

# Management Discussion and Analysis

## 管理階層討論與分析



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### Business Review

The Group achieved turnover of HK\$1,893.4 million for the year 2003, representing an increase of 42% over that of the previous year. Profit from operating activities amounted to HK\$292.8 million, 7% up from the previous year. Consolidated net profit (including exceptional loss arising from the disposal of an associate) was HK\$236.0 million, 14% down from the corresponding period last year. The basic earnings per share was HK9.69 cents.

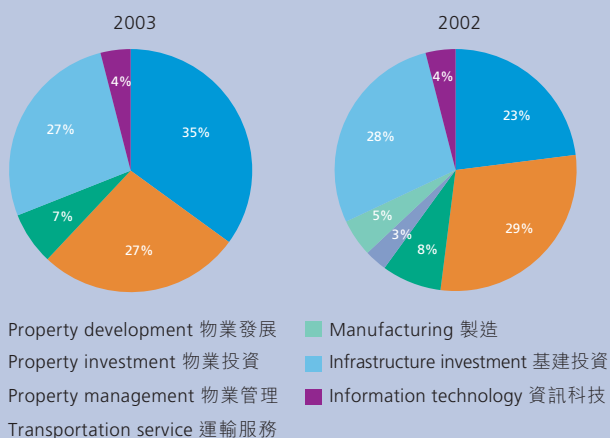
### 業績評論

本集團2003年度實現營業額1,893.4百萬港元，較上年度增長42%；經營業務溢利為292.8百萬港元，較上年增長7%；綜合純利為236.0百萬港元（含出售一家聯營公司產生之特殊虧損），較上年同期下降14%，每股基本盈利9.69港仙。

#### CONTRIBUTION TO NET PROFIT

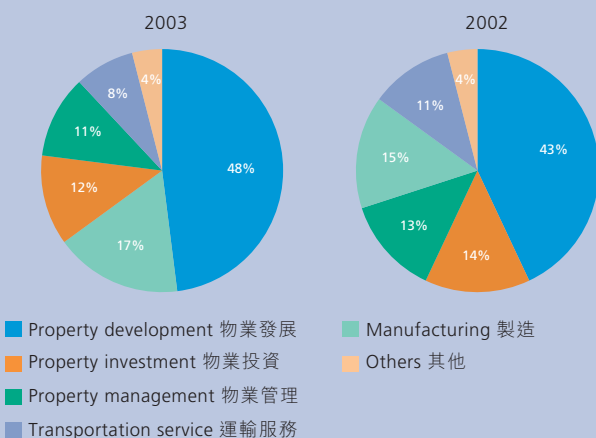
(excluding loss-making business segments and loss on disposal of an associate)  
純利貢獻

(扣除虧損分類業務及出售一家聯營公司之虧損)



#### TURNOVER

營業額





## Property Operations 房地產

Green Legend  
風臨左岸

Excluding the exceptional loss from the sale of the stakes in Goldfield in 2003, the net profit of the core businesses of the Group for the year is HK\$294.7 million, a slight increase of 7% from the previous year. This demonstrated the normal operation of the core businesses of the Group and its robust and healthy development.

### Property Operations

Construction of the properties developed by the Group made smooth progress and a total floor area of 600,000 square metres was completed during the year. The Group's properties are generally of good quality and command good sales. Even in the first half of the year when SARS wreaked havoc, the sales were satisfactory. During the year, the property arm of the Group sold a total floor area of 160,000 square metres, and achieved turnover of HK\$902.1 million, representing a significant increase of 55% over the previous year, and operating profit of HK\$138.2 million, representing an increase of 104% over the previous year.

Property on sale during the year primarily comprised Azure Mangrove Garden, Green Legend, Pengxing Garden Phase VI, Fairy Spring Mountain Villa and Pengsheng Garden, which are premium residential properties or white-collar apartments.

Despite the head-on punch of the SARS in early 2003 on the market sentiment and consumers' desire in the first half of the year, the market demand for real estate property in Shenzhen was brisk in the second half of the year following the momentum provided by the implementation of 24-hour boundary crossing policy, the signing of the Closer Economic Partnership Arrangement ("CEPA"), the promulgation of State policies to promote the healthy development of real estate, the increasing effort of the Shenzhen Municipal Government to increase the land supply for market readjustment purpose, and the accelerating urbanization of Baoan

若剔除2003年出售金地股份所帶來之特殊虧損，本集團全年核心業務純利為294.7百萬港元，較上年微增7%。表明本集團核心業務運作正常，整體發展積極穩健。

### 房地產

集團負責發展的物業，工程進展順利，年內，物業竣工面積達60萬平方米。物業整體質素優良，銷售暢旺。即使在SARS疫症期間，上半年的銷售仍表現不俗，集團附屬房地產公司全年更完成物業銷售面積16萬平方米，實現營業額902.1百萬港元，較去年大幅增加55%。經營溢利138.2百萬港元，比去年增長104%。

年內銷售的物業主要有：碧海紅樹園、風臨左岸、鵬興花園六期、仙泉山莊、鵬盛年華等高尚住宅和白領公寓。

2003年年初的SARS疫症，對上半年房地產的市場氣氛和消費欲望帶來了不小的衝擊。隨著深港24小時通關的實施，CEPA協定的簽訂，國家促進房地產業健康發展政策的出台，以及深圳市加大土地供應市場的調控力度，加快推進寶安、龍崗兩區城市化進程等一連串利好因素的帶動下，下半年，深圳房地產市場需求



## Property Operations 房地產

Azure Mangrove Garden  
碧海紅樹園

and Longgang. The area of commodity flats sold in Shenzhen during the year amounted to 8.68 million square metres, and the area of residential properties sold during the year achieved a breakthrough to surge above 8 million square metres. The pace of growth was even more stable when compared with the year 2002 and the sale prices remained at a stable level. The overall development of the industry has become more healthy and reasonable.

In 2004, with the formal implementation of the CEPA and the continual recovery of Hong Kong's economy, it is expected that the economy of Shenzhen will maintain steady growth as well as the development of the real estate market will generally be good. In addition, sales of properties situated outside the boundaries of Shenzhen are expected to record a significant growth. At the end of 2003, the Group commenced work for Shum Yip Xin'anxian, a large-scale residential estate project locating on the waterfront of the new central area of Baoan District with a total planned area of 450,000 square metres. The estate would be constructed in phases. The project is expected to generate stable return for the Group in the coming years.

In Tairan area, the "Tairan Business Community" is taking shape with the construction of "Tairan Golden Valley" as with the opening of some world-renowned shops and the growing business sentiment. The year saw a further expansion in the Tairan Business Community following completion or development by the Group of properties such as Cloud Pine Building and Sea Pine Building, which generated significant return on investment of the Group.

持續旺盛，深圳市全年商品房銷售面積為868萬平方米，住宅銷售突破800萬平方米，增長速度比2002年更為平穩，銷售價格保持穩定，行業整體發展更加健康、合理。

2004年，CEPA協議開始正式實施，香港經濟持續回升，預期深圳經濟將保持穩定增長，房地產市場發展總體向好，特區外購房預計將有較大增長。本集團在寶安新中心區的大型濱海住宅社區——深業新岸線已於2003年底動工，規劃總建築面積45萬平方米，整個社區將分期建設，可望在未來幾年為集團帶來穩定的回報。

泰然園區內，隨著「泰然金谷」的建設，國際名店的開業，商業氣氛漸旺，已漸現「泰然商圈」雛形，年內，集團陸續完成和開發的雲松大廈、海松大廈等物業，使泰然商圈進一步擴大，更為集團帶來可觀的投資盈利。

## PROPERTIES COMPLETED DURING 2003

### 二零零三年竣工物業

Project Name 項目名稱	Location 地區	Usage 用途	Interest attributable to the Group 權益
Green Legend 風臨左岸	Shenzhen 深圳	Residential 住宅	100.00%
Taixing Park (Comprehensive Services Building) 泰興園(綜合服務樓)	Shenzhen 深圳	Commercial 商業	51.00%
Azure Mangrove Garden Phase I 碧海紅樹園一期	Shenzhen 深圳	Residential 住宅	51.00%
Innovation and Technology Service Center 創新科技服務中心	Shenzhen 深圳	Industrial 工業	25.50%
Pengxing Garden Phase VI 鵬興六期	Shenzhen 深圳	Residential 住宅	100.00%
Fairy Spring Mountain Villa 仙泉山莊	Shenzhen 深圳	Residential 住宅	100.00%
Pengsheng Garden 鵬盛年華	Shenzhen 深圳	Apartment 公寓	50.00%
Pengji Sun Garden Phase II 陽光花園二期	Shenzhen 深圳	Commercial/Residential 商住	100.00%
Garbotax Garden Phase I 嘉寶田花園一期	Shenzhen 深圳	Residential 住宅	51.00%

## PROPERTIES UNDER DEVELOPMENT DURING 2003

### 二零零三年在建物業

Project Name 項目名稱	Location 地區	Usage 用途	Interest attributable to the Group 權益
Wonder Peak Court 嶺秀名苑	Shenzhen 深圳	Residential 住宅	100.00%
Shum Yip Xin'anxian 深業新岸線	Shenzhen 深圳	Residential 住宅	100.00%
Azure Mangrove Garden Phase II 碧海紅樹園二期	Shenzhen 深圳	Residential 住宅	51.00%
Cloud Pine Building 雲松大廈	Shenzhen 深圳	Industrial 工業	51.00%
IT Square Phase II 創新科技廣場二期	Shenzhen 深圳	Industrial 工業	25.50%
Prosperous City 盛世鵬程	Shenzhen 深圳	Residential 住宅	50.00%

## PROPERTIES UNDER DEVELOPMENT SCHEDULED TO COMMENCE 2004

### 二零零四年開工物業

Project Name 項目名稱	Location 地區	Usage 用途	Interest attributable to the Group 權益
Sea Pine Building 海松大廈	Shenzhen 深圳	Industrial 工業	51.00%
Jizhi Centre 集智中心	Shenzhen 深圳	Office 辦公	100.00%
Shanshui Renjia 山水人家	Shenzhen 深圳	Commercial/Residential 商住	100.00%
Baoan Residential Project (A001-0119) 寶安住宅(A001-0119)	Shenzhen 深圳	Residential 住宅	50.00%
Shum Yip Logistics Tower 深業物流大廈	Shenzhen 深圳	Logistics 物流	51.00%
Seaview Garden Phase III 海景花園三期	Shenzhen 深圳	Residential 住宅	25.50%

Gross floor area (sq.m.) 建築面積 (平方米)	Area attributable to the Group (sq.m.) 權益面積 (平方米)
54,102.00	54,102.00
14,350.00	7,318.50
90,840.09	46,328.45
35,507.00	9,054.29
116,138.00	116,138.00
21,098.00	21,098.00
32,221.00	16,110.50
102,300.00	102,300.00
133,746.92	68,210.93
<u>600,303.01</u>	<u>440,660.67</u>

Gross floor area (sq.m.) 建築面積 (平方米)	Area attributable to the Group (sq.m.) 權益面積 (平方米)	Expected year of completion 預計竣工年度
27,043.00	27,043.00	2004
196,279.16	196,279.16	2005
62,228.43	31,736.50	2004
66,011.94	33,666.09	2004
83,600.00	21,318.00	2004
155,557.00	77,778.50	2005
<u>590,719.53</u>	<u>387,821.25</u>	

Gross floor area (sq.m.) 建築面積 (平方米)	Area attributable to the Group (sq.m.) 權益面積 (平方米)	Expected year of completion 預計竣工年度
104,618.30	53,355.33	2006
24,043.00	24,043.00	2006
68,380.00	68,380.00	2006
257,660.00	128,830.00	2008
18,005.00	9,182.55	2005
147,800.00	37,689.00	2006
<u>620,506.30</u>	<u>321,479.88</u>	



## Logistics 現代物流

Shum Yip Logistics Plaza  
深業物流廣場

## Property Management

Taking advantage of its prestige as the country's well-known property management brands, the Group's professional property management companies, namely, Wondershine Residence, Shum Yip and Pengji, have expanded their presence to numerous cities in the PRC, including Zhuhai, Suzhou, Jinan, Nanning, Zhenjiang and Kunshan. These companies managed a total floor area of more than 20 million square metres. During the year, the total management fees amounted to HK\$213.1 million, representing a significant increase of 24% over the previous year and an operating profit contribution of HK\$29.6 million to the Group, roughly the same as the last year.

## Logistics

Preliminary completion of the transportation and infrastructure facilities improvement works in Sungang Logistics Park created a positive effect on the transformation of investment properties in the region, enhanced their commercial value, and provided even better investment environment for the Group to develop the logistics park.

During the year, the Group invested in and acquired the land and property of Qing Shui River China Trade Development and Warehousing Park, covering an area of 110,000 square metres, thus further strengthening and consolidating the Group's logistic business, and providing new reserves of resources for the future logistic development.

## 物業管理

本集團所屬萬廈居業、深業、鵬基等專業物業管理公司，發揮國內著名物業管理品牌的優勢，業務擴展至珠海、蘇州、濟南、南寧、鎮江、昆山等多個城市，物業管理面積逾2,000萬平方米，年內實現物業管理收入213.1百萬港元，較上年大幅增長24%。為集團貢獻經營溢利29.6百萬港元，與上年相若。

## 現代物流

筲崗物流園區的交通基礎設施改造工程已初步完成。對區內投資物業的轉型，提升商業價值產生了積極作用，為集團物流園區的發展提供了更好的投資環境。

年內，集團投資收購清水河之中貿發倉儲園區11萬平方米的土地及物業，進一步加強和充實了集團的物流業務，也為物流的後續發展新增了資源儲備。



Shum Yip Logistics  
深業物流



## Infrastructure Investment 基建投資

Shenzhen Mawan Power  
深圳媽灣電力

### Infrastructure Investment

The demand for electricity in Guangdong Province and Shenzhen Municipality continued to grow with their stable economic growth. Despite the interruption of operations of the Shenzhen Mawan Power, an investment of the Group, in the low seasons for maintenance purposes, which had some adverse effect on power generation, the Company recorded an increase of 4.8% in its overall on-grid electricity as compared with the previous year. A net profit contribution of HK\$105.0 million was achieved during the year, representing a slight decrease as compared with the previous year. The electricity demand and consumption of the Pearl River Delta of Guangdong Province and Shenzhen Municipality are expected to increase with the rapid economic development and growth of the region. As the supply of electricity remains relatively tight, investment in electricity facilities will continue to recoup stable return to the Group.

In January 2004, the Group acquired a 25% stake of Road King Infrastructure Limited, a company listed in Hong Kong, for HK\$730 million, and the infrastructure investment by the Group was extended to cover the investment and operation of toll roads. It is expected that the investment will generate stable and profitable returns for the Group. The Group will continue to seek suitable infrastructure and public utilities project in an effort to enhance its investment in this arena.

Consideration for the disposal of the Group's investment in Panzhuhua Hydro-Electric Power Project has been received by instalments according to the contractual arrangement entered into in October last year.

### 基建投資

廣東省及深圳市經濟的穩定發展，使用電需求持續增長。本集團投資的深圳媽灣電廠雖在淡季停產檢修機組，影響了發電，但公司全年的上網電量仍比上年增长4.8%，全年實現純利貢獻105.0百萬港元，比上年輕微減少。預期廣東珠三角地區及深圳市的用電需求將隨該地區經濟的快速成長而繼續增長，電力供應仍然偏緊，電力投資將繼續為本集團帶來穩定的回報。

2004年1月，集團以7.3億港元收購本港上市公司一路勁基建有限公司25%的股份，集團的基建投資擴大到收費公路的投資和經營。本項投資可望為集團帶來穩定而豐厚的回報。集團將繼續積極尋找適合的基礎設施、公用事業項目，加強在這一領域的投資。

本集團投資之攀枝花電力項目自去年十月簽訂資產轉讓合約以來，已按合約分期回收款項。



## Transportation Operations 運輸服務

Taxi fleet  
的士隊伍

### Transportation Operations

The transportation operations of the Group were directly and seriously affected by SARS. The SARS impact was particularly serious on the passenger transport within Guangdong Province and Shenzhen-Hong Kong inter-city shuttle bus service. Owing to the unique features of the business structure of the Group, the effect on the cross-border freight forwarding and taxi operations had been relatively small and therefore maintained a relatively stable operating income. When the transportation market recovered in the second half of the year, the Group promptly resumed a full-swing operation, and the transportation operations achieved a turnover of HK\$145.9 million, representing a slight increase over 2002. However, as there was an increase of subsidy expenditure due to policy change and an increase of fuel prices and other transportation costs, profit contribution for the year decreased as compared with the previous year.

### 運輸服務

運輸業務是本集團內受SARS疫症影響最直接、最嚴重的行業，尤其對省內客運和深港直通巴服務衝擊更大。由於本集團業務結構的特點，跨境貨運業務及計程車業務受影響相對較輕，保持了相對穩定的營業收入；在下半年運輸市場好轉之時，集團迅速全面恢復了經營業務，運輸業務全年實現營業額145.9百萬港元，比2002年還輕微增長。但由於期內運輸企業增加了政策性補貼支出，以及燃料等運輸成本的上升，全年利潤貢獻較上年有所下滑。





## Information Technology 資訊科技

Topway  
天威視訊

### Information Technology

Shenzhen Topway Video Communication Co., Ltd., in which the Group has a stake, had a stable business growth during the year, accomplishing an increase of cable television users of 107,000 to more than 500,000 in total. The total basic subscription fee has increased to more than RMB100 million for the year, making a net profit contribution of HK\$14.1 million for the Group.

Pursuant to the development plan for the Shenzhen Cable Television, the Company continued extending and improving its network with a newly-built backbone network of 125 kilometres. Also, the Company actively promoted the digital television business and internet broadband access services, and accomplished an increase of more than 20,000 digital television users during the year.

### Manufacturing

During the year, turnover of HK\$324.4 million was derived from the Group's industrial manufacturing arm, representing an increase of 61% over the previous year. Operating loss of HK\$31.5 million was generated in the overall manufacturing operations due to increase in cost resulting from the surge of raw materials costs and the intensified competition in the manufacturing sector in the PRC during the year.

### 資訊科技

本集團參股的深圳天威視訊有限公司業務穩定增長，年內拓展有線電視新用戶10.7萬戶，用戶總數超過50萬戶，全年僅基本收視費收入已超過1億人民幣。為本集團錄得純利貢獻14.1百萬港元。

公司按照深圳市有線電視的發展規劃，不斷延伸和完善網路建設，新建骨幹網125公里，同時，積極推廣數碼電視業務及互聯網寬帶接入等新型業務，年內新增數碼電視用戶超過2萬戶。

### 製造業

年內，本集團所屬工業製造企業實現營業額324.4百萬港元，較上年增長61%，但由於年內國內的原材料價格大幅上漲，以及行業競爭加劇，帶來了成本費用的增加，以致製造業整體出現31.5百萬港元的經營虧損。

## Financial Position

As at 31 December 2003, the Group maintained a sound financial position, with its net assets amounting to HK\$3,371.1 million (2002 (restated): HK\$3,200.8 million), net assets per share amounting to HK\$1.38 (2002 (restated): HK\$1.33), representing a growth of 3.8%, cash on hand amounting to approximately HK\$2,580.4 million (2002: HK\$2,012.3 million), and total borrowings amounting to HK\$3,698.3 million (2002: HK\$3,356.4 million), among which HK\$2,350.6 million was long-term borrowings (2002: HK\$1,480.3 million). The ratio of net borrowings to net assets was 33.2% (2002 (restated): 42.0%), representing a decrease of 21.0%.

The majority of the Group's revenues, expenses and cashflow are denominated in RMB as most of the Group's operating businesses are located in the PRC. Assets and liabilities of the Group are mostly denominated in RMB and US Dollars. As such, the Group has limited foreign exchange exposure. No instrument has been applied for hedging purposes during the year.

## Working Capital

On 19 August 2003, arrangement was entered into between the Company and five leading bankers in respect of a US\$105 million fixed-term syndicated loan. The loan is for a term of five years, repayable on a one-off basis on the maturity date and is interest-bearing at LIBOR plus 63 basis points, representing a record low lending rate for the Company. Very positive feedback was received from banks in the fund-raising process. The loan will be used as general working capital. The financings will not only reduce the finance costs of the Company, but will also improve its debt structure.

## Capital Structure

As at 31 December 2003, Shum Yip Holdings Company Limited, the parent company of the Company, held approximately 56.98% interests in the Company as the major shareholder.

During the year, a total of 30,000,000 share options were exercised at the price of HK\$0.595 or HK\$0.665 each.

Accordingly, the issued share capital of the Company increased from 2,414,293,966 Shares as at the beginning of the year to 2,444,293,966 Shares as at 31 December 2003.

## 財務狀況

截止2003年12月31日，本集團財務狀況穩健，淨資產3,371.1百萬港元（2002年（經重列）：3,200.8百萬港元），每股資產淨值為1.38港元（2002年（經重列）：1.33港元），增長3.8%。現金結存約2,580.4百萬港元（2002年：2,012.3百萬港元），借款總額3,698.3百萬港元（2002年：3,356.4百萬港元），其中，長期借款2,350.6百萬港元（2002年：1,480.3百萬港元），淨借款占淨資產比率為33.2%（2002年（經重列）：42.0%），下降21.0%。

由於本集團旗下大部份經營性業務均處於中國大陸，收入、支出，以及現金流均以人民幣為主，而本集團持有的資產及所承擔的債務主要亦以人民幣及美元為貨幣單位，因此，本集團面對的匯兌風險並不高，於年內，本集團亦無以任何金融工具作對沖用途。

## 流動資金

於2003年8月19日，本公司與五間主要銀行簽訂一項一億五百萬美元之定期銀團貸款。貸款年期為五年並於到期日一次性還款，利率是倫敦銀行同業拆息加六十三點，是本公司歷來最低貸款利率。籌組期間銀行反應熱烈，有關貸款將用作一般營運資金。取得融資後，不單能使本公司利息成本下降，並且能改善貸款結構。

## 股本結構

於2003年12月31日，本公司母公司深業（集團）有限公司持有公司約56.98%權益，現乃公司的最大股東。

於年內，合共30,000,000份購股權以每股0.595港元或0.665港元之價格獲行使。

因此，本公司之已發行股本由年初之2,414,293,966股增加至2003年12月31日之2,444,293,966股。

## Headcount and Remuneration

As at 31 December 2003, the Group had a total of 10,445 employees, 22 of whom, mainly administration and finance staff, are based in Hong Kong whilst 10,423 are stationed in the PRC.

Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. The management regularly reviews the Group's remuneration policy and appraises work performance of its staff.

Employee remunerations include salaries, allowances, medical benefits and mandatory provident fund. Depending on the performances of individual staff members and the Group's operations, employees may be granted bonus in monetary terms or granted share options under the Group's share option scheme.

## Internal Management

The Group operated in strict compliance with the laws and regulations of the respective places of incorporation of the Company and its subsidiaries. Efforts were devoted to enhance the Group's capability in standardization management, efficiency management, investment management, quality management, human resources management and financial control and to continually improve the transparency of the management of the Group.

## 員工人數及薪酬

於2003年12月31日，本集團共聘用10,445名員工，其中在香港工作的員工22名，主要為管理及財務人員，其餘10,423名為在國內工作的員工。

本集團員工的薪酬乃按其個人之工作表現、專業資格、行業經驗及相關市場趨勢厘定。集團管理層並會對薪酬政策作出定期檢討及評估員工的工作表現。

員工之薪酬包括薪金、津貼、醫療保險及強制性退休公積金，本集團亦會按個別員工表現及集團業績等因素，向員工發放獎金花紅及按本集團購股權計劃向員工授出購股權。

## 內部管理

本集團嚴格按照本公司及其附屬公司註冊地之法律及法規運營。致力於規範管理、效益管理、投資管理、品質管理、人力資源管理、財務控制及不斷提高本集團管理透明度。

## Property Portfolio

## 物業組合分類圖

### Usage

### 用途



### Occupation

### 佔用情況

