



Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31st December 2001.

Principal Activities

The principal activity of the Company continues to be investment holding while the principal activities of its subsidiaries are property investment, property development and management, and development and management of business parks.

The Group's associated companies are principally engaged in property investment and investment in information-technology projects.

The Group's interest in a jointly controlled entity is principally engaged in the business of power generation.

Segmental Information

The Group's turnover and contribution to operating (loss)/profit for the year by business segments and geographical segments are as follows:

By business segments:

	Property	Business parks	Other operations	Corporate	Group
	2001	2001	2001	2001	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	367,156	6,887	9,005	-	383,048
Operating (loss)/profit	(253,407)	(1,151)	7,824	(55,000)	(301,734)



Directors' Report

Segmental Information (continued)

By geographical segments:

	Turnover	Operating
	2001	loss
	HK\$'000	2001
		HK\$'000
Hong Kong	376,161	(295,467)
Mainland China	6,887	(6,267)
	383,048	(301,734)

Subsidiaries, Associated Companies and a Jointly Controlled Entity

Details of the Company's subsidiaries, associated companies and a jointly controlled entity as at 31st December 2001 are set out in notes 14, 15 and 16 to the financial statements.

Results and Appropriations

The results of the Group for the year ended 31st December 2001 are set out in the consolidated income statement on page 68 of the annual report.

No interim dividend was paid during the year. The directors have resolved not to propose any final dividend for the year ended 31st December 2001.

Financial Summary

A summary of the results and assets and liabilities of the Group for the past five financial periods is set out on page 26 of the annual report.



Directors' Report

Fixed assets

Details of movements in fixed assets of the Group during the year are set out in note 12 to the financial statements.

Major Interests in Properties

Particulars of major interests in properties held by the Group as at 31st December 2001 are set out on pages 127 to 130 of the annual report.

Borrowings and Interest Capitalised

The Group's bank and other borrowings as at 31st December 2001 and the amount of interest capitalised by the Group during the year are set out in notes 24 and 5 to the financial statements respectively.

Share Capital

Details of movements in share capital of the Company during the year are set out in note 25 to the financial statements.

Convertible Bonds

Details of the convertible bonds are set out in note 23 to the financial statements.

Reserves

Details of movements in reserves during the year are set out in note 28 to the financial statements.

Warrants, Options or Similar Rights

Other than the warrants and employee share option scheme of the Company as explained in notes 26 and 27 to the financial statements respectively, the Company had no outstanding warrants, options or similar rights as at 31st December 2001.



Directors' Report

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares for the year ended 31st December 2001.

Directors

The directors of the Company during the year and up to the date of this report were:

Dr. Jiang Xiaoming, Simon	<i>(Chairman)</i>
Ms. Chong Siak Ching	<i>(Non-Executive Director and Deputy Chairman appointed on 10th February 2001)</i>
Mr. Lai Seck Khui	<i>(Non-Executive Director and Deputy Chairman appointed on 10th February 2001)</i>
Mr. Alan Howard Smith J.P.	<i>(Independent Non-Executive Director and Deputy Chairman appointed on 15th March 2001)</i>
Mr. Chua Tiow Chye	<i>(resigned as alternate director to Ms. Chong Siak Ching and appointed as Managing Director on 19th April 2001)</i>
Mr. Chan Wing Ming, Charles	<i>(Deputy Managing Director appointed on 10th February 2001)</i>
Mr. Kuan Chao, Michael	<i>(Executive Director appointed on 10th February 2001)</i>
Mr. Kwong Che Keung, Gordon	<i>(Independent Non-Executive Director appointed on 31st May 2001)</i>
Mr. Goh Tien Jin	<i>(Non-Executive Director appointed on 10th February 2001)</i>
Dr. Han Cheng Fong	<i>(Non-Executive Director appointed on 10th February 2001)</i>
Mr. Zheng Hongqing	<i>(Non-Executive Director)</i>
Ms. Wang Poey Foon, Angela	<i>(Independent Non-Executive Director appointed on 31st May 2001)</i>
Mr. Ng Chi Man, Michael	<i>(Alternate Director to Mr. Zheng Hongqing appointed on 8th January 2001)</i>
Mr. Tan Ser Ping	<i>(Alternate Director to Ms. Chong Siak Ching appointed on 22nd November 2001)</i>
Mr. Hui Choon Kit	<i>(Alternate Director to Mr. Lai Seck Khui appointed on 21st August 2001)</i>
Mr. Goh Yong Chian, Patrick	<i>(Alternate Director to Dr. Han Cheng Fong appointed on 3rd October 2001)</i>
Mr. Chow Nin Mow, Albert	<i>(resigned on 2nd April 2001)</i>
Mr. Ronald Joseph Arculli O.B.E., J.P.	<i>(resigned on 30th May 2001)</i>
Dr. Chow Ming Kuen, Joseph O.B.E., J.P.	<i>(resigned on 30th May 2001)</i>
Mr. Xu Shiquan	<i>(resigned on 6th March 2001)</i>
Mr. Zhu Yuening	<i>(resigned on 6th March 2001)</i>
Mr. Qiu Yiyong	<i>(resigned on 6th March 2001)</i>



Directors' Report

Directors (continued)

In accordance with the Company's Bye-law 100, Mr. Kwong Che Keung, Gordon and Ms. Wang Poey Foon, Angela shall retire at the forthcoming annual general meeting. In accordance with the Company's Bye-law 109(A), Ms. Chong Siak Ching, Mr. Lai Seck Khui and Mr. Alan Howard Smith shall retire by rotation at the forthcoming annual general meeting. All the retiring directors, being eligible, offer themselves for re-election.

Directors' Interests In Securities

(a) *Interests in securities of the Company*

1. Pursuant to the agreement relating to special warrants entered into between the Company and Mr. Chow Nin Mow, Albert ("Mr. Chow") on 22nd July 1997 (the "Warrant Agreement"), the Company granted and issued to Mr. Chow:
 - (i) 60,000,000 unlisted warrants to subscribe for 60,000,000 shares in the Company at a price of HK\$2.88 per share (subject to adjustment) exercisable from 23rd July 1999 to 22nd July 2005 (both dates inclusive) save for certain circumstances as specified in the Warrant Agreement; and
 - (ii) 60,000,000 unlisted warrants to subscribe for 60,000,000 shares in the Company at a price of HK\$2.88 per share (subject to adjustment) exercisable from 23rd July 2001 to 22nd July 2005 (both dates inclusive) save for certain circumstances as specified in the Warrant Agreement.
2. Pursuant to the circular to shareholders of the Company dated 10th February 2001, the unconditional cash offers made by Vision Century Limited ("VCL") to acquire all issued shares in the capital of the Company (other than those shares already owned by VCL or parties acting in concert with it), Mr. Chow accepted the offer for the unlisted warrants and surrendered the unlisted warrants to the Company and VCL had paid the consideration for the offer of the unlisted warrants under the General Offer.



Directors' Report

Directors' Interests In Securities (continued)

(b) Interests in options to subscribe for the Company's shares

A share option scheme for employees (including executive directors) of the Company and its subsidiaries was adopted by the Company on 10th January 2000 (the "Share Option Scheme"). During the year, no option was granted, exercised or remained outstanding under the Share Option Scheme.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and as at 31st December 2001, none of the directors nor chief executives, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company.

Directors' Interests in Contracts and Connected Transactions

Save as disclosed hereunder, there was no connected transaction or contract 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, whether directly or indirectly subsisting at 31st December 2001 or at any time during the year ended 31st December 2001.

1. Billion Property Limited ("Billion"), a wholly-owned subsidiary of the Company, and China Travel Service (Holdings) Hong Kong Limited ("CTSH") entered into an agreement on 19th August 1997 and a supplemental agreement on 10th September 1997 (collectively known as "1997 Tycoon Place Agreements"), pursuant to which Billion acquired from CTSH a 90% interest in Ideal Investment Holdings Limited ("Ideal") and the remaining 10% interest in Ideal is owned by CTSH. Ideal had a one-third interest in the development project known as Tycoon Place at Wong Yue Tang, Tai Po ("Tycoon Place"). According to the 1997 Tycoon Place Agreements, CTSH undertook to finance and bear all costs attributable to Ideal in connection with the completion of Tycoon Place and if any disposal proceeds of Tycoon Place attributable to Ideal were used to discharge any liabilities of those companies which hold Tycoon Place, CTSH would pay to Billion an amount equivalent to 90% of such disposal proceeds to which Ideal would be entitled.



Directors' Report

Directors' Interests in Contracts and Connected Transactions (continued)

On 4th June 1999, Billion entered into a conditional agreement (the "1999 Tycoon Place Agreement") with CTSH pursuant to which Billion acquired from CTSH of its 10% remaining equity interest in Ideal and the related loan outstanding and owing by Ideal to CTSH. Upon completion of the 1999 Tycoon Place Agreement, Ideal had become a wholly-owned subsidiary of Billion.

As at 31st December 2001, a principal sum of approximately HK\$103.6 million was due and owing by CTSH to Billion pursuant to the 1997 Tycoon Place Agreements.

2. On 25th August 1998, the Company entered into a conditional agreement with China Travel Hip Kee Godown Hong Kong Limited ("CTHKG"). Pursuant to that agreement (the "538/539 Agreement") between the Company and CTHKG, the parties concerned would jointly develop the property at Hung Hom Inland Lot No.538 (No.1 Cheong Hang Road, Hung Hom, Kowloon) and Hung Hom Inland Lot No.539 (No.20 Winslow Street, Hung Hom, Kowloon) (together the "538/539 Property").

CTHKG is the owner of the 538/539 Property. In accordance with the terms of the 538/539 Agreement, the Company shall jointly develop the 538/539 Property with CTHKG on the basis that all development expenses will be contributed and all net proceeds of sales (if any) and all unsold units (if any) will be shared in the ratio of 40% for the Company and 60% for CTHKG. Also, the Company shall pay 40% of the land cost of the 538/539 Property to CTHKG.

The Group's participation in the development of the 538/539 Property is conditional on the granting of Government's approval to the change of land usage and the modification of the Government lease regarding the 538/539 Property so as to enable its redevelopment into commercial and/or other purposes as the parties may agree. Furthermore, the 538/539 Agreement is also subject to the compliance of such conditions as may be required under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and/or by the Stock Exchange of Hong Kong Limited (the "Stock Exchange").



Directors' Report

Directors' Interests in Contracts and Connected Transactions (continued)

3. On 4th June 1999, the Company entered into a conditional agreement (the "10663 Agreement") with Vision Century Properties (Hong Kong) Limited (formerly known as Hing Kong Properties (Hong Kong) Limited) (the "Developer"), a wholly-owned subsidiary of the Company, and China Travel Service (Hong Kong) Limited ("CTSHK"), a subsidiary of CTSH, pursuant to which the Developer has the exclusive right to develop the property at Kowloon Inland Lot No.10663 at Cheong Tung Road, Hung Hom, Kowloon (the "10663 Property") and shall be entitled to all proceeds of sale or letting (if any) in respect of the development of the 10663 Property and the right to assign the 10663 Property to it if there is no disposal of units of the developed 10663 Property. Part of the total consideration payable by the Developer of HK\$62 million had been paid upon completion of the 10663 Agreement in July 1999 by the Developer to Billion at the direction of CTSHK in partial settlement of the sum being due and owing by CTSH to Billion at that time pursuant to the 1997 Tycoon Place Agreements. The remaining balance of the consideration in the sum of HK\$30 million will be paid within 7 business days of the execution documents giving effect to the lease modification of the lease of the 10663 Property. The Company and CTSHK also agreed to cancel the original development agreement dated 25th August 1998 between them regarding the 10663 Property.
4. On 16th November 1999, Longbarn International Limited ("Longbarn"), a wholly-owned subsidiary of the Company, entered into a conditional joint development agreement (the "Fanling Agreement") with Common Well Limited ("Common Well"), a wholly-owned subsidiary of China Travel International Investment Hong Kong Limited ("CTII"), pursuant to which Common Well as the owner of a site known as Lot Nos. 2836 R.P., 2837, 2838, 2840, 2846 and 2847 in the Demarcation District No.51, Fanling, New Territories (the "Fanling Property") agreed to jointly develop the Fanling Property with Longbarn for residential and/or such other purposes as the parties may agree. Each of Common Well and Longbarn (through its subsidiaries acting as the developer) shall bear 50% of all costs, expenses and charges in carrying out and completing the development and the sale thereof.



Directors' Report

Directors' Interests in Contracts and Connected Transactions (continued)

- On 16th November 1999, CPL Investments Limited ("CPL"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (the "Shun Tak Agreement") with Goster Resources Limited ("Goster"), a wholly-owned subsidiary of CTII, whereby CPL acquired the property situated at 33rd Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong from Goster at the consideration of HK\$106 million of which HK\$40 million was satisfied in cash and HK\$66 million was satisfied by the issue of convertible bonds (the "Bonds") by the Company to CTII. The Bonds were issued upon the completion of the Shun Tak Agreement in early 2000 pursuant to a subscription agreement which was entered into on the same date of the Shun Tak Agreement between the Company and CTII. According to the terms of the Bonds, the holder of such Bonds has the right to convert into an aggregate number of 66,937,120 new shares of the Company. None of the Bonds was converted during the year.

CTHKG, CTSHK and CTII are subsidiaries of CTSH. As both CTII and CTSH have been substantial shareholders of the Company during the year as well as the time when the above agreements were entered into, under the Listing Rules, the entering into of all the above-mentioned agreements constituted connected transactions of the Company. Save for the 538/539 Agreement regarding the 538/539 Property and the Fanling Agreement as described above whose values have not yet been determined, all connected transactions mentioned herein had obtained the approval of independent shareholders of the Company.

- On 24th February 2000, the Company provided a guarantee (the "Guarantee") to The Bank of East Asia, Limited ("BEA") for 65% of a standby letter of credit ("Standby L/C") in the amount of RMB 30 million to be given by BEA to China Construction Bank, Beijing Branch ("CCB"). Upon receipt of the Standby L/C, CCB granted to Beijing Gang Lu Real Estate Development Co. Ltd. ("Beijing Gang Lu") a loan in the amount of RMB 30 million.



Directors' Report

Directors' Interests in Contracts and Connected Transactions (continued)

Beijing Gang Lu is beneficially owned by the Company as to 50% and 15% by Tenways Investments Limited ("Tenways") through Great Project Property Limited ("GPP"). Tenways was owned by an independent third party not connected with the substantial shareholders, directors and chief executive of the Company or any of its subsidiaries or their respective associates. GPP is a company which wholly owns Beijing Gang Lu.

A guarantee of 65% (which was in excess of the Company's proportional equity interest of 50% in GPP) of the Standby L/C was granted, additional portion of which should be the obligation of Tenways. Such a guarantee constituted a connected transaction of the Company. However, in return for the provision of this additional portion of guarantee, the Company was able to secure a sum of HK\$4,290,000 which was advanced by the holding company of Tenways to the Company for fulfilling Tenways' obligation to advance shareholders' loans to GPP. As a result, it had no effect on the Company's liabilities under the Guarantee.

A waiver from strict compliance with the shareholders' approval requirement under Rule 14.26(6) of the Listing Rules in respect of the Guarantee had been obtained from the Stock Exchange.

7. On 20th November 1999, the Company and its wholly-owned subsidiary, Tinet Limited ("Tinet") entered into a conditional sale and purchase agreement with CyberCity Holdings Limited ("CCH") and CyberCity International Limited ("CCI") whereby Tinet agreed to acquire (directly or indirectly) from CCH or CCI an 80% equity interest in Vision (Shenzhen) Business Park Co., Ltd. ("VSBP Co.") (formerly known as "Shenzhen CyberCity International Co., Ltd."), a sino-foreign equity joint venture enterprise established in Shenzhen, Mainland China for a total consideration of HK\$500,000,000, which was satisfied by the allotment and issue of 500,000,000 new shares of the Company at the issue price of HK\$1.00 per share. VSBP Co. was granted the right to develop a hi-tech park known as Vision (Shenzhen) Business Park ("VSBP") (formerly known as CyberCity Shenzhen) in Mainland China.

After allotment of the said new shares, CCH became a substantial shareholder of the Company. Dr. Jiang Xiaoming, Simon, who was the single largest shareholder of CCH, was also appointed a director of the Company on 9th February 2000.



Directors' Report

Directors' Interests in Contract and Connected Transactions (continued)

On 1st June 2000, VSBP Co. and CyberCity IT (Shenzhen) Co. Ltd. ("CCIT") entered into an installation agreement (the "Installation Agreement") whereby CCIT agreed to procure the installation of a wiring network for VSBP Co.'s Towers A and B in Phase I of VSBP for a consideration of RMB3,200,000 (approximately HK\$3,018,000). The Installation Agreement had never been performed and was terminated on 5th January 2001.

CCIT is a connected person of the Company by virtue of the fact that it is an indirect wholly-owned subsidiary of CCH, who at the time of contract was a substantial shareholder of the Company. Accordingly, the entering into of the Installation Agreement had constituted a connected transaction for the Company. CCH is currently a substantial shareholder of the controlling shareholder of the Company.

8. As at 31st December 2001, the Company, through its wholly-owned subsidiaries, advanced a total sum of approximately HK\$138,000,000 as shareholder's loans to VSBP Co. VSBP Co. is beneficially owned as to 95% by the Company and 5% by 3-9 Project Development Co., Ltd. (三九工程開發總公司), which is an independent third party not connected with the substantial shareholders, directors and chief executives of the Company or any of its subsidiaries or their respective associates. Such shareholder's loans are for VSBP Co.'s working capital requirement. With an interest rate of 5%, the shareholder's loans are repayable on demand on or before 15th July 2003.
9. On 28th September 2001, the Company received a letter of offer of shareholder's loan facility of up to HK\$25,000,000 ("1st Shareholder's Loan") from VCL, the ultimate holding company of the Company. Such shareholder's loan is for the general working capital of the Company. With an interest rate of 1% over Hong Kong Interbank Offered Rate ("HIBOR"), the shareholder's loan has no fixed terms of repayment.

On 6th November 2001, the Company received a further letter of offer of shareholder's loan facility of up to a further HK\$25,000,000 ("2nd Shareholder's Loan") from VCL subject to the same terms as stipulated in the 1st Shareholder's Loan.



Directors' Report

Directors' Interests in Contract and Connected Transactions (continued)

Interest expense of HK\$312,000 in respect of the shareholder's loans as mentioned above was payable to VCL by the Company during the year.

10. On 8th October 2001, Dalian Wanguo Amenity Centre Company Limited ("Dalian Wanguo"), an 88% owned subsidiary of the Company, entered into a project supervision agreement (the "PS Agreement") with JTC International Consultants (Suzhou) Co. Ltd ("JTCI (Suzhou)") whereby JTCI (Suzhou) agreed to provide certain project supervision and consultancy services relating to a development project of a property located at Xinglin Street, Zhongshan District, Dalian, Liaoning Province, Mainland China (the "Dalian Project") during a 36-month period, for a consultancy fee of RMB1,900,000 (approximately HK\$1,792,000). The consultancy fee was determined after an arm's length negotiation between the parties and represents 1.2% (after tax deductions) of the estimated total construction cost, being RMB150,000,000 (approximately HK\$141,509,000). If the actual supervision period is longer than 36 months, JTCI (Suzhou) will receive an additional consultancy fee for any additional services which will be calculated on the basis of time spent or may be mutually agreed between the parties as stipulated under the PS Agreement subject to a maximum cap of RMB500,000 (approximately HK\$472,000).

Besides, Dalian Wanguo and JTCI (Suzhou) also entered into a M&E Agreement (the "M&E Agreement") whereby JTCI (Suzhou) agreed to provide certain mechanical and electrical consultancy service relating to the Dalian Project for a consultancy fee of RMB1,100,000 (approximately HK\$1,038,000).

JTCI (Suzhou) is indirectly wholly-owned by JTC Corporation, a statutory board incorporated in the Republic of Singapore and wholly-owned by the government of Singapore. JTC Consultancy Services Holding Pte. Ltd., a wholly-owned subsidiary of JTC Corporation, is running the operation of JTCI (Suzhou). JTC Corporation, through its wholly-owned subsidiary Ascendas Land International Pte. Ltd., indirectly owns 100% of Riverbook Group Limited, which in turn holds 30% of VCL, the controlling shareholder of the Company. Riverbook Group Limited also owns 8% of CCH which in turn owns 40% of VCL. Ascendas Land International Pte. Ltd. is wholly-owned by Ascendas Pte. Ltd.. Therefore, the said agreements constitute connected transactions of the Company under the Listing Rules.



Directors' Report

Directors' Interests in Contract and Connected Transactions (continued)

The aggregate consultancy fees of RMB3,000,000 (approximately HK\$2,830,000) amount to approximately 0.2% of the net tangible assets of the Group. Such consultancy fees, together with any additional fee payable for any additional services under the PS Agreement, will not exceed 3% of the net tangible assets. The said agreements constitute connected transactions of the Group under Listing Rules but fall within the de minimus provision of Rule 14.25(1)(a) of the Listing Rules.

Directors' Interests in Competing Business

The interests of directors of the Company in competing businesses required to be disclosed pursuant to the Listing Rules were as follows:-

1. Dr. Jiang Xiaoming, Simon is a director of CCH which is engaged in the businesses of investment holding and investments in information-technology projects which compete or are likely to compete with the businesses of the Company.
2. Ms. Chong Siak Ching is a director of Ascendas Investment Pte. Ltd., Ascendas Land International Pte. Ltd., Ascendas Land (Singapore) Pte. Ltd., Information Technology Park Limited, Carmelray-JTCI Corporation, Ascendas (China) Pte. Ltd., Singapore Suzhou Industrial Holdings Pte. Ltd. and CCH which are engaged in investment holding, real estate development and provision of consultancy services.
3. Mr. Lai Seck Khui is a director, president and chief executive officer of Times Publishing Limited ("TPL"). TPL is in the information business involved in print and electronic publishing, commercial printing, distribution, direct sales and retailing of books, partworks, directories and magazines, the distribution of recorded music, audio and video tapes and hi-fi accessories, the provision of educational programmes and the organisation of conferences and exhibitions. Headquartered in Singapore, TPL has its global network of subsidiaries and associated companies located in key centres in Southeast Asia, Hong Kong, Mainland China, Japan, Australia, Europe and the United States of America. TPL is also involved in the development and sale of educational software such as CD ROMs, as well as online educational services.
4. Mr. Kuan Chao, Michael is a director of CCH which is engaged in investment holding and investments in information-technology projects which compete or are likely to compete with the businesses of the Company.



Directors' Report

Directors' Interests in Competing Business (continued)

5. Mr. Chua Tiow Chye is a director of Singapore Suzhou Industrial Holdings Pte. Ltd., Ascendas Holdings (Manila) Pte. Ltd., Ascendas Land International Pte. Ltd., Ascendas (China) Pte. Ltd. and PT Gerbang Teknologi Cikarang which are engaged in businesses which compete or are likely to compete with the businesses of the Company.
6. Mr. Goh Tien Jin is a director of Ascendas Investment Pte. Ltd., Ascendas Land International Pte. Ltd., Ascendas-Xinsu Development (Suzhou) Co. Ltd. (formerly known as Xinsu Industrial Development (Suzhou) Co. Ltd.), Suzhou Property Development Pte. Ltd., Gasin (Suzhou) Development Property Co., Ltd and Ascendas Shanghai Co., Ltd., and is chief executive officer of Ascendas (China) Pte. Ltd., which are engaged in businesses of property ownership and the planning, developing, marketing and management of industrial parks, science parks, business parks and related facilities, provision of development consultancy services, real estate development and investment holding.
7. Dr. Han Cheng Fong is a director of Centrepoint Properties Ltd ("Centrepoint") which is a property investment holding and development company in Singapore. The Centrepoint Group is engaged in the development and marketing of housing units, management of offices, shopping malls and serviced apartments both locally and abroad.
8. Mr. Tan Ser Ping is a director of Ascendas Investment Pte. Ltd, Ascendas Land International Pte. Ltd., Ascendas Land (Singapore) Pte. Ltd., Information Technology Park Investment Pte. Ltd., Ascendas (China) Pte. Ltd., Singapore-Cikarang Investment Pte. Ltd., Karimun Investment Holdings Pte. Ltd., JTCl Industrial Holdings (Bangkok) Pte. Ltd., KK-JTCl (Thailand) Co., Ltd., Vietnam-Singapore Industrial Park Pte. Ltd., Vietnam-Singapore Industrial Park JV Co., Ltd., Ascendas (Philippines) Corporation, Century Development Corporation, a member of Board of Commissioner of PT Batamindo Investment Corporation, PT Bintan Inti Industrial Estate Corporation and is an alternate director to Ms. Chong Siak Ching of Singapore Suzhou Industrial Holdings Pte. Ltd., Ascendas Holdings (Manila) Pte. Ltd. and CCH, which are engaged in investment holding, real estate development and provision of consultancy services.

The board of the Company is an independent entity and is independent of the abovementioned companies in which the directors cited have representations. The Group carries on its business independently and its businesses do not compete or are likely to compete with the businesses of the abovementioned companies.



Directors' Report

Directors' Service Contracts

Dr. Jiang Xiaoming, Simon (initial term of three years from 9th February 2000), Mr. Chua Tiow Chye (initial term of two years from 19th April 2001), Mr. Chan Wing Ming, Charles (no specific term) and Mr. Kuan Chao, Michael (no specific term) have entered into service contracts with the Company. All these service contracts will continue until determined by either party giving not less than three months' notice in writing to other party at any time (including during any such initial term). As at 31st December 2001, none of these service contracts had been terminated by either party.

None of the directors has a service contract with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

Substantial Shareholders' Interest In Securities

The following corporations were recorded in the register of interests kept by the Company under section 16(1) of the Hong Kong's Securities (Disclosure of Interests) Ordinance or had notified the Company as having an interest of 10% or more of the issued share capital of the Company as at 31st December 2001:-

Name	Number of Shares	Note
Vision Century Limited ("VCL")	1,184,673,653	
CyberCity Holdings Limited ("CCH")	1,184,673,653	1

Note:

- (1) These shares refer to the 1,184,673,653 shares held by VCL, a company 40% owned by CCH and a company in which CCH is deemed to be interested.

Major Customers and Suppliers

For the year ended 31st December 2001, the five largest suppliers and the largest supplier of the Group accounted for approximately 88% and 32% of the total value of the Group's purchases respectively.

The aggregate turnover attributable to the Group's five largest customers was less than 30% of the Group's turnover.



Directors' Report

Major Customers and Suppliers (continued)

At no time during the year did the directors, their associates or any shareholders of the Company (which to the knowledge of the directors own more than 5% of the Company's issued share capital) have any beneficial interests in these suppliers or customers referred to above.

Retirement Benefits Scheme

Details of the Group's retirement benefits scheme are set out in note 10 to the financial statements.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

Employee Information

As at 31st December 2001, the Company and its subsidiaries had 190 employees. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical cover, subsidised educational and training programmes as well as a share option scheme.

Compliance with the Code of Best Practice of the Listing Rules

The Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

Audit Committee

The written terms of reference which describe the authority and duties of the audit committee were adopted. The audit committee's principal duties include the review and supervision of the Group's financial reporting process and internal controls. The committee comprises three independent non-executive directors, namely Mr. Alan Howard Smith, Mr. Kwong Che Keung, Gordon and Ms. Wang Poey Foon, Angela, and a non-executive director, Dr. Han Cheng Fong. Mr. Kwong Che Keung, Gordon was appointed as Chairman of the Audit Committee in August 2001. Two meetings were held during the current financial year.



Directors' Report

Disclosure of Information on the Stock Exchange's Website

Information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

Auditors

Messrs. PricewaterhouseCoopers were appointed as auditors of the Company to fill the casual vacancy occasioned by the resignation of Messrs. Deloitte Touche Tohmatsu who shall hold office until the conclusion of the forthcoming Annual General Meeting ("AGM"). A resolution will be submitted to shareholders at the AGM to re-appoint the auditors, PricewaterhouseCoopers.

On behalf of the Board

Jiang Xiaoming, Simon
Chairman

Hong Kong SAR, 27th February 2002