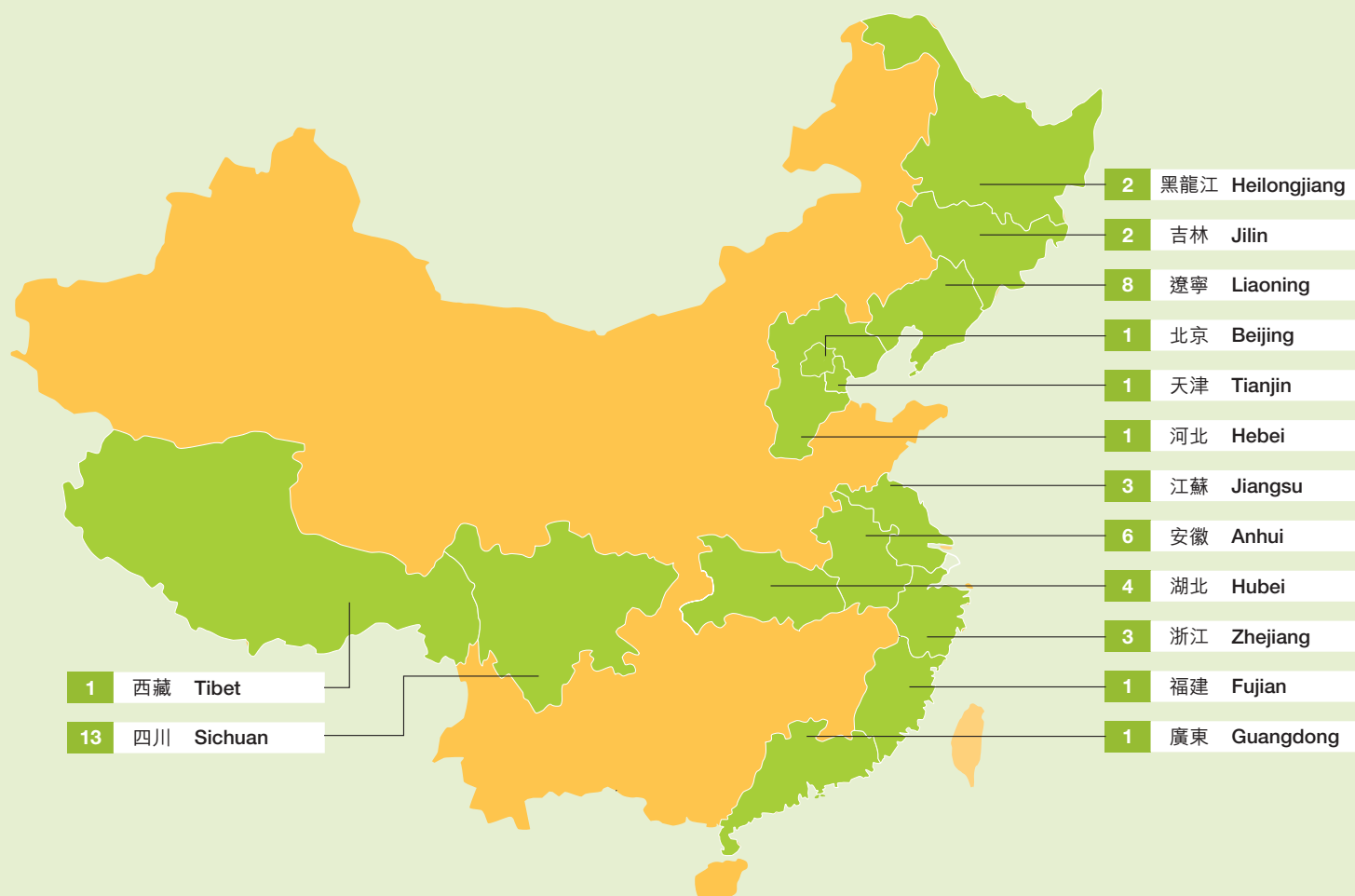
Production expansion is driven by market expansion. To consolidate its position as the largest beer producer in the Chinese Mainland in terms of sales volume, the Group has concrete plans to enlarge the production capacity of certain breweries that have currently reached maximum beer production capacity, in order to support the growth of our national brand “SNOW”.

Moving forward, intensified competition in the China beer market is anticipated. To strengthen its competitive advantage, the Group will keep on putting emphasis on branded product mix enrichment, operational improvement for cost saving, continuous market integration and expansion to capitalize on the growing momentum in the beer consumption in the Chinese Mainland.



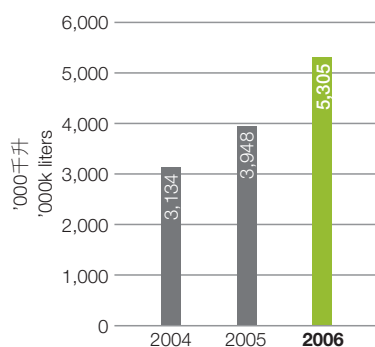


本集團啤酒廠於二零零六年十二月三十一日的地區分佈  
Geographical distribution of the Group's breweries as at 31 December 2006

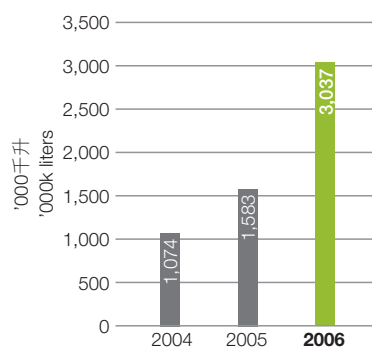


啤酒廠總數 Total number of breweries : 47

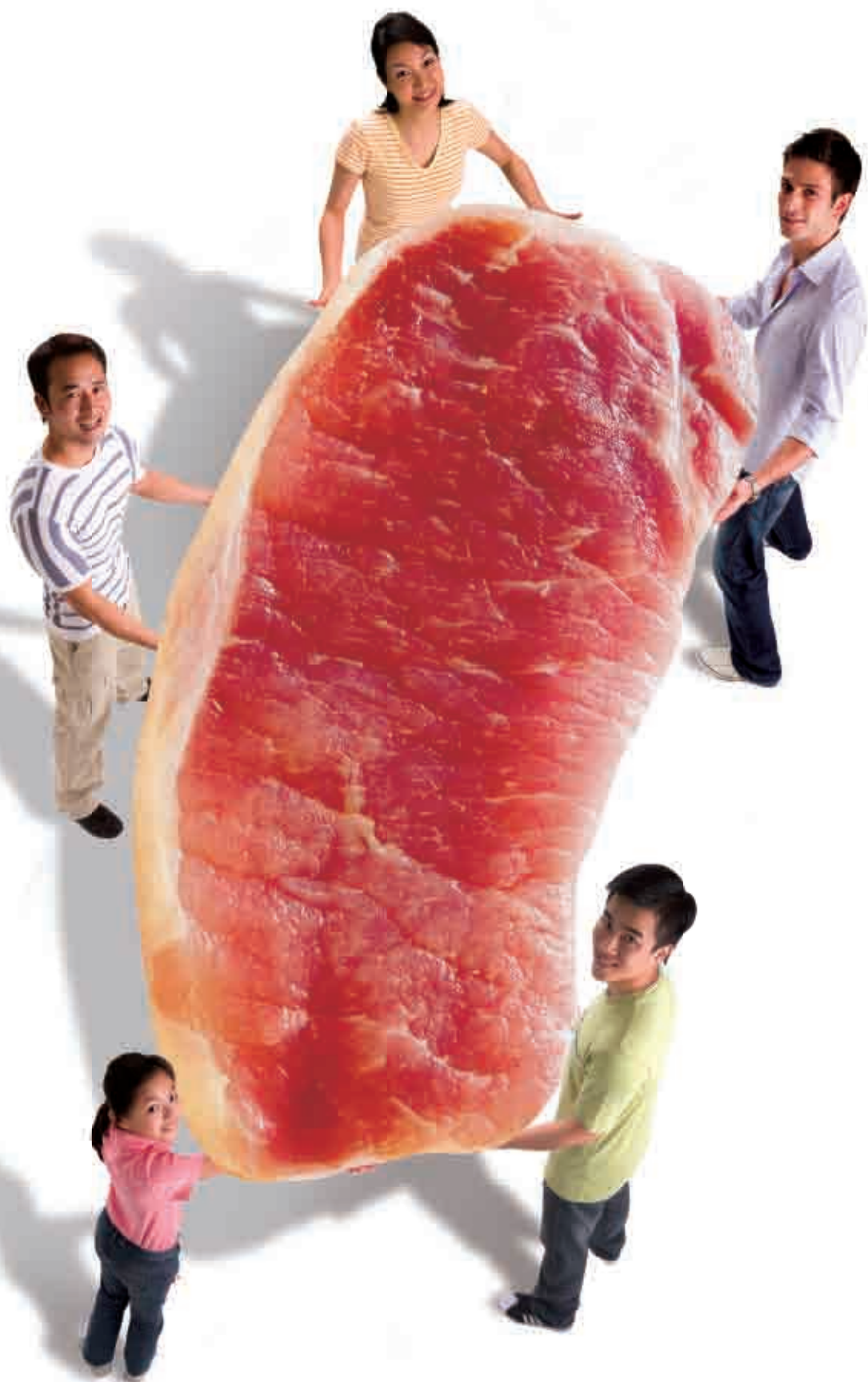
過去三年啤酒銷量  
Sales volume of beer over the last three years



過去三年「雪花」啤酒銷量  
Sales volume of "SNOW" beer over the last three years



We carry  
Freshness everyday!  
同嚟珍饈百味



## 食品加工及經銷 Food Processing and Distribution

		二零零六年 2006 港幣百萬元 HK\$ million	二零零五年 2005 港幣百萬元 HK\$ million	轉變 Change (%)
營業額	Turnover	6,092	5,624	8%
應佔溢利	Attributable profit	435	414	5%
未計利息、稅項、折舊及 攤銷前盈利	EBITDA	703	630	12%
資本開支及新收購項目	Capital expenditure and new acquisitions	148	235	-37%



食品加工及經銷業務於二零零六年錄得營業額及應佔溢利分別為港幣6,092,000,000元及港幣435,000,000元，分別較二零零五年增加8.3%及5.1%。剔除於二零零五年因出售一間聯營公司而產生港幣59,000,000元的利潤後，二零零六年的應佔溢利較去年增加22.5%。

食品經銷業務本年的盈利錄得顯著增長。市民日益關注食品安全及質量，以及加強銷售渠道建設，令「五豐」牌優質鮮肉持續獲得高度認同。持續豐富產品組合，增加新產品以滿足客戶需求，以及積極擴大凍肉及其他綜合食品的销售及經銷網絡，均為業務增長帶來動力。

儘管繼續受燃料價格屢創新高的影響，遠洋捕撈及水產品加工業務的營業額及應佔溢利均錄得增長。通過在海外市場實施有效的品牌及市場推廣策略，業務於回顧期間的銷量上升約2%。為了密切控制生產成本，定期的實地審察捕撈船隊的燃料耗用情況，以及推行節約成本措施，令業務盈利能力得以顯著改善。

深圳業務於二零零六年錄得顯著的溢利貢獻增長，主要是通過積極拓展鮮肉銷售網絡和有效控制活豬採購、屠宰及鮮肉生產各方面的經營成本而取得。同時，通過系列化的宣傳及分銷網絡的擴展，肉製品加工業務亦錄得理想業績。「喜上喜」品牌被評為深圳市知名品牌。

上海肉類加工中心已於二零零五年年底開始營運，其屠宰量已提高，並於本年錄得溢利貢獻。業務推行有效的宣傳活動，令「五豐上食」品牌的認知度得到提升。專賣門店、超市賣場及社會團購客戶等近1,000個銷售終端，已初步形成遍佈上海的銷售網絡。同時，業務透過嚴格控制採購成本、生產成本及銷售分銷管理費用，使盈利能力提升。

本集團透過輸出香港屠宰技術及管理經驗，將對深圳及上海業務在提高屠宰質量和管理水平、以及衛生標準等方面起到了重要的作用。

The food processing and distribution division reported turnover and attributable profit for 2006 of HK\$6,092 million and HK\$435 million respectively, representing an increase of 8.3% and 5.1% over 2005. Excluding a HK\$59 million gain on disposal of an associated company in 2005, attributable profit of the division for 2006 increased by 22.5%.

Foodstuff distribution operation reported a notable growth in profitability. In light of growing concerns over food safety and quality, together with determined efforts in distribution channel rationalization, the “Ng Fung” brand of high quality fresh meat continued to be highly appreciated. Ongoing enrichment in product mix, introduction of new products to meet customer demand trends, coupled with vigilant expansion of sales and distribution network for frozen meat and other assorted foodstuff distribution business also contributed to the business growth of the division.

Despite the record high fuel prices impacting on the profitability, the marine fishing and aquatic products processing operation reported satisfactory growth in turnover and attributable profit. For the year under review, sales volume rose by about 2% through effective branding and marketing in the overseas markets. Regular on-site monitoring of fishing fleet fuel utilization and cost saving measures were carried out to keep the production costs under control, leading to a substantial profitability improvement.

The Shenzhen operation reported a marked growth in profit contribution in 2006, which was mainly achieved through proactive expansion of fresh meat sales network and effective operating cost control initiatives in pig sourcing, slaughtering and fresh meat production. The encouraging performance of its meat processing division was attributable to the effective launch of promotional campaigns and enhancement in distribution network. Its brand “喜上喜” was recognized as the well-known brand in Shenzhen.

The Shanghai meat processing centre, which commenced operation at the end of 2005, has increased its slaughtering volume and reported profit contribution for the year under review. The effective launch of promotional activities has raised the popularity of its brand “五豐上食” in local market. Initial sales network was established in the Shanghai market with nearly 1,000 sales outlets, including group procurement customers and those in supermarkets and specialty shops. Stringent cost control initiative drove down costs in the course of procurement, production as well as selling and administration, which in turn increased profitability.

The Group's expertise in slaughtering techniques and management in Hong Kong will pose core competence in lifting the slaughtering quality and management level in light of hygiene awareness of both Shenzhen and Shanghai operations.



We create  
colourful style  
for better living!

增添繽紛色彩



## 紡織 Textile

		二零零六年 2006 港幣百萬元 HK\$ million	二零零五年 2005 港幣百萬元 HK\$ million	轉變 Change (%)
營業額	Turnover	4,453	4,291	4%
應佔溢利	Attributable profit	61	81	-25%
未計利息、稅項、折舊及攤銷前盈利	EBITDA	346	343	1%
資本開支及新收購項目	Capital expenditure and new acquisitions	433	220	97%



紡織業務於二零零六年的營業額為港幣4,453,000,000元，較二零零五年上升3.8%，而應佔溢利為港幣61,000,000元，較二零零五年下跌24.7%。

營業額的增長，主要由於市場對高檔產品MAKO紗線及HOY尼龍絲，及FDY尼龍絲的殷切需求，帶動出口銷售上升，並且透過技術改造優化產品組合，令紗線的平均售價上升15.8%所致。由於將不同來源的棉花混合使用及逐步轉用進口棉花，降低了原材料生產成本。然而，兩間工廠因裁員而出現巨額的員工經濟補償、印染業務的表現持續遜色，以及自二零零六年七月起全國電費價格上調均削弱紡織業務的盈利能力。於二零零六年最後一季生效的有關紡織產品增值稅出口退稅率由13%下調至11%，增加了本業務的成本壓力，明年的盈利水平將會面臨考驗。

展望未來，顧及紡織品之發展趨勢持續轉變，本集團的焦點仍致力投放於生產高檔產品。若干生產設施按計劃於二零零七年進行技術改良，將進一步改善生產效率，長遠將帶動紡織業務的營業額及盈利能力的提升。

Turnover of the textile division for 2006 was HK\$4,453 million, representing an increase of 3.8% over 2005. Attributable profit for 2006 amounted to HK\$61 million, representing a decrease of 24.7% from 2005.

Turnover growth was mainly driven by a boost in export sales of high-end products, namely MAKO yarns and nylon HOY, and FDY yarns under robust market demand. Product mix enhancement, a result of technology upgrade, contributed to a 15.8% increase in average selling price of yarns. The more economic usage of cotton mix and the gradual shift in the use of imported cotton has reduced the raw material costs for production. However, a material worker's compensation incurred for workforce redundancies of two factories, the continuing underperformance of the dyeing business as well as the rising cost pressure from the increase in electricity price in July 2006, altogether lowered the profitability of the textile division for the year under review. The reduction of VAT refund on export of textile products from 13% to 11% effective in the last quarter of 2006 brought further cost pressure to the division and will pose a challenge to the profitability in the coming year.

Moving forward, in view of the continuous change in the trend of the textile market, our focus will be primarily on the production of high-end products. Scheduled technology upgrade of certain production facilities in 2007 will further improve the production efficiency and in turn will help drive the overall turnover and profitability of the division in the long run.

## 投資物業 Investment Property

		二零零六年 2006 港幣百萬元 HK\$ million	二零零五年 2005 港幣百萬元 HK\$ million	轉變 Change (%)
營業額	Turnover	349	299	17%
應佔溢利	Attributable profit	647	690	-6%
未計利息、稅項、折舊及攤銷前盈利	EBITDA	783	814	-4%
資本開支及新收購項目	Capital expenditure and new acquisitions	165	354	-53%



投資物業業務主要包括零售店舖、辦公室和工業單位的物業租務。本業務於二零零六年錄得營業額為港幣349,000,000元，較二零零五年增加16.7%。二零零六年的應佔溢利為港幣647,000,000元。剔除約港幣432,000,000元的稅後估值盈餘及出售非核心投資物業溢利(二零零五年：約港幣508,000,000元)後，二零零六年的應佔溢利較去年增加18.1%。

零售店舖租務市場繼二零零五年下半年的整固後，於二零零六年內重拾升軌。經濟的進一步增長，本港家庭的消費支出增加，預期將令零售銷售受惠，並成為刺激零售店舖租金進一步上升的動力。

新訂及續訂租約的租金均錄得滿意升幅。本業務正好把握零售市道轉旺的機遇，位於灣仔軒尼詩道重新發展的多層式零售物業自二零零六年九月起已全部租出，並提供穩定的租金收入，令本集團名下零售物業組合的每平方呎實際租金錄得升幅，整體出租率亦取得滿意增長。

位於江門的商場江門新の城，獲得本集團旗下超市成功進駐為主要租戶，已於二零零六年四月起營業。商場現時出租率約達82%，並在營業初期推行具體措施及推廣活動，務求帶來更多人流，刺激顧客消費。位於新會的購物商場現正進行翻修。兩個商場項目作為本業務進軍中國內地市場的試點，將帶來新的收入來源及開拓內地市場的寶貴經驗。

The property division, which comprises rental property segments of retail, office and industrial premises, reported turnover for 2006 of HK\$349 million, representing an increase of 16.7% over 2005. Attributable profit for 2006 amounted to HK\$647 million. Excluding net-of-tax valuation surplus and disposal gains of certain non-core investment properties with an aggregate amount of approximately HK\$432 million (2005: approximately HK\$508 million), attributable profit of the division for 2006 increased by 18.1%.

Retail rentals during 2006 regained its momentum after a period of market consolidation in the second half of 2005. Against expected further economic growth and increasing consumption expenditure of the local households, retail sales are expected to benefit and provide further growth impetus to retail rentals.

Satisfactory rental increases were attained for both new and renewed tenancies. Capitalizing on the favorable retail market opportunities, the newly redeveloped multi-storey retail property on the Hennessy Road, Wanchai has been fully let out since September 2006 and made steady rental income contribution. This led to an overall increase in effective rent per square foot and satisfactory occupancy rates of the Group's retail properties portfolio.

The mall 江門新の城 at Jiangmen, with our supermarket as its anchor tenant, commenced operation in April 2006 with its latest occupancy rate having reached about 82%. Specific measures and events were launched to further drive up rentals and shoppers flow during the initial stage of the operation. The shopping mall at Xinhui is currently under renovation. Both malls, being the property division's initial market entries to the Chinese Mainland, will bring in new revenue streams as well as experience to capture further investment opportunities in the mainland market.



## 石油及相關產品經銷 Petroleum and Related Products Distribution

		二零零六年 2006 港幣百萬元 HK\$ million	二零零五年(重列) 2005 (Restated) 港幣百萬元 HK\$ million	轉變 Change (%)
營業額	Turnover	25,100	20,847	20%
應佔溢利	Attributable profit	1,002	624	61%
未計利息、稅項、折舊及 攤銷前盈利	EBITDA	1,273	961	32%



石油及相關產品經銷業務於二零零六年錄得的營業額及應佔溢利分別為港幣25,100,000,000元及港幣1,002,000,000元，分別較二零零五年增加20.4%及60.6%。剔除於二零零六年出售華潤石化控股有限公司100%股權的利潤，以及二零零五年出售若干非核心資產的利潤後，二零零六年的應佔溢利較二零零五年增加25.0%。

香港油站業務的業績轉虧為盈，主要有賴定價機制的價格調整時限自二零零六年三月起縮短所致。於回顧年內，油價的波動令石油經銷的毛利受到輕微影響。內地管道燃氣和化工品經銷業務的溢利貢獻改善亦為整體溢利的增長帶來貢獻。

依循本集團集中發展核心消費業務，本集團於年內出售其於內地的全部管道燃氣業務、化工品經銷業務及其他石油相關業務的股權。於二零零七年三月十四日，本集團簽訂框架協議，出售所持有華潤石化投資有限公司的100%股權。華潤石化投資有限公司為本集團所有香港石油產品經銷業務之控股公司，當中業務包括批發石油產品及經營油站。本集團預計在二零零七年四月中旬簽署有關正式協議。

Turnover and attributable profit of the petroleum and related products distribution division for 2006 amounted to HK\$25,100 million and HK\$1,002 million respectively, representing an increase of 20.4% and 60.6% over 2005. Excluding a gain from the disposal of the 100% equity interest in China Resources Petrochems Holdings Limited in 2006 and the gains from the disposal of certain non-core assets in 2005, attributable profits for 2006 increased by 25.0% over 2005.

Turnaround in profitability of filling stations operation in Hong Kong was primarily attributable to the reduced intermission of price-fixing mechanism effective from March 2006. Volatility in oil prices during the year under review had a slight impact on the gross margin of the petroleum distribution. The improved profit contribution from the piped gas and chemical operations in the Chinese Mainland also contributed to the increase in overall profitability.

Consistent with the Group's focus on the core consumer businesses, the Group disposed of its interests in the piped gas, chemicals distribution and other petroleum related businesses in the Chinese Mainland during the year. On 14 March 2007, the Group has entered into a framework agreement to dispose of its 100% equity interest in China Resources Petrochems Investments Limited, which is the holding company of all the Group's petroleum distribution business in Hong Kong, including the wholesaling of petroleum products and the operation of petrol stations. The formal agreement is expected to be signed in mid April, 2007.

## 投資及其他業務 Investments and Others

本業務於二零零六年的應佔溢利為港幣421,000,000元(二零零五年：港幣356,000,000元)。

### 貨櫃碼頭

本集團擁有HIT Investments Limited和Hutchison Ports Yantian Investments Limited的10%權益。於二零零六年，香港及鹽田深水港業務的溢利表現維持穩定。

Attributable profit for 2006 amounted to HK\$421 million (2005: HK\$356 million).

### Container Terminal

The Group has a 10% interest in HIT Investments Limited and Hutchison Ports Yantian Investments Limited. The Hong Kong and Yantian deepwater port operations continued to maintain a stable profit performance in 2006.



## 財務回顧 Financial Review

### 資金及融資

於二零零六年十二月三十一日，本集團的綜合現金及現金等值達港幣7,056,000,000元。本集團於二零零六年十二月三十一日的借貸為港幣8,837,000,000元，其中港幣4,997,000,000元須於一年內償還，港幣3,836,000,000元須於一年後但五年內償還，另港幣4,000,000元則須於五年後償還。於二零零六年十二月三十一日，本集團尚未動用之借貸備用額為港幣1,300,000,000元。所有借貸均以浮動息率計算。於二零零六年五月十五日，本集團內一家全資附屬公司與16間銀行簽署一份港幣3,000,000,000元，為期五年的循環信貸/有期銀團貸款備用額，年利率為香港銀行同業拆息加0.28%。有關款項用作一般資金用途及為贖回於二零零六年五月到期的230,000,000美元可換股擔保債券作再融資。

於二零零六年十二月三十一日，按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7.1%(二零零五年十二月三十一日：14.3%)。本集團的借貸淨額的減少主要由於經營活動，特別是飲品業務的現金流入及收取行使購股權的現金代價。

本集團的主要資產、負債、收益及付款均以港幣、人民幣及美元結算。於二零零六年十二月三十一日，本集團現金存款結餘分別有22.2%

### Capital and Funding

As at 31 December 2006, the Group's consolidated cash and cash equivalents amounted to HK\$7,056 million. The Group's borrowings as at 31 December 2006 were HK\$8,837 million with HK\$4,997 million repayable within 1 year, HK\$3,836 million repayable after 1 year but within 5 years and HK\$4 million repayable after 5 years. Committed borrowing facilities available to the Group, but not drawn as at 31 December 2006 amounted to HK\$1,300 million. All the borrowings were subject to floating rates. On 15 May 2006, a wholly-owned subsidiary of the Group, together with 16 other banks, signed a 5-year revolving credit/term syndicated loan facility of HK\$3 billion, interest bearing at 0.28% p.a. over HIBOR. The proceeds are for general corporate funding and the refinancing of the redemption of US\$230 million convertible guaranteed bonds upon maturity in May 2006.

On the basis of the Group's net borrowings relative to the shareholders' funds and minority interests, the Group's gearing was approximately at 7.1% as at 31 December 2006 (31 December 2005: 14.3%). The decrease in net debt of the Group was mainly resulted from the cash inflow from operating activities particularly the beverage business and the consideration received from exercise of share options.

The Group's principal assets, liabilities, revenue and payments are denominated in Hong Kong dollars, Renminbi and US dollars. As at 31 December 2006, 22.2% of the Group's cash deposit balances was held in Hong Kong dollars,

以港幣、36.7%以人民幣及40.0%以美元持有。本集團借貸中61.1%及26.2%分別以港幣及人民幣結算，12.6%則以美元為單位。此外，為減低匯兌及利率波動的風險，本集團已訂立若干遠期合約及利率調期合約，以對沖部份借貸風險。

### 資產抵押

於二零零六年十二月三十一日，本集團已抵押賬面淨值為港幣153,000,000元(二零零五年十二月三十一日：港幣228,000,000元)的資產，以獲取總額為港幣214,000,000元(二零零五年十二月三十一日：港幣248,000,000元)的借貸。

### 或然負債

於二零零六年十二月三十一日，本集團並無任何重大或然負債。

### 僱員

於二零零六年十二月三十一日，除聯營公司以外，本集團聘用約113,000人，其中逾93%在中國內地僱用，其餘的主要駐守香港及海外。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，並輔以各種以現金或購股權支付之獎勵計劃。

承董事會命  
董事總經理  
陳樹林

香港，二零零七年四月四日

36.7% in Renminbi and 40.0% in US dollars; whereas 61.1% of the Group's borrowings was denominated in Hong Kong dollars and 26.2% in Renminbi with 12.6% in US dollars. Moreover, to mitigate foreign currency and interest rate exposure, the Group entered into certain forward contracts and interest rate swaps to hedge against part of its borrowings.

### Pledge of Assets

As at 31 December 2006, assets with a carrying value of HK\$153 million (31 December 2005: HK\$228 million) were pledged for total borrowings of HK\$214 million (31 December 2005: pledged for total borrowings of HK\$248 million).

### Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2006.

### Employees

As at 31 December 2006, the Group, excluding its associated companies, has a staff size of around 113,000, amongst which more than 93% were employed in the Chinese Mainland, whilst the rest were mainly in Hong Kong and overseas. Remuneration packages are assessed in accordance to the nature of jobs duties, individual performance and market trends with built-in merit components, paid in the form of cash bonuses and share options.

By order of the Board  
CHEN SHULIN  
Managing Director

Hong Kong, 4 April 2007