

## MAJOR ASSOCIATES

### *DOWNER*

Downer reported a revenue of A\$2,680 million (HK\$13,647 million) and a net profit after tax of A\$67 million (HK\$341 million) for the year ended 30th June, 2003 which represent increases of 10% and 18% from the corresponding year ended 30th June, 2002 respectively. As at the period end, the Group held 344,033,969 ordinary shares in Downer which represents 35.3% of the then issued ordinary share capital. Subsequent to the period end, the Group has arranged for placing of in aggregate of 28.75 million ordinary shares in Downer (adjusted by the consolidation of four ordinary shares in Downer into one ordinary share in Downer on 28th November, 2003) to independent third parties which raised, before tax and expenses, approximately A\$104.1 million (HK\$587.8 million). In addition, the preference shareholders of Downer have exercised their rights to convert the preference shares to 32.5 million ordinary shares in Downer. As a result of the placing and dilution due to the conversion of preference shares, the Group's shareholding in Downer has decreased to 21.3% subsequent to the period end. The Group intends to hold its remaining shareholding interest in Downer as long term investment.

Downer, a top 150 listed company on the Australian Stock Exchange, which is also listed on the New Zealand Stock Exchange, has total assets of around A\$2 billion and number of employees of over 15,000. Downer provides comprehensive engineering and infrastructure management services to the public and private power, rail, road, telecommunications, mining and minerals processing sectors in Australia, New Zealand, Asia and the Pacific. Its business consists of four main principal activities that have common core competencies. These core competencies include value-adding skills in design, project and facilities management, operations and maintenance to provide clients with single source solutions.

Downer's divisions are: Downer Engineering (engineering division), Works Infrastructure (infrastructure division), Roche Mining (mining division), and EDI Rail (rail division).

## 主要聯營公司

### *DOWNER*

截至二零零三年六月三十日止年度，Downer分別錄得2,680,000,000澳元（13,647,000,000港元）之收入及67,000,000澳元（341,000,000港元）之除稅後純利，較截至二零零二年六月三十日止年度分別上升10%及18%。於本期間結束時，本集團持有Downer之344,033,969股普通股份，約相當於其當時已發行普通股本之35.3%。於本期間結束後，本集團安排向獨立第三者配售合共28,750,000股Downer普通股份（已按Downer普通股份於二零零三年十一月二十八日進行四股合一之股份合併而作出調整），未計相關稅項及開支之所得款項約為104,100,000澳元（587,800,000港元）。此外，Downer之優先股股東亦行使彼等之權利將優先股轉換為32,500,000股普通股份。因進行配售加上優先股獲轉換，造成攤薄影響，於本期間結束後，本集團持有之Downer股權已減至21.3%。本集團打算將其餘Downer股權作長線投資持有。

Downer為澳洲證券交易所150家頂尖上市公司之一，亦在紐西蘭證券交易所上市，擁有資產總值約20億澳元，僱員人數逾15,000人。Downer為澳洲、紐西蘭、亞洲及亞太區內公營及私營之電力、鐵路、道路、電訊、採礦及礦產加工業提供全面之工程及基建管理服務。該公司之服務範疇由同樣擁有專注核心業務之四個經營部門提供，此等專注核心業務包括於設計、項目及設施管理、營運及維修保養之增值技巧，為客戶提供單一來源解決方案。

Downer之部門為Downer Engineering（工程部門）、Works Infrastructure（基建部門）、Roche Mining（採礦部門）及EDI Rail（鐵路部門）。

## MAJOR ASSOCIATES (continued)

### CHINA STRATEGIC HOLDINGS LIMITED ("China Strategic")

In July 2003, the Group and Hanny Holdings Limited ("Hanny") jointly announced that they would make a voluntary conditional general cash offer for the shares and warrants of China Strategic, other than those owned by the Group and Hanny and parties acting in concert with them and to cancel all the outstanding share options of China Strategic. Upon the closure of the offer in September 2003, the Group holds approximately 31.2% interest in shares in China Strategic and as a result, China Strategic becomes an associate of the Group.

China Strategic is an investment holding company with its securities listed on the Stock Exchange which engages in business of manufacturing, retailing and distribution of Chinese medicine, western pharmaceuticals and investment in infrastructure projects. For the six months ended 30th June, 2003, China Strategic reported a turnover of some HK\$1,736 million and a loss of some HK\$133 million.

## LIQUIDITY AND CAPITAL RESOURCES

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. A variety of credit facilities is maintained to meet its working capital requirements. During the period, the Group obtained new bank loans in the amount of HK\$40 million. The proceeds were used for general working capital purpose. The loans of the Group bear interest at market rates and are with terms of repayment ranging from one year to nine years. As at 30th September, 2003, the Group's total borrowings amounted to HK\$798 million with HK\$146 million repayable within one year and HK\$652 million repayable after one year. Cash balances at 30th September, 2003 amounted to HK\$248 million.

As at the period end, all of the Group's borrowings bear interest at floating rates and are denominated in Hong Kong dollars. The Group's gearing ratio remained at 0.29 which is calculated based on the total borrowings of HK\$798 million and the Group's shareholders' funds of HK\$2,732 million.

## 主要聯營公司 (續)

### 中策集團有限公司 (「中策」)

本集團與錦興集團有限公司 (「錦興」) 於二零零三年七月發表聯合公佈，向並非由本集團與錦興以及彼等之一致行動人士所擁有之中策股份及認股權證提出自願性有條件全面現金收購建議，以及註銷中策全部尚未行使之購股權。是項建議於二零零三年九月截止後，本集團持有中策約31.2%股權，故中策成為本集團之聯營公司。

中策為一間投資控股公司，其證券於香港聯合交易所有限公司上市。該公司從事製造、零售和分銷中西藥及基建項目投資。於截至二零零三年六月三十日止六個月，中策錄得營業額約1,736,000,000港元及虧損約133,000,000港元。

## 流動資金及資本來源

本集團就其整體業務營運採納審慎之資金及財務政策，設有多項信貸作為其所需之營運資金。期內，本集團獲40,000,000港元之新借銀行貸款。有關款項已用作一般營運資金。本集團之貸款按市場息率計息，還款期由一年至九年不等。於二零零三年九月三十日，本集團借款共約798,000,000港元，其中146,000,000港元須於一年內償還，另外652,000,000港元須於一年後償還。於二零零三年九月三十日之現金結餘為248,000,000港元。

於期終時，本集團全部借款均按浮動息率計息，並以港元為單位。按借款總額798,000,000港元及本集團之股東資金2,732,000,000港元計算，本集團之資本負債比率保持在0.29。