

REPORT OF THE DIRECTORS

董事會報告書

The directors submit herewith their report together with the audited accounts for the year ended 31st December, 2000.

董事會全人謹將截至二零零零年十二月三十一日止年度之報告及經審核之賬項送呈台覽。

PRINCIPAL ACTIVITIES

The principal activities of the Company are construction and property development/investment. The principal activities and other particulars of the subsidiaries are set out in pages 120 to 123 on the accounts.

主要業務

本公司的主要業務是承建工程及物業發展或投資。附屬公司的主要業務及其他詳情載於第120頁至第123頁之賬項內。

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the financial year are set out in note 3 on the accounts.

本財政年度內，本公司及其附屬公司主要業務及業務之地域分佈列於賬項附註3。

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the group's turnover and purchases attributable to the major customers and suppliers during the financial year is as follows:

主要客戶及供應商

在本財政年度內，本集團主要客戶及供應商佔本集團營業額及採購總值的資料如下：

		Percentage of the group's total 佔本集團總額比率	
		Turnover 營業額	Purchases 採購
The largest customer	最大客戶	27.70%	
Five largest customers in aggregate	五大客戶總和	81.00%	
The largest supplier	最大供應商		24.88%
Five largest suppliers in aggregate	五大供應商總和		38.52%



REPORT OF THE DIRECTORS *(continued)* 董事會報告書 (續)

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

ACCOUNTS

The loss of the group for the year ended 31st December, 2000 and the state of the Company's and the group's affairs as at that date are set out on the accounts on pages 44 to 128.

No interim dividend has been paid during the year. The directors do not recommend the payment of a final dividend in respect of the year ended 31st December, 2000.

FIXED ASSETS

Movements in fixed assets during the year are set out in note 11 on the accounts.

本公司的董事、其關連人士或任何股東(以董事所知,持有超過本公司股本5%者),並無在年度內任何時間擁有這些主要客戶及供應商的任何權益。

賬項

本集團截至二零零零年十二月三十一日止年度之虧損和本公司及本集團於該日之財務狀況,均列於第44頁至第128頁之賬項內。

本年度並無派發中期股息。董事會不建議派發截至二零零零年十二月三十一日止年度之末期股息。

固定資產

年度內固定資產之變動列於賬項附註11。

REPORT OF THE DIRECTORS *(continued)*

董事會報告書 (續)

DIRECTORS

The directors during the financial year were:

WANG Mingquan	<i>(chairman, appointed on 15th June, 2000)</i>
CHEN Libo	<i>(deputy chairman and chief executive officer)</i>
LI Xueming	<i>(deputy chairman)</i>
CHEN Xiaoping	<i>(deputy chief executive officer, appointed on 20th September, 2000)</i>
LI Xiaoru, Rupert	<i>(managing director)</i>
WANG Zhongze	<i>(appointed on 17th March, 2000)</i>
MU Shicheng	
David Ronald SUFF	
FAN Yan Hok, Philip	<i>(non-executive director)</i>
CHOI Yu Leuk	<i>(independent non-executive director, appointed on 28th August, 2000)</i>
LIU Mingkang	<i>(resigned as director and chairman on 15th June, 2000)</i>
NG Chi Man, Michael	<i>(resigned on 15th October, 2000)</i>
Hiroshi TAKIZAWA	<i>(resigned on 12th June, 2000)</i>
YU Man Ying, Lulu	<i>(resigned on 9th December, 2000)</i>
ZHU Yanlan	<i>(resigned on 17th March, 2000)</i>
CHEAH Cheng Hye	<i>(independent non-executive director, resigned on 28th July, 2000)</i>
David YUNG	<i>(independent non-executive director, resigned on 3rd October, 2000)</i>

Mr Michael John Kennedy and Mr Tsang Hin Wai, Dennis were appointed executive directors on 20th April, 2001.

Mr David Ronald Suff resigned as executive director on 1st May, 2001.

Dr Li Zhong Yuan was appointed independent non-executive director on 4th May, 2001.

董事會

本財政年度之董事會成員為：

王明權	(於二零零零年六月十五日被委任為主席)
陳立波	(副主席兼行政總裁)
李學明	(副主席)
陳小平	(於二零零零年九月二十日被委任為副行政總裁)
李孝如	(董事總經理)
王中澤	(於二零零零年三月十七日委任)
穆世誠	
沙傅•達偉	
范仁鶴	(非執行董事)
蔡宇畧	(獨立非執行董事，於二零零零年八月二十八日委任)
劉明康	(於二零零零年六月十五日辭任董事及主席)
吳志文	(於二零零零年十月十五日辭任)
滝澤洋	(於二零零零年六月十二日辭任)
于文瑛	(於二零零零年十二月九日辭任)
朱妍蘭	(於二零零零年三月十七日辭任)
謝清海	(獨立非執行董事，於二零零零年七月二十八日辭任)
榮智謙	(獨立非執行董事，於二零零零年十月三日辭任)

甘邁壯先生及曾顯偉先生於二零零一年四月二十日被委任為執行董事。

沙傅•達偉先生於二零零一年五月一日辭任執行董事。

李重遠博士於二零零一年五月四日被委任為獨立非執行董事。



REPORT OF THE DIRECTORS *(continued)* 董事會報告書 (續)

In accordance with article 116 of the Company's articles of association, Mr Li Xueming and Dr Mu Shicheng are due to retire from the board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Mr Chen Xiaoping, Dr Choi Yu Leuk, Mr Michael John Kennedy, Mr Tsang Hin Wai, Dennis and Dr Li Zhong Yuan have been appointed to the board after the date of the last annual general meeting, retire at the forthcoming annual general meeting in accordance with article 117 of the Company's articles of association and, being eligible, offer themselves for re-election.

The terms of appointment of the non-executive directors are for a period of one year renewable at each year end.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

MANAGEMENT CONTRACTS

No contracts for management and administration of the whole or a substantial part of any business of the Company was entered into or existed during the year.

根據本公司組織章程第一百一十六條規定，李學明先生及穆世誠博士將在即將召開的股東週年大會中自董事會輪值告退，惟願膺選連任。

陳小平先生、蔡宇畧博士、甘邁壯先生、曾顯偉先生及李重遠博士於上一屆的股東週年大會日期後獲委任入董事會，根據本公司組織章程第一百一十七條規定，將在即將召開的股東週年大會中告退，惟願膺選連任。

非執行董事的任期為一年，並於每個年度終結時續約。

董事服務合約

所有擬於即將召開之股東週年大會中候選連任之董事與本公司並無訂立不可於一年內終止而須作出賠償之服務合約（除一般法定賠償外）。

管理合約

本公司於本年度內並無簽訂或存有任何管理及控制本公司整體業務或其中重要部份的合約。

REPORT OF THE DIRECTORS *(continued)*

董 事 會 報 告 書 (續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

At 31st December, 2000, the directors and chief executive had the following interests in the share capital and options of the Company (within the meaning of the Securities (Disclosure of Interests) Ordinance):

董事及行政總裁的權益

於二零零零年十二月三十一日，董事及行政總裁持有本公司的股份及認股權（屬於《證券（披露權益）條例》定義內）之權益如下：

(i) **Shares**

(i) **股份**

Name of director

董事姓名

Number of ordinary shares

普通股數目

**Personal
interests**

個人權益

CHEN Libo

陳立波

2,500,000

LI Xiaoru, Rupert

李孝如

900,000



REPORT OF THE DIRECTORS (continued)
董事會報告書 (續)

- (ii) Options to subscribe for shares of HK\$1.00 each in the Company granted under the share option scheme of the Company
- (ii) 根據本公司的優先認股計劃所賦予認購本公司每股面值港幣1.00元之股份的認股權

Name of director	董事姓名	Date of grant	Exercise price per share	Consideration paid for the options granted	Number of options exercised during the year	Number of options outstanding at 31st December, 2000
					於本年內已行使之認股權數目	於二零零零年十二月三十一日尚未行使之認股權數目
			每股行使價	支付賦予的認股權代價		
			HK\$ 港幣	HK\$ 港幣		
CHEN Libo	陳立波	20/5/1998	3.48	1	-	4,000,000
		18/6/1998	2.29	1	-	2,000,000
		28/9/1998	1.48	1	-	3,000,000
LI Xiaoru, Rupert	李孝如	20/5/1998	3.48	1	-	4,000,000
		18/6/1998	2.29	1	-	2,000,000
		28/9/1998	1.48	1	-	2,000,000
David Ronald SUFF (resigned on 1st May, 2001)	沙傅•達偉 (於二零零一年 五月一日辭任)	20/5/1998	3.48	1	-	1,000,000
MU Shicheng	穆世誠	28/9/1998	1.48	1	-	1,000,000

REPORT OF THE DIRECTORS *(continued)* 董事會報告書 (續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

(continued)

The options are held by the directors under personal interests and exercisable for six and a half years after the expiry of six months from the respective dates of acceptance of the grant of the offers by the directors.

During the year, no directors exercised any share options to subscribe for shares in the Company.

Apart from the foregoing, none of the directors and chief executive had any interests in the securities of the Company and its associated corporations as at 31st December, 2000.

At no time in the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive or any of their spouses or children under eighteen years old to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

董事及行政總裁的權益 (續)

認股權是董事以個人權益持有，並可在董事接受所賦予認股權的各有關日期六個月後的六年半內行使。

在本年度內，並無任何董事行使任何認股權，以認購本公司股份。

除上列所載外，於二零零零年十二月三十一日，本公司並無任何董事及行政總裁持有本公司及各相聯法團證券之任何權益。

本公司或其任何附屬公司均沒有在本年度內作出收購本公司或任何其他公司股份或債券的安排，以使本公司董事或行政總裁或其配偶或未滿十八歲的子女取得利益。



REPORT OF THE DIRECTORS (continued)
董事會報告書 (續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31st December, 2000, the Company has been notified of the following interests in the Company's issued shares, other than interests of the directors, amounting to 10% or more of the ordinary shares in issue:

主要股東權益

於二零零零年十二月三十一日，本公司獲告知下列本公司已發行股份的權益（除董事權益外），其佔本公司已發行普通股10%或以上：

		Number of ordinary shares 普通股數目	Percentage of total issued shares 所佔總發行 股本百分比
China Everbright International Ltd	中國光大國際有限公司	179,007,000	35.24%
China Everbright Holdings Co Ltd	中國光大集團有限公司	179,007,000	35.24%

Out of the 179,007,000 ordinary shares, 177,000,000 ordinary shares are beneficially owned by Maddington Ltd and 2,007,000 ordinary shares are held by China Everbright Securities Investments Ltd, both of which are wholly-owned subsidiaries of China Everbright International Ltd. China Everbright International Ltd is a company listed on The Stock Exchange of Hong Kong Ltd and is indirectly owned as to approximately 69.01% by China Everbright Holdings Co Ltd through its direct and indirect wholly-owned subsidiaries, namely, Guildford Ltd, Datten Investments Ltd and Everbright Investment & Management Ltd.

這**179,007,000**股普通股分別由**Maddington Ltd** 受益擁有**177,000,000**股及中國光大證券投資有限公司受益擁有**2,007,000**股；這兩家公司均為中國光大國際有限公司之全資擁有附屬公司。而中國光大國際有限公司是一家在香港聯合交易所有限公司上市的公司，並由中國光大集團有限公司透過其直接及間接全資擁有的附屬公司**Guildford Ltd**、**Datten Investments Ltd**及光大投資管理有限公司間接擁有其約**69.01%**的權益。

The parties above are considered to have deemed interests in the same shares and the 177,000,000 ordinary shares are held through The China & South Sea Bank (Nominee) Ltd.

上述各方在相同股份中被視為擁有權益，而當中有**177,000,000**股是透過**The China & South Sea Bank (Nominee) Ltd**持有。

REPORT OF THE DIRECTORS *(continued)*

董事會報告書 (續)

CONNECTED TRANSACTIONS

- On 15th April, 1998, the Company entered into a construction contract with Shanghai 21st Century Real Estate Co., Ltd, a fellow subsidiary of China Everbright International Ltd ("China Everbright") (and therefore an associate of China Everbright for the purpose of the Listing Rules). Pursuant to the construction contract, the Company was appointed by Shanghai 21st Century Real Estate Co., Ltd (the "Property Owner") as the main contractor for the construction of a 89,000 square metre (total floor area), 49-storey single tower commercial building to be named Shanghai 21st Century Tower located in Lu Jia Zui, Shanghai, China.

The construction cost is estimated to be approximately HK\$1,000 million. Construction commenced in the third quarter of the year 1998 and is originally expected to be completed by the first quarter of the year 2001. The Company is to receive a fee which will be equal to the total construction cost actually incurred plus 10% of the actual construction cost as profit. In the event that the final construction cost is less than the estimated HK\$1,000 million, any cost savings will be shared equally between the Company and Shanghai 21st Century Real Estate Co., Ltd.

During the first quarter of 2000, the Property Owner has decided to postpone the development of the building after the completion of foundation work and the Directors believe that the Company can receive the total construction cost incurred plus 10% of the actual construction cost as profit. At 31st December, 2000, the total progress billing for the project was HK\$88 million.

關連交易

- 於一九九八年四月十五日，本公司與中國光大國際有限公司（「光大國際」）同系附屬公司Shanghai 21st Century Real Estate Co., Ltd.（「上海廿一世紀」）（按上市規則之定義為光大國際之聯繫人士）簽訂建造合同。根據該建造合同，本公司獲上海廿一世紀（「物業擁有人」）委聘為總承包商，承接位於中國上海市陸家嘴一幢商業樓宇之建造工程；該樓宇樓高49層，總建築面積為89,000平方米，將取名上海廿一世紀中心大廈。

該項目之總建造成本估計約為港幣1,000,000,000元。建造工程已於一九九八年第三季動工，原定於二零零一年首季落成。本公司所收取之費用為建造工程之實際總建造成本，另加實際建造成本之10%作為利潤。倘最終之建造成本低於估計之港幣1,000,000,000元，省下之一切成本將由本公司與上海廿一世紀均分。

於二零零零年第一季該項目的地基工程完成後，物業擁有人決定延遲發展該樓宇。董事會相信本公司可以收到總建造成本另加實際建造成本之10%為利潤。於二零零零年十二月三十一日，該項目按進度開發的賬單數額總共為港幣88,000,000元。



REPORT OF THE DIRECTORS *(continued)* 董事會報告書 (續)

CONNECTED TRANSACTIONS *(continued)*

2. On 24th April, 1998, a shareholders' agreement was entered into between the Company and China Everbright whereby the Company agreed to subscribe for 20% of the issued share capital of Greenway Venture Ltd ("Greenway") with the remaining 80% owned by China Everbright. The Company's commitment to inject capital/loan into Greenway in accordance with the shareholders' agreement was approximately HK\$265 million. The Company subsequently disposed of 15% interest in Greenway in December 1998. Due to substantial reduction in the scale of the project (see below), the sales & purchase agreement for disposal was cancelled in May 2000 by mutual agreement of the purchaser and the Company. The Company's interest in Greenway was restated to 20% after the cancellation.

The principal activities of Greenway are to invest in a co-operative joint venture (the "CJV") in China. The CJV is established under the laws of China to develop, construct, operate and maintain a toll bridge and a toll road and related facilities in Fuzhou, China. Greenway is responsible for providing the full amount of the capital investment for the project. The return on investment in the CJV has been guaranteed by the PRC party of the CJV, a state-owned enterprise of the PRC.

Due to the reduction during the last quarter of 1999 of the scale of the project and the amount of the investment in the CJV, the Company's revised commitment to inject capital/loan into Greenway was HK\$140 million. At 31st December, 2000, the amount of capital/loan injected by the Company was HK\$27.9 million and the amount of outstanding commitment to inject capital/loan into Greenway by the Company was HK\$112.1 million.

關連交易 (續)

2. 於一九九八年四月二十四日，本公司與光大國際訂立股東協議，同意認購Greenway Venture Ltd (「Greenway」) 之若干股份，使本公司持有Greenway已發行股本20%，而光大國際則持有餘下之80%。根據該股東協議，本公司承諾注資／貸款予Greenway大約港幣265,000,000元。本公司其後在一九九八年十二月出售於Greenway的15%權益。但是，由於該項目的規模大幅減少(見下文)，買家與本公司於二零零零年五月共同協議取消該項出售之買賣合約。於取消合約後，本公司於Greenway的權益回復至20%。

Greenway主要活動乃投資於按照中國法律成立之合作經營企業。該合作經營企業從事發展、建設、經營及維修位於中國福州市之收費橋樑及收費公路以及其相關措施。Greenway將負責該投資項目之全部投資額。該合營企業的投資回報率由合營企業的中方投資者(為一家中國國有企業)作出保證。

在一九九九年第四季，由於該項目的規模及投資於合作經營企業的數額減少了，故此，本公司承諾注資／貸款予Greenway經修訂後為港幣140,000,000元。於二零零零年十二月三十一日，本公司已注資／貸款予Greenway約港幣27,900,000元，而本公司尚餘承諾注資／貸款予Greenway的數額則為港幣112,100,000元。

REPORT OF THE DIRECTORS (continued) 董事會報告書 (續)

DIRECTORS' INTERESTS IN CONTRACTS

The Company acts as construction contractor in respect of the property development project of Karbony Investment Ltd ("Karbony"). In addition, the Company has made interest-bearing advances to Karbony to finance its property development. At 31st December, 2000, amount due from Karbony was HK\$913.9 million (1999: HK\$861.2 million) and interest income therefrom amounted to HK\$54.3 million (1999: HK\$95.0 million). Ms Yu Man Ying, Lulu (who resigned as a director on 9th December, 2000) was interested in these arrangements as director and shareholder through Narpon Co Ltd totalling 10% interest in the share capital of Karbony.

Apart from the foregoing, no contracts of significance, to which the Company, or any of its subsidiaries was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

China Everbright is a related group of the Company and is carrying on a variety of businesses through its different chains of group companies. One of its business activities is property development/investments.

Mr Wang Mingquan, Mr Li Xueming, Mr Fan Yan Hok, Philip, Mr Wang Zhongze and Mr Chen Xiaoping are deemed to be interested in this business which may compete with the Company's business as they are also directors and senior management of certain China Everbright group companies.

Having considered that the Company itself has its own management supervising the daily operation and making financial and business decisions, the Company can operate its business independently from China Everbright.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the financial year.

董事的合約權益

本公司為Karbony Investment Ltd ("Karbony")物業發展的工程承包商。此外，本公司提供附息貸款予Karbony作為物業發展的資金。於二零零零年十二月三十一日，應收Karbony的款項為港幣913,900,000元（一九九九年：港幣861,200,000元）。本年度的利息收入為港幣54,300,000元（一九九九年：港幣95,000,000元）。于文瑛女士（已於二零零零年十二月九日辭任董事）為Karbony的董事兼且乃透過路平有限公司擁有Karbony 10%權益的股東，故對此安排有權益。

除上列所載外，本公司及各附屬公司於本年度終結時或本年度內任何時間，並無訂立任何令董事佔重大權益之重要合約。

董事在競爭業務的權益

中國光大為本公司的關連集團及透過不同系列的集團公司經營多元化的業務，當中包括物業發展／投資。

鑑於王明權先生、李學明先生、范仁鶴先生、王中澤先生及陳小平先生為若干中國光大集團公司的董事及高層管理人員，因此，他們被視為在中國光大的業務中佔有權益，與本公司的業務可能構成競爭。

然而，本公司擁有本身的管理層管理日常業務運作及作出財務和商業決策，本公司能夠獨立地經營其業務。

購回、出售或贖回上市證券

本公司或各附屬公司於本財政年度內並無購回、出售或贖回其任何上市證券。



REPORT OF THE DIRECTORS (continued) 董事會報告書 (續)

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the group at 31st December, 2000 are set out in notes 26 to 28 on the accounts.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the group for the last five financial years is set out on pages 129 and 130.

LIQUIDITY

The group is currently in an informal standstill arrangement with banks in Hong Kong and the floating rate note holders. Under the informal standstill arrangement, the group is not called upon to repay any principal amount or interest amounts of the loans due to the banks in Hong Kong and to the floating rate note holders. The directors believe that the standstill arrangement will be formalised and it is anticipated that the group will utilise the proceeds from future sales of properties, including the Yangpu power plant, and rental income to meet the funding requirements of its major construction projects in both Hong Kong and China and meet with its working capital requirements. Unpledged cash and bank deposits as at 31st December, 2000 were HK\$69.8 million (1999: HK\$232.6 million).

PROPERTIES

Particulars of the group's major investment properties, properties held for development and properties held for sale are shown on pages 131 and 132.

RETIREMENT SCHEME

The Group operates a non-contributory defined benefit retirement scheme which covers local permanent employees. The scheme is administered by independent trustees with its assets held separately from those of the group. The scheme is funded by contributions from employers in accordance with an independent actuary's recommendation based on annual actuarial valuations. The scheme is applicable to all employees who have joined the Group prior to 1st January, 2000.

銀行貸款及其他借款

本公司及本集團於二零零零年十二月三十一日之銀行貸款及其他借款詳情，列於賬項附註26至28。

五年概要

本集團過去五個財政年度之業績、資產及負債概要已在第129頁及第130頁列報。

現金流動

本集團現正與其香港往來銀行及浮息票據持有人作出非正式的暫緩還款安排。根據此安排，本集團暫毋須償付其香港往來銀行及浮息票據持有人的貸款本金及利息。董事會相信該暫緩還款安排將會正式落實，而本集團預料從將來出售物業（包括海南洋浦電廠）和租賃所得的款項將可應付在香港和中國的主要建築工程日常營運的資金需要。截至二零零零年十二月三十一日止，本集團未抵押的現金及銀行存款合共為**69,800,000**元（一九九九年：**232,600,000**元）。

物業

本集團之主要投資物業、持有作發展用途之物業及作銷售用途之物業詳情已在第131頁及第132頁列報。

退休金計劃

本集團為本地長期僱員設有一項毋須供款的既定收益退休金計劃。此項退休金計劃是由獨立受託人管理，而退休金計劃的資產是與本集團的資產分開持有。退休金計劃是由僱主根據精算師按照每年的精算估值所提供的建議作出供款而集資。此項退休金計劃適用於二零零零年一月一日前加入本集團之員工。

REPORT OF THE DIRECTORS *(continued)*

董事會報告書 (續)

The latest actuarial valuation of the scheme was at 1st November, 2000 and was prepared by independent actuaries, Mr Calvin Wu and Ms Joyce Lam, a fellow and an associate of the Society of Actuaries of the United States of America respectively, using the projected unit credit funding method. The main assumptions used in the valuation were an investment return of 6% per annum and salary increases of 6% per annum. At that date, the market value of the scheme's assets was HK\$44.1 million. As recommended by the actuaries, the contribution rate of the group was 10% of the members' basic salaries with effect from 1st November, 2000 until the next valuation date no later than 1st November, 2003.

As from 1st December, 2000, the Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF scheme") under the Mandatory Provident Fund Schemes Ordinance, the MPF scheme is participated by eligible employees who joined the Group after 1st January, 2000 or are not participating in the non-contributory defined benefit retirement scheme. The MPF scheme is administered by independent trustees with its assets held separately from those of the Group. It is funded by contribution from employers and employees in accordance with the Mandatory Provident Fund Schemes Ordinance.

CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Ltd in Appendix 14 to the Listing Rules except that the Company has only one independent non-executive director following Mr David Yung's resignation on 3rd October, 2000. On 4th May, 2001, Dr Li Zhong Yuan was appointed as another independent non-executive director.

退休金計劃最近期的精算估值是在二零零零年十一月一日由獨立精算師，亦為美國精算師公會會員 **Calvin Wu** 先生和 **Joyce Lam** 女士，採用預計單位信貸法進行。估值所用的主要假設為每年有6%的投資回報和6%的薪金增長。於該日，是項計劃之資產市值為港幣**44,100,000**元。正如精算師所建議，由二零零零年十一月一日起至下一個估值日期（而此估值日期不得超過二〇〇三年十一月一日）為止，本集團的供款比率為參與計劃的成員基本薪金的**10%**。

由二零零零年十二月一日起，本集團已根據《強制性公積金計劃條例》的規定設立一項既定供款額的強制性公積金退休福利計劃（「強積金計劃」）。該計劃是供在二零零零年一月一日後才加入本集團或沒有加入毋須供款的既定收益退休金計劃的僱員而設。強積金計劃是由獨立的信託人管理，而計劃的資產則與本集團的資產分開處理。該計劃的資金是來自僱主及僱員根據《強制性公積金計劃條例》而付出的供款。

最佳應用守則

本公司在整個年度內均有遵行香港聯合交易所有限公司《證券上市規則》附錄14所列的最佳應用守則，惟自榮智謙先生於二零零零年十月三日辭任後，本公司祇有一名獨立非執行董事。李重遠博士已於二零零一年五月四日被委任為另一名獨立非執行董事。



REPORT OF THE DIRECTORS (continued)
董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES

The Company itself and through its subsidiaries have entered into contractual joint venture agreements with several joint venture members and have undertaken substantial investments for development of certain properties and infrastructure projects, and construction works. Pursuant to these agreements, investments were made to joint venture companies in the form of capital and advances in proportion to the respective joint venture members' capital contribution ratios or in accordance with the terms of the joint venture agreements. These investments were classified under the headings "Interest in jointly controlled entities" and "Interest in associates" in the consolidated balance sheet of the Company and its subsidiaries (the "Group"). Details of such investments as at 31st December, 2000 are disclosed below:

上市規則第十九項應用指引

本公司本身及透過其附屬公司與數位合營業務夥伴簽訂合約合營協議，並承諾相當數額之投資以發展若干物業、基建項目及建築工作。根據該等協議，各合營業務夥伴須按各自之出資比例或按合營協議之條款，以資本及墊款方式注資合營業務公司。有關投資在本公司及其附屬公司（「本集團」）之綜合資產負債表中列入「合營公司權益」及「聯營公司權益」兩項內。有關投資截至二零零零年十二月三十一日之詳情現披露如下：

Affiliated companies 聯屬公司	% interest attributable to the Group 本集團應佔權益百分率	Loans granted to affiliated companies	Amounts due from affiliated companies	Guarantee given for facilities utilised by affiliated companies	Annual interest rate on advances 墊款年息率
		給予聯屬公司的貸款	應收聯屬公司款項	為聯屬公司融資所作出的擔保款項	
		HK\$ Million 港幣百萬元	HK\$ Million 港幣百萬元	HK\$ Million 港幣百萬元	
Karbyony Investment Ltd	40%	-	913.9	140.0	Partial interest free/ Partial bearing interest at up to HK\$ prime + 1% 部分免息/ 部分按最高至港元 優惠利率加1厘
Hong Kong Construction SMC Development Ltd ("SMC") 香港建設蜆壳發展有限公司 (「蜆壳」)	40%	-	108.6	-	Interest free 免息

REPORT OF THE DIRECTORS (continued)
董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES (continued) 上市規則第十九項應用指引 (續)

Affiliated companies 聯屬公司	% interest attributable to the Group 本集團應佔權益百分率	Loans granted to affiliated companies 給予聯屬公司的貸款	Amounts due from affiliated companies 應收聯屬公司款項	Guarantee given for facilities utilised by affiliated companies 為聯屬公司融資所作出的擔保款項	Annual interest rate on advances 墊款年息率
		HK\$ Million 港幣百萬元	HK\$ Million 港幣百萬元	HK\$ Million 港幣百萬元	
Yangpu Power (HK) Co. Ltd 洋浦電力(香港)有限公司	40%	–	1,118.0	–	Partial bearing interest at up to HK\$ prime + 1%/ Partial bearing interest at 7.95% per annum 部分按最高至港元優惠利率加1厘/ 部分為年息7.95厘
Hainan Yangpu Land Development Co. Ltd 海南洋浦土地開發有限公司	30%	–	13.7	–	Interest free 免息
Hainan Yangpu Merchant Co Ltd 海南洋浦招商有限公司	25%	–	25.7	–	Interest free 免息
Hong Kong Construction Kam Lung Ltd	50%	–	459.5	–	Interest free 免息



REPORT OF THE DIRECTORS (continued)
董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES (continued) 上市規則第十九項應用指引 (續)

Affiliated companies 聯屬公司	% interest attributable to the Group 本集團應佔權益百分率	Loans granted to affiliated companies 給予聯屬公司的貸款	Amounts due from affiliated companies 應收聯屬公司款項	Guarantee given for facilities utilised by affiliated companies 為聯屬公司融資所作出的擔保款項	Annual interest rate on advances 墊款年息率
		HK\$ Million 港幣百萬元	HK\$ Million 港幣百萬元	HK\$ Million 港幣百萬元	
Right Choice International Ltd	27.5%	245.4	-	-	Interest free 免息
Dorboy Investment Ltd 禧發投資有限公司	35%	-	373.7	-	Interest free 免息
Quick Wealth Investments Ltd 快富投資有限公司	50%	284.9	140.9	-	Partial interest free / Partial bearing interest at HK\$ prime rate 部分免息/ 部分按港元優惠利率
First Choice International Development Ltd 富財國際發展有限公司	25%	-	121.3	-	Interest free 免息
Forsum Ltd 科森有限公司	36.25%	-	5.4	-	Interest free 免息
Greenway Venture Ltd	20%	-	27.9	-	Interest free 免息
AMEC-Hong Kong Construction Joint Venture	45%	-	2.0	-	Interest free 免息

REPORT OF THE DIRECTORS *(continued)*

董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES *(continued)* 上市規則第十九項應用指引 (續)

Affiliated companies 聯屬公司	% interest attributable to the Group 本集團應佔權益百分率	Loans granted to affiliated companies 給予聯屬公司的貸款	Amounts due from affiliated companies 應收聯屬公司款項	Guarantee given for facilities utilised by affiliated companies 為聯屬公司融資所作出的擔保款項	Annual interest rate on advances 墊款年息率
		<i>HK\$ Million</i> 港幣百萬元	<i>HK\$ Million</i> 港幣百萬元	<i>HK\$ Million</i> 港幣百萬元	
Hainan Zhong-gu Property Co Ltd 海南中谷物業有限公司	50%	–	162.5	–	Interest bearing at 10% per annum 年息10厘
Hong Kong Construction-AMEC Joint Venture	55%	–	44.3	–	Interest free 免息
Hong Kong Construction-Maeda-CRABC Joint Venture	34%	–	42.7	–	Interest free 免息
BCJ Joint Venture	20%	–	1.3	–	Interest free 免息
HK ACE Joint Venture	30%	–	20.2	–	Interest free 免息
AMEC-Hong Kong Construction CC-202 Joint Venture	35%	–	0.7	–	Interest free 免息
上海泰和越江工程項目公司	25%	–	0.7	–	Interest free 免息
上海國際博覽中心工程聯合體	49%	–	1.0	–	Interest free 免息
國家大劇院項目聯合體	35%	–	1.7	–	Interest free 免息
		<u>530.3</u>	<u>3,585.7</u>	<u>140.0</u>	



REPORT OF THE DIRECTORS *(continued)* 董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES *(continued)*

Notes:

- The advances are unsecured, without fixed repayment terms and are repayable in cash out of the net cash surplus from operation of the affiliated companies.
- The advances made were funded by internal resources and by bank borrowings for general working capital purposes.
- There is no committed capital injection and committed amount to be advanced to the affiliated companies by the Group.
- Save for those mentioned above, no guarantee has been given by the Group for facilities granted to the above mentioned affiliated companies.

As at 31st December, 2000, total committed capital injections, advances made, committed advances to be made to affiliated companies and guarantees given by the Group for facilities utilised by affiliated companies, in aggregate, amounted to approximately HK\$4,256.0 million which represented 203.2% of the net asset value of the Group as at 31st December, 2000.

As the circumstances giving rise to this disclosure will probably continue to exist, the Board will ensure that the required details will be disclosed in the subsequent interim reports and annual reports providing adequate and sufficient information to allow investors to make an informed assessment of the financial position of the Group.

上市規則第十九項應用指引 (續)

附註：

- 墊款均無抵押及無固定還款期，還款方式是從聯屬公司業務之現金盈餘淨額中以現金償還。
- 已付墊款乃以用作一般營運資金之內部資源及銀行借貸撥付。
- 本集團沒有對聯屬公司作出注入資本承諾及承諾提供貸款。
- 除上文所述者外，本集團並無就授予上述聯屬公司之融資作出任何擔保。

截至二零零零年十二月三十一日，承諾注資總額、已付墊款、已承諾將支付予聯屬公司之墊款及由本集團為聯屬公司融資所作出的擔保合共約達港幣**4,256,000,000**元，佔本集團截至二零零零年十二月三十一日之資產淨值約**203.2%**。

由於導致上述披露的情況將會繼續存在，董事會將確保所需資料將在其後的中期報告及年報繼續披露，以提供充足的資料供投資者對本集團的財務狀況作出知情的評審。

REPORT OF THE DIRECTORS *(continued)*

董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES *(continued)*

A proforma combined balance sheet of the affiliated companies as at 31st December, 2000 is presented below:

上市規則第十九項應用指引 (續)

截至二零零零年十二月三十一日，聯屬公司之備考合併資產負債表如下：

		Combined total	
		合併總數	
		HK\$million	HK\$million
		港幣百萬元	港幣百萬元
Fixed assets	固定資產		
Investment properties	投資物業		3,446.4
Power plant	發電廠		923.5
Hotel properties	酒店物業		745.0
Others	其他		35.0
			5,149.9
Land and properties under development	發展中土地及物業		2,182.9
Interest in jointly controlled entities	合營公司權益		1,069.6
Other non-current assets	其他非流動資產		1,349.0
Current assets	流動資產		
– Properties held for sale	– 作銷售用途的物業	1,305.9	
– Other current assets	– 其他流動資產	2,212.7	
			3,518.6
Total assets	總資產		13,270.0
Share capital	股本	1,221.9	
Reserves	儲備	(2,364.7)	
			(1,142.8)
Non-current liabilities	非流動負債		
– Advances from shareholders	– 股東墊款	8,603.3	
– Bank and other loans	– 銀行及其他貸款	1,312.5	
– Other non-current liabilities	– 其他非流動負債	4.0	
			9,919.8
Current liabilities	流動負債		
– Amounts due to shareholders/ joint venturers	– 應付股東/ 合營者款項	1,052.2	
– Current portion of bank loans	– 銀行貸款之流動部分	345.8	
– Other current liabilities	– 其他流動負債	3,095.0	
			4,493.0
Equity and liabilities	股東資金及總負債		13,270.0

Attributable interest of the affiliated companies to the Group as at 31st December, 2000 amounted to HK\$23.9 million.

於二零零零年十二月三十一日，本集團佔有聯屬公司的權益共港幣23,900,000元。



REPORT OF THE DIRECTORS (continued)
董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES (continued)

The Company had also entered into certain loan agreements with banks that included conditions imposing specific performance obligations on the Company's controlling shareholder either:– (A) to maintain a minimum holding of 35% of the issued share capital of the Company or (B) to maintain a minimum holding of 20.98% of the issued share capital of the Company or/and (C) to remain the single largest shareholder of the Company. Breach of such obligations will cause a default in respect of such loans which are significant to the operations of the Company.

Details of specific performance obligations imposed on China Everbright International Ltd, the controlling shareholder of the Company, in relation to certain loan agreements of the Company outstanding as at 31st December, 2000 are as follows:–

Type of loan
(Requirement A, B or C)
貸款類別
(A, B或C規定)

Type of loan (Requirement A, B or C) 貸款類別 (A, B或C規定)	Loan facility 貸款數額 HK\$ Million 港幣百萬元	Drawdown amount 已提取款項 HK\$ Million 港幣百萬元	Drawdown date 提取日
B & C	150.0	115.0	19th June, 1998 1998年6月19日
A & C	150.0	150.0	19th May, 1999 1999年5月19日
A & C	203.2	194.1	12th October, 1999 1999年10月12日
C	50.0	50.0	20th May, 1999 1999年5月20日
C	130.0	107.0	23rd August, 1999 1999年8月23日
A	150.0	10.7	29th September, 2000 2000年9月29日
A	185.0	170.0	27th March, 2000 2000年3月27日
	1,018.2	796.8	

上市規則第十九項應用指引 (續)

本公司亦與銀行們訂立了若干貸款協議，當中包括條款對本公司控股股東施加特定履行的責任，要求彼(A)保持持有本公司已發行股本至少35%的持股量；或(B)保持持有本公司已發行股本至少20.98%的持股量；或/及(C)維持成為本公司的單一大股東。違反該等責任條款，將導致本公司沒有履行對本公司業務運作影響重大之貸款要求。

截至二零零零年十二月三十一日，本公司所訂立仍生效的若干貸款協議有關對本公司的控股股東—中國光大國際有限公司施加特定履行的責任之詳情如下：—

REPORT OF THE DIRECTORS *(continued)*

董事會報告書 (續)

PRACTICE NOTE 19 TO THE LISTING RULES *(continued)*

Definitions:

Requirement A denotes China Everbright International Ltd is required to retain a minimum equity interest of 35% in the issued share capital of the Company.

Requirement B denotes China Everbright International Ltd is required to retain a minimum equity interest of 20.98% in the issued share capital of the Company.

Requirement C denotes China Everbright International Ltd is required to remain as the single largest shareholder of the Company.

The aggregate level of all the facilities indicated above represented 48.6% of the Company's net asset value of HK\$2,094.9 million as at 31st December, 2000.

As the group was in default of all its bank borrowings under the terms of the bank facility agreements, the original maturity dates as specified in the bank facility agreements are no longer applicable. All the above bank borrowings have been classified under current liabilities in the accounts.

AUDIT COMMITTEE

In May 1999, the directors established an audit committee with written terms of reference in accordance with the requirements of the Listing Rules. Since then, the committee has held meetings twice a year to review the half-year and annual financial statements of the Company prior to their submission to the Board as well as to discuss the internal control and other issues of the Company. The audit committee has reviewed the Company's annual results for the year of 2000.

上市規則第十九項應用指引 (續)

釋義：

A規定指要求中國光大國際有限公司持有本公司已發行股本至少**35%**的持股量。

B規定指要求中國光大國際有限公司持有本公司已發行股本至少**20.98%**的持股量。

C規定指要求中國光大國際有限公司維持為本公司單一大股東。

上文所述之融資安排總額約佔本公司截至二零零零年十二月三十一日之資產淨值約港幣**2,094,900,000**元之**48.6%**。

由於本集團已違反所有銀行貸款協議，協議內所訂立的到期還款日已經無效。因此，所有銀行借款已在賬項中被列作流動負債。

審核委員會

於一九九九年五月，董事會根據上市規則的規定成立了審核委員會，並以書面列出其職權範圍。自此以後，委員會每年召開二次會議，在未提交董事會前，先審議本公司中期及全年度財務報表，以及討論公司內部監控和其他事項。審核委員會已審閱了本公司二零零零年度全年業績。



REPORT OF THE DIRECTORS *(continued)*
董事會報告書 (續)

YEAR 2000 COMPLIANCE

The Company has a smooth transition to Year 2000 and has not experienced any Year 2000 problem.

AUDITORS

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the board

CHEN LIBO

Deputy Chairman and Chief Executive Officer

Hong Kong, 25th May, 2001

公元二零零零年守則

本公司順利過渡公元二零零零年及沒有發生任何公元二零零零年電腦問題。

核數師

畢馬威會計師事務所即將告退，惟願膺選連任。由畢馬威會計師事務所連任本公司核數師的決議將於下次股東週年大會上提出。

承董事會命

陳立波

副主席兼行政總裁

香港，二零零一年五月二十五日