

Managing Director's Report

董事總經理報告

“Notwithstanding that property market in China is highly competitive, the Group achieved impressive milestones and overwhelmingly success in GFA sales....”

「儘管中國房地產市場競爭激烈，集團仍然昂然跨越嶄新里程，以銷售之樓面面積計算，取得空前成功……」



Tse Sai Tung, Stones 謝世東
Managing Director and CEO 董事總經理兼總裁

With the concerted efforts of our management team and dedicated staff, the Group achieved historical milestone in 2002. While property sales in Guangzhou pitched an unprecedented record, the Group also signified its cross-district expansion by successfully launching first lot of projects in Beijing. In 2002, the Group experienced the highest GFA under construction, the highest GFA completed as well as the highest GFA sold.

OPERATING ENVIRONMENTS

In 2002, the rapid pace of economic growth, accelerated urbanisation progress and increase in residents' disposable income, all were key drivers to activate further activities to property market in China. Throughout the year, the real estate investments for the nation already reached RMB600 billion, representing an increase of over 30% from the year before. This reflected the considerable optimism prevailing in the market.

憑藉管理層和員工的共同努力，本集團在二零零二年成功跨越新的里程。本集團不但在廣州房地產銷售取得歷史新高，更同時在北京成功推出首批項目，標誌著本集團跨地區拓展已取得成果。在二零零二年，本集團的興建中樓面面積、竣工的樓面面積以及銷售的樓面面積均錄得歷史新高。

經營環境

在二零零二年，經濟增長迅速、城市化速度加快以及居民收入增加，均成為中國房地產市場進一步發展的主要動力。在過去一年，國內房地產投資總額達到人民幣六千億元，較前一年增加逾30%，反映市場樂觀氣氛。



▲ Guangzhou • Pleasant View Garden
廣州 • 逸景翠園

With the surging demand, major cities in China exhibited encouraging sales growths. The Pearl River Delta region, Beijing-Tianjin region and Yangtze River Delta region remained the backbones of China's property market. For the head cities of these three regions, namely, Guangzhou, Beijing and Shanghai, the total sales of residential GFA amounted to 7.96 million sq.m., 16.04 million sq.m. and 18.39 million sq.m. respectively.

Guangzhou

Guangzhou, as the home base of the Group's development for the past decade, remains to be an outright important market. The city continued to surpass the national GDP and achieved a 13% GDP growth in 2002. The sales of commodity property recorded a steady increase of 15% in 2002, with the secondary market showing an even more encouraging 29% increase.

With the opening of new Metro Line of the city by end 2002, the infrastructure development continued to be in impressive progress. The expansion of Guangzhou city and the development of Nansha will further promote the geographical growth of Guangzhou's property market in the coming decade.

隨著需求增加，中國主要城市的房地產銷售均取得令人鼓舞的增長。珠三角地區、京津地區及長三角地區仍然是中國房地產市場的支柱。該地區代表城市如廣州、北京和上海，商品住宅銷售的總樓面面積分別達到7,960,000平方米、16,040,000平方米及18,390,000平方米。

廣州

廣州作為本集團在過去十年發展的基地，仍然是全國的重點市場。廣州在二零零二年的生產總值繼續超越全國國內生產總值，增長高達13%。商品房的銷售在二零零二年錄得15%的增長，二手市場更取得令人振奮的29%增長。

隨著廣州的新地鐵線在二零零二年底通車，基礎建設將繼續有可觀的進展。廣州市版圖的拓展以及南沙的開發將在未來十年進一步推動廣州房地產市場向外擴張發展。

Beijing

While still enjoying a high degree of political influence, Beijing proves to be a phenomenal market. Its robust GDP was kept at 10% growth in 2002. It is also envisaged that China's hosting of the 2008 Olympic Games should bring multiple advantages to Beijing for many years. The government has earmarked a huge investment program for the upgrading of infrastructure and other facilities. The development of suburban properties will be fostered by virtue of the completion of light rails and extension of metro line.

Against a backdrop of positive market sentiment, real estate investments experienced a 26% rise in 2002. This represented about 55% in overall investment amount in Beijing for the year. The property market in Beijing is lucrative yet competitive.

Shanghai

Being the largest city and most sophisticated commercial centre of mainland China, Shanghai is well backed by influx of domestic as well as foreign investments. Under the Tenth Five-Year Plan (2001 - 2005), the government expects Shanghai's GDP growth to be sustained at 9% to 11% per annum. In 2002, Shanghai maintained a 10% GDP growth and remained as one of the country's fastest and most promising cities.

Shanghai property market is poised to grow alongside with the city's development. The impetus of hosting 2010 World Expo and the city's aggressive infrastructure improvement programs have induced a proactive investment environment. In 2002, the real estate investments recorded a 14% increase, whereas the completed floor space and sales achieved increases of 11% and 9% to historic height.

北京

北京作為國內具高度政治影響力的城市，其房地產市場一直表現突出。二零零二年生產總值保持強勁的10%增長。預期二零零八年奧運將會使北京在未來數年更添優勢。政府已決定撥出巨額投資以改善北京市的基礎建設及其他設施。加上輕軌鐵路完成及地鐵線路拓展，將進一步促進市郊的房地產發展。

在市場氣氛良好的背景下，二零零二年房地產投資錄得26%增長，佔北京整體的投資金額約55%。北京的房地產市場雖然吸引但競爭激烈。

上海

作為國內最大的城市及高度商業化的中心，上海得到國內及國外資金湧入的有力支持。在十五計劃下(二零零一年至二零零五年)，政府預期上海的生產總值將維持每年9%至11%的增幅。於二零零二年，上海的生產總值保持10%增長，並繼續成為全國發展最快及最富前景的城市之一。

上海房地產市場將與城市發展並行。二零一零年舉行的世界博覽會及上海的強勢基礎建設發展形成了有利的投資環境。在二零零二年房地產投資錄得14%增長，同時已建成之樓面面積以及銷售之樓面面積分別錄得11%及9%增長，至歷史新高。

GROUP'S SALES PERFORMANCE

In 2002, the Group continued to demonstrate its proven sales ability and the prominent marketing team. Notwithstanding that property market in China is highly competitive, the Group achieved impressive milestones and overwhelmingly success in GFA sales. In 2002, for projects in Guangzhou such as Gallopade Park-South Court, Huanan New City, Pleasant View Garden, Fairview South Court, Huajing New City Phase 6 together with Regal Riviera, the Group successfully sold a total of 3,710 residential units, representing a GFA of approximately 449,754 sq.m. in aggregate. The outstanding business performance in Guangzhou in fact laid a solid foundation for the Group's cross-district expansion.

For projects in Beijing, the Group witnessed encouraging market responses and sold 232 flats in Fresh Life Garden, or a GFA of 30,250 sq.m. in 2002. The Group commenced sales in Beijing in later part of the year and successfully differentiated itself in terms of brandname, integrated quality of products and services.

A total sales of 480,004 sq.m. was achieved last year which is the historic record of the Group's development history.

In 2002, the Group was recognised as the "Top Ten Listed Developer in China", and Huanan New City project also earned the distinction as one of the "Top Famous Projects in China".

PROJECT DEVELOPMENT PROGRESS

During the year under review, the Group's projects progressed in accordance with or even ahead of planned schedule. First Phases of Huanan New City, Pleasant View Garden, Regal Riviera, Fairview Garden South Court and Huajing New City Phase 6C were in occupancy during the year. The total GFA completed during the year totaled to approximately 1.08 million sq.m., which is again a historic record.

As at the end of the year, the Group had approximately 1.86 million sq.m. of GFA under construction in Guangzhou and Beijing, reflecting the Group's rapidly expanded business volume.

集團銷售表現

在二零零二年，本集團繼續展示其驕人的銷售能力及優秀的市場推廣隊伍。儘管中國房地產市場競爭激烈，本集團仍然昂然跨越嶄新里程，以銷售之樓面面積計算，取得空前成功。於二零零二年，集團在廣州的发展項目包括駿景花園—南苑、華南新城、逸景翠園、愉景南苑、華景新城第六期，連同珠江帝景，集團成功出售合共3,710個住宅單位，樓面面積合共約449,754平方米。本集團在廣州的傑出業務表現為集團在跨地區拓展奠下穩固根基。

集團在北京的发展項目反應理想，於二零零二年，本集團售出232個珠江綠洲家園的單位，所佔樓面面積約30,250平方米。本集團於年度內後期展開北京的銷售，並成功以企業品牌、綜合優質產品及服務在芸芸競爭對手中脫穎而出。

本集團在去年總銷售樓面面積達480,004平方米，打破集團歷年來的紀錄。

在二零零二年，本集團獲評為「中國十大上市地產開發商」，華南新城項目則勇奪「全國最著名項目」之一。

項目發展進度

在回顧年度內，本集團各項目的工程均如期進行，部份項目更比其既定的時間提前。華南新城、逸景翠園、珠江帝景、愉景南苑等項目的首期，以及華景新城第六期C於年內先後入伙。年內竣工的總樓面面積合共約1,080,000平方米，為歷年之冠。

截至年底前，本集團在廣州及北京興建中的總樓面面積約為1,860,000平方米，集團的業務正在高速拓展。

LANDBANK REPLENISHMENT

In January 2002, the Group moved forward with its cross-district expansion by securing four new sites in Beijing and Tianjin, and all such sites have been under active development stages. In September, 2002 and February 2003, the Group announced further acquisition of two new sites in Shanghai to realise its full-fledge expansion into this important city. The Group is currently a mainland property developer with one of the largest landbank reserves.

As at 31st December 2002, the Group's quality landbank was kept at approximately 5.9 million sq.m. which is strategically located in major cities and sufficient for the Group's business growth over the next 6 years.

BUSINESS OUTLOOK

With China's strong economic fundamentals, the market optimism and hence the enlarged scale of real estate investments are expected to extend in the coming years. According to guidelines set by the Tenth Five-Year Plan, the national average floor space per capita should reach 22 sq.m. by the year 2005, which compares to 2001 figure of 11 sq.m. in urban areas. This undoubtedly allows much room for the property developments to grow, particularly in the residential sector. On the other hand, some deficiencies are noted in the market, such as structural mismatch of supply-demand sides and the overheating phenomenon on certain market segments. Industry participants have to carefully choose their business strategies in the increasingly competitive market.

Renowned for its expertise and professionalism, the Group focuses on accumulating quality landbank for projects in major cities. By maximising the sharing of resources and maintaining operational efficiency, the Group is confident of generating equal success in other markets as it did in Guangzhou. While Guangzhou remains to be one of the major profit contributors, an increasingly larger portion of incomes from projects outside Guangzhou, including Beijing, Shanghai and Tianjin, is anticipated in the coming future.

增購土地儲備

於二零零二年一月，集團實現其跨地區拓展策略，購置位於北京和天津合共四個新地塊，並已進入積極開發階段。於二零零二年九月和二零零三年二月，集團宣佈進一步購置位於上海的兩個地塊，實踐集團全力進攻此主要城市之拓展方案。集團現時是擁有最多土地儲備的國內房地產發展商之一。

截至二零零二年十二月三十一日止，集團的優質土地儲備維持在約5,900,000平方米，全部位於中國各主要城市，該儲備足夠集團在未來六年業務發展之用。

業務展望

在中國強勁的經濟基礎下，市場前景看好，預期大規模的房地產投資將會在未來數年保持。根據十五計劃，在二零零五年人均居住面積將達至22平方米，而於二零零一年城市的人均居住面積只有11平方米。這無疑為房地產發展，尤其是住宅，提供良好的拓展空間。另一方面，市場上亦出現一些問題和不足，例如需求及供應的結構性錯配和部份市場環節出現過熱。在競爭愈趨激烈的情況下，房地產發展商需更謹慎制定其業務策略。

憑藉其專業知識，本集團主力在各大城市累積優質土地儲備。本集團將充份共享資源及保持高營運效率，並有信心在其他市場同樣取得跟廣州市場同樣的成功。廣州仍然是集團主要的收入來源之一，但集團預期廣州以外的發展項目，包括北京、上海和天津將於未來相繼為集團帶來較大比例的收入。

The Group looks forward to strategic business expansion along side with the flourishing China economy, the burgeoning property market and the huge potential demand for improving standards of living. The Group has already successfully implemented its cross-district expansion in accordance with its strategic plan. And it is believed that some of the regional markets are still largely untapped. Eyeing the encouraging market responses in both new and existing markets, the Group will not hold back from any opportunity to explore other potential and emerging markets.

With well-established brand, focused and compelling business direction, uncompromising standards of products and services, a top-notch professional team and the efficient operational system, the Group should hold the winning keys to achieving sustained success for its business expansions.

Tse Sai Tung, Stones

Managing Director and CEO

Hong Kong, 14th April 2003

受惠於中國繁榮經濟、房地產市場長足發展及為改善生活質素的龐大潛在需求，本集團期望其策略性業務拓展將會同步成長。本集團已按照其策略部署成功實踐跨地區拓展，但集團相信部份區域的市場發展潛力仍待挖掘。從對新興和現有市場的積極反應看，集團不會排除任何開展其他具潛力和新興市場的機會。

憑藉已成功建立的品牌、清晰及貫徹始終的業務方向、高質素的产品及服務、超卓的專業隊伍及有效率的營運系統，集團將可打開業務拓展成功之門。

董事總經理兼總裁

謝世東

香港，二零零三年四月十四日