

The Directors have pleasure in presenting to shareholders their report for the year ended 31 December 2001.

Principal Activities

The principal activity of the Company is holding its subsidiary companies and the principal activities of its subsidiary companies and associated companies and their major areas of operation are set out in the Review of CITIC Pacific's Businesses on pages 6 to 21.

Dividends

The Directors declared an interim dividend of HK\$0.20 per share in respect of the year ended 31 December 2001 which was paid on 21 September 2001. The Directors recommended, subject to the approval of the shareholders at the forthcoming Annual General Meeting, the payment of a final dividend of HK\$0.60 per share in respect of the year ended 31 December 2001 payable on 15 May 2002 to shareholders on the Register of Members at the close of business on 9 May 2002.

Reserves

The amounts and particulars of transfer to and from reserves during the year are set out in note 22 to the accounts.

Donations

Donations made by the Group during the year amounted to HK\$11 million.

Fixed Assets

Movements of fixed assets are set out in note 12 to the accounts.

董事會欣然將截至二零零一年十二月三十一日止年度之年報送呈各股東省覽。

主要業務

本公司之主要業務為持有其附屬公司，而其附屬公司及聯營公司之主要業務及主要營運範圍載於第 6 至 21 頁之業務回顧內。

股息

董事會已宣派截至二零零一年十二月三十一日止年度之中期股息為每股港幣 0.20 元，該等股息已於二零零一年九月二十一日派發。董事會建議於二零零二年五月十五日向於二零零二年五月九日營業時間結束時名列股東名冊內之股東派發截至二零零一年十二月三十一日止年度之末期股息，每股可獲派港幣 0.60 元，惟須獲股東於即將舉行之股東週年大會上批准方可作實。

儲備

本年度撥入及撥自儲備之金額及詳情載於賬目附註 22。

捐款

本集團年內之捐款為港幣一千一百萬元。

固定資產

固定資產之變動情況載於賬目附註 12。

Major Customers and Suppliers

The percentage of purchases and sales with the Group's suppliers and customers are as follows:

	2001 %	2000 %
Purchases		
– the largest supplier	7	12
– five largest suppliers combined	20	27

The aggregate percentage of sales to the Group's five largest customers is less than 30%.

No Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) were interested at any time in the year in the above suppliers or customers.

Subsidiary Companies

The names of the principal subsidiary companies, their principal places of operation, their countries of incorporation and particulars of their issued share capital are set out in note 32 to the accounts.

Issue of Debt Securities

On 15 February 1996, the Company issued and sold us\$100 million aggregate principal amount of its 7.37% Senior Notes due 2006 ("Senior Notes") to financial institutions pursuant to note purchase agreements dated 15 February 1996. All of the Senior Notes remained outstanding at the end of the year.

On 20 August 1997, the Company issued and sold Japanese Yen 9.5 billion floating rate bond due 2002 ("Yen Bond"), for general working capital purposes, to an investor pursuant to the subscription agreement dated 15 August 1997. All of the Yen Bond remained outstanding at the end of the year.

主要客戶及供應商

本集團之供應商及客戶之應佔購買及銷售百分比率如下：

	2001 %	2000 %
購買		
– 最大供應商	7	12
– 五大供應商合計	20	27

本集團五大客戶之應佔銷售百分比率合共少於 30%。

各董事、其聯繫人士或股東（就董事所知擁有本公司股本超過5%者）於年內任何時間概無擁有上述供應商或客戶任何權益。

附屬公司

主要附屬公司之名稱、其主要營運地點、註冊成立地點及已發行股本之詳情載於賬目附註 32。

發行債務證券

於一九九六年二月十五日，本公司根據一九九六年二月十五日之票據購買協議，發行及出售本金共值一億美元之7.37%之票據（「票據」）予金融機構，該等票據於二零零六年到期，全部票據於本年底時仍未被註銷或贖回。

於一九九七年八月二十日，本公司根據一九九七年八月十五日之認購協議，發行及出售共值九十五億日圓之浮息債券（「日圓債券」）予一名投資者，以作一般營運資金，該等日圓債券將於二零零二年到期，全部日圓債券於本年底時仍未被註銷或贖回。

Directors' Report

On 1 June 2001, CITIC Pacific Finance (2001) Limited, a wholly owned subsidiary of the Company, issued and sold a total of us\$450 million principal amount of 7.625% guaranteed notes due 2011 ("Guaranteed Notes") for refinancing the indebtedness of the Company and for general corporate purposes, to investors pursuant to the purchase agreements dated 24 May 2001 and 1 June 2001. All of the Guaranteed Notes remained outstanding at the end of the year.

Save as aforesaid, neither the Company nor its subsidiary companies have issued any debt securities.

Borrowings

Particulars of borrowings of the Group are set out in note 23 to the accounts.

Directors

The Directors in office during the financial year ended 31 December 2001 were:

Mr Larry Yung Chi Kin
Mr Henry Fan Hung Ling
Mr Vernon Francis Moore
Mr Peter Lee Chung Hing
Mr Norman Yuen Kee Tong (appointed on 1 April 2001)
Mr Robert Ernest Adams
Mr Zhang Yichen
Mr Yao Jinrong
Mr Chang Zhenming
Mr Li Shilin
Mr Carl Yung Ming Jie
Mr Liu Jifu (appointed on 1 April 2001)
Mr Willie Chang
Mr Hamilton Ho Hau Hay
Mr Alexander Reid Hamilton
Mr Hansen Loh Chung Hon
Mr Norman Ho Hau Chong
Mr Chau Cham Son
Mr André Desmarais

董事會報告

於二零零一年六月一日，本公司之全資附屬公司 CITIC Pacific Finance (2001) Limited 根據二零零一年五月二十四日及二零零一年六月一日之購買協議，發行及出售共值四億五千萬美元之 7.625% 之保證票據（「保證票據」）予投資者，以便為本公司之債項進行再融資及撥作一般營運資金。該等保證票據將於二零一一年到期，全部保證票據於本年底時仍未被註銷或贖回。

除上述者外，本公司或其附屬公司概無發行任何債務證券。

借貸

本集團之銀行貸款詳情載於賬目附註 23。

董事

於截至二零零一年十二月三十一日止財政年度內任職董事之人士如下：

榮智健先生
范鴻齡先生
莫偉龍先生
李松興先生
阮紀堂先生（二零零一年四月一日獲委任）
羅安達先生
張懿宸先生
姚進榮先生
常振明先生
李士林先生
榮明杰先生
劉基輔先生（二零零一年四月一日獲委任）
張偉立先生
何厚浚先生
韓武敦先生
陸鍾漢先生
何厚鏘先生
周湛榮先生
德馬雷先生

Pursuant to Article 104(A) of the New Articles of Association of the Company, Messrs Vernon Francis Moore, Robert Ernest Adams, Zhang Yichen, Yao Jinrong, Chang Zhenming and Norman Ho Hau Chong shall retire by rotation in the forthcoming Annual General Meeting and all, being eligible, offer themselves for re-election.

Biographical details of directors may be found on pages 40 to 43.

Management Contract

The Company entered into a management agreement with China International Trust & Investment Corporation Hong Kong (Holdings) Limited (“CITIC HK”) on 11 April 1991 but with retrospective effect from 1 March 1990 in which CITIC HK agreed to provide management services to the Company and its subsidiary companies for a management fee calculated on a cost basis to CITIC HK payable quarterly in arrears. The management agreement is terminable by two months’ notice by either party. Messrs Larry Yung Chi Kin, Henry Fan Hung Ling, Vernon Francis Moore, Chang Zhenming and Liu Jifu had indirect interests in the management agreement as they are directors of CITIC HK. A copy of the management agreement will be available for inspection at the Annual General Meeting of the Company to be held on 9 May 2002.

Directors’ Interests in Contracts of Significance

On 12 June 2001, an agreement (“Lucky Zone Agreement”) which was subsisting as at 31 December 2001 was entered into between CITIC Pacific Communications Limited (“CPC”), a wholly owned subsidiary of the Company, as the purchaser and Mr Larry Yung Chi Kin (“Mr Yung”), a director of the Company, as the seller pursuant to which the Group agreed to purchase from Mr Yung his 20% interest in Lucky Zone Enterprises Inc. (“Lucky Zone”) at the consideration of HK\$319,003,573.11. Lucky Zone is the developer of a fixed optical fibre network in the PRC.

Save as aforesaid, none of the Directors of the Company has or at any time during the year had, an interest which is or was material, either directly or indirectly, in any contract with the Company or any of its subsidiary companies, which was significant in relation to the business of the Company, and which was subsisting at the end of the year or which had subsisted at any time during the year.

根據本公司新組織章程細則第 104(A)條，莫偉龍先生、羅安達先生、張懿宸先生、姚進榮先生、常振明先生及何厚鏘先生於即將舉行之股東週年大會上輪值告退，惟各人均合符資格連任，並已表示願意膺選連任。

董事之個人詳細資料載於第 40 至 43 頁。

管理合約

本公司與中國國際信托投資（香港集團）有限公司（「中信香港」）於一九九一年四月十一日訂立管理協議，其效力可追溯至一九九零年三月一日。中信香港於該協議同意向本公司及其附屬公司提供管理服務，而管理費則根據成本基準按季下期付予中信香港。該管理協議可由任何一方給予兩個月之通知予以終止。由於榮智健先生、范鴻齡先生、莫偉龍先生、常振明先生及劉基輔先生均為中信香港之董事，彼等於該管理協議中擁有間接權益。該管理協議之副本將於二零零二年五月九日舉行之股東週年大會上可供查閱。

董事於重大合約之權益

於二零零一年六月十二日，本公司之全資附屬公司中信泰富信息科技有限公司（「中信泰富信息科技」）（以買方身份）與本公司之董事榮智健先生（「榮先生」）（以賣方身份）訂立一項協議（「運城協議」）（該協議於二零零一年十二月三十一日仍然有效）。據此，本集團同意以港幣 319,003,573.11 元之代價向榮先生收購其於運城企業有限公司（「運城」）之 20%權益。運城為中國固定光纖網絡之發展商。

除上述者外，本公司之任何董事現時或於年內任何時間並無在本公司或其任何附屬公司所訂立之任何合約（對本公司業務而言屬於重大並於年終或年內任何時間仍屬有效之合約）中直接或間接擁有任何重大權益。

Connected Transactions

Connected transactions disclosed in accordance with Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) are as follows:

1. Pursuant to the agreement dated 9 October 1996 made between the Company, CITIC HK, Kerry Trading Co. Limited, The Development Bank of Singapore Limited (collectively “the Parties”) and Cheer First Limited (“Cheer First”), the Parties being the shareholders of Cheer First agreed to make loans to Cheer First for providing loan finance to Goldon Investment Limited which holds CITIC Tower. CITIC HK being a substantial shareholder of the Company and regarded as its connected person holds 25% interest in Cheer First. The loan was made on normal commercial terms and in proportion to each party’s shareholding in Cheer First. It was with no fixed repayment date and was interest bearing at the rate per annum equivalent to Hong Kong Inter-Bank Offered Rate. As at 31 December 2001, the amount of shareholders’ loan due by Cheer First to the Company was HK\$2,187 million.
2. Pursuant to the agreements dated 8 November 2000 entered into between China International Trust and Investment Corporation (“CITIC Beijing”) and Glamorous Way Enterprises Ltd. (“Glamorous Way”), a wholly owned subsidiary of the Company, Glamorous Way agreed to acquire from CITIC Beijing a 50% interest in CITIC Guoan Co., Ltd. (“Guoan”) for a total investment amount of RMB1,800 million (equivalent to approximately HK\$1,692 million). Out of the total investment amount, RMB1,200 million was for acquiring the existing assets of Guoan whereas RMB600 million was in the form of an interest-bearing loan from Glamorous Way to CITIC Beijing. CITIC Beijing agreed that within 360 days of the date of completion of the investment, Glamorous Way would have the priority to select telecommunications projects and CITIC Beijing would inject such selected projects into Guoan. Any capital contribution required from Glamorous Way as a result of the injection of such selected projects would be set off against the loan amount. As no projects were injected into Guoan during the aforesaid period, CITIC Beijing had repaid the loan with accrued interest to the Company on 18 December 2001.

關連交易

根據香港聯合交易所有限公司（「聯交所」）證券上市規則第十四章而須披露之關連交易如下：

1. 根據於一九九六年十月九日由本公司、中信香港、嘉里貿易有限公司、新加坡發展銀行有限公司（統稱「各方」）及 Cheer First Limited（「Cheer First」）訂立之協議，各方作為 Cheer First 之股東同意貸款予 Cheer First 以便向持有中信大廈之金蓬投資有限公司提供貸款融資。本公司之主要股東並被視為其關連人士之中信香港持有 Cheer First 之 25% 權益。該筆貸款乃按一般商業條款及根據各方於 Cheer First 持有之股權比例而作出，並無固定還款日期，每年息率相等於香港銀行同業拆息。截至二零零一年十二月三十一日止，Cheer First 尚欠本公司之股東貸款數額達港幣二十一億八千七百萬元。
2. 根據中國國際信托投資公司（「中信北京」）與本公司之全資附屬公司嘉域企業有限公司（「嘉域」）於二零零零年十一月八日訂立之協議，嘉域同意以人民幣十八億元（約相等於港幣十六億九千二百萬元）之總投資額向中信北京收購中信國安有限公司（「國安」）之 50% 權益。上述總投資額其中之人民幣十二億元用於購買國安之現有資產，另人民幣六億元則為嘉域給予中信北京之計息貸款。中信北京同意由完成該項投資當日起計 360 日內，嘉域將可優先選擇電訊項目，而中信北京將該選定之項目注入國安。因注入選定之項目而要求嘉域提供之注資額將以貸款額抵銷。由於上述期間並無任何項目注入國安，中信北京已於二零零一年十二月十八日向本公司償還貸款及應計利息。

3. On 12 June 2001, CPC entered into the Lucky Zone Agreement with Mr Yung. The consideration was arrived at after arm's length negotiations and was based on the investment cost of Mr Yung in First Honour Investments Ltd., being the company holding the 20% interest in Lucky Zone. Mr Yung is a connected person of the Company by virtue of his being a substantial shareholder and director of the Company. Lucky Zone and its subsidiaries were initially owned by the Company, CRTIC Beijing and Mr Yung in the proportions 60/20/20. CRTIC Beijing is a substantial shareholder of the Company. After the aforesaid acquisition, Lucky Zone and its subsidiaries were owned by the Company and CRTIC Beijing in the proportions 80/20. From time to time during the year, the Company provided finance to Lucky Zone and its subsidiaries by way of shareholders' loan or corporate guarantee. The shareholders' loan was made in proportion to the Company's shareholdings in such companies, with no fixed repayment date and was non-interest bearing. The guarantee given by the Company was a several guarantee proportional to the Company's shareholdings in such companies. As at 31 December 2001, the amount of shareholders' loan due by Lucky Zone and its subsidiaries to the Company was HK\$1,491 million whereas the guarantees executed by the Company to secure the banking facilities granted to the subsidiaries of Lucky Zone were RMB424 million and US\$48.4 million. In connection with the aforesaid acquisition, the Company has also executed a guarantee up to 80% of the liability of one of the subsidiaries of Lucky Zone under a lease agreement for leasing certain equipment at the contract sum of approximately US\$ 15.5 million.

4. From time to time during the year, the Group executed guarantees to banks to secure the facilities granted to Shanghai DCH Jiangnanfeng Co., Ltd. ("Jiangnanfeng"), a company engaged in the production and selling of chickens and related food products, as its general working capital. Jiangnanfeng is 76.77% owned by Regal Heights Limited ("Regal Heights", a 60% subsidiary of Dah Chong Hong Holdings Limited) with the remaining interest held by individual third parties which are connected to the Group by virtue only of their substantial shareholding in Jiangnanfeng. As at 31 December 2001, total facilities granted to Jiangnanfeng was RMB72 million secured by corporate guarantees given by Dah Chong Hong Group, in turn the 40% partner in Regal Heights shared 40% of such liabilities by giving irrevocable letters of credit issued by a bank in favour of Dah Chong Hong Group.

3. 於二零零一年六月十二日，中信泰富信息科技與榮先生訂立運城協議。有關代價乃經雙方進行公平磋商後達成，且根據榮先生於 First Honour Investments Ltd. 之投資成本釐定，該公司持有運城之 20% 權益。由於榮先生為本公司之主要股東兼董事，因而成為本公司之關連人士。運城及其附屬公司之股權最初由本公司、中信北京及榮先生按 60/20/20 之比例擁有。中信北京為本公司之主要股東。於進行上述收購之後，運城及其附屬公司之股權由本公司及中信北京按 80/20 之比例擁有。本公司年內不時提供股東貸款或公司擔保予運城及其附屬公司。股東貸款乃按本公司於該等公司所佔股權比例提供，並無固定償還日期及免息。本公司提供之擔保屬個別擔保，擔保比例相等於本公司於該等公司所佔之股權比例。截至二零零一年十二月三十一日，本公司給予運城及其附屬公司之股東貸款總額為港幣十四億九千一百萬元，而本公司就運城之銀行信貸所作之擔保額為人民幣四億二千四百萬元和四千八百四十萬美元。就上述之收購，本公司並就運城旗下一間附屬公司租賃若干設備所簽署之租賃合約提供最高達租賃費用 80% 之擔保，該份租賃合約總值約一千五百五十萬美元。

4. 本集團於年內不時為上海大昌江南鳳有限公司（「江南鳳」）之銀行信貸作擔保，以提供該公司所需之一般營運資金。該公司為雞肉及有關食品之生產及銷售商。新競有限公司（「新競」，為大昌貿易行集團有限公司持有 60% 股權之附屬公司）持有江南鳳之 76.77% 股權，其餘股權則屬獨立第三者所有，該等獨立第三者僅因擁有江南鳳之重大股權而成為本集團之關連人士。截至二零零一年十二月三十一日止，江南鳳獲授予之銀行信貸額共人民幣七千二百萬元，乃由大昌行集團提供擔保，而佔新競 40% 股權之商業伙伴相對給予大昌行集團不可撤銷銀行信用證作為分擔該擔保額 40% 之責任。

5. During the year ended 31 December 2001, 中信網絡管理有限公司 (“中信網絡”), a wholly owned subsidiary of CITIC Beijing, provided management services (“the Services”) to certain PRC subsidiaries of the Company which were engaged in the optical fibre network investment. The PRC subsidiaries paid for the reasonable costs and expenses incurred by 中信網絡 in relation to the provision of the Services. Such payment was calculated on the actual cost basis. For the year ended 31 December 2001, the total amount of the Services provided by 中信網絡 to the PRC subsidiaries was RMB17.3 million.

An independent committee of the board of Directors (comprising only of independent non-executive Directors) had reviewed the transactions made during the year ended 31 December 2001 and confirmed that:

- the Services had been entered into by the PRC subsidiaries in the ordinary and usual course of their business;
- the Services had been entered into on terms that were fair and reasonable so far as the shareholders of the Company were concerned;
- the Services had been entered into in accordance with the terms of the agreement governing such transactions; and
- the Services had been entered into such that the aggregate amount for the year ended 31 December 2001 did not exceed 3% of the net tangible asset value of the Group as disclosed in the Company's 2000 annual report (“the Services Cap”).

The auditors of the Company had also confirmed to the board of Directors that (a) the Services had received the approval of the Directors; (b) the Services had been entered into in accordance with the terms of the agreement relating to the transactions; and (c) the Services had been entered into such that the Services Cap had not been exceeded.

5. 於截至二零零一年十二月三十一日止年度內，中信北京之全資附屬公司中信網絡管理有限公司（「中信網絡」）向本公司旗下數間參與光纖網絡投資工程之中國附屬公司提供管理服務（「有關服務」）。該等中國附屬公司需要就所獲提供之有關服務向中信網絡支付合理成本及開支；金額按實際成本計算。於截至二零零一年十二月三十一日止年度，中信網絡向該等中國附屬公司提供有關服務所涉及之總金額為人民幣一千七百三十萬元。

董事會轄下之獨立委員會（祇包括獨立非執行董事）已審閱截至二零零一年十二月三十一日止年度內進行之交易，並確認：

- 有關服務乃由該等中國附屬公司在其日常及一般業務中進行；
- 有關服務乃按對本公司各股東而言屬公平合理之條款而進行；
- 有關服務乃根據有關交易協議之條款而進行；及
- 有關服務於截至二零零一年十二月三十一日止年度之總金額不超過本公司二零零零年度年報中所載之本集團有形資產淨值之3%（「服務上限」）。

本公司之核數師亦向董事會確認(a)有關服務已獲董事會批准；(b)有關服務乃按該等交易之有關協議之條款進行；及(c)有關服務並無超過服務上限。

Directors' Interests in Securities of the Company

As at 31 December 2001, the following were the interests in shares of the Company or associated corporations as recorded in the register required to be kept under section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"):

董事於本公司證券之權益

於二零零一年十二月三十一日，根據證券（披露權益）條例（「披露權益條例」）第29條須予保存之登記名冊內記錄，董事於本公司或其相聯法團之證券權益如下：

	Number of Shares				Total 總數
	Personal interests 個人權益	Corporate interests 法團權益	Family interests 家族權益	Other interests 其他權益	
CMC Pacific Limited					
中信泰富有限公司					
Larry Yung Chi Kin		400,381,000		400,381,000	榮智健
Henry Fan Hung Ling		43,000,000		43,000,000	范鴻齡
Vernon Francis Moore			3,200,000 (Note 1)(附註 1)	3,200,000	莫偉龍
Peter Lee Chung Hing	500,000			500,000	李松興
Norman Yuen Kee Tong	33,000			33,000	阮紀堂
Robert Ernest Adams	550,000			550,000	羅安達
Liu Jifu	40,000			40,000	劉基輔
Hansen Loh Chung Hon	1,050,000	500,000 (Note 2)(附註 2)	500,000 (Note 2)(附註 2)	1,550,000	陸鍾漢
André Desmarais	88,800	100,230,000		100,318,800 (Note 3)(附註 3)	德馬雷
Cathay Pacific Airways Limited					
國泰航空有限公司					
Hansen Loh Chung Hon	450,000			450,000	陸鍾漢

Note 1: Deemed interests held by the relevant Director and his family as contingent beneficiaries of a discretionary trust.

附註1：有關董事及其家族作為一全權信託之或然受益人而被視作持有之權益。

Note 2: The corporate interests and the family interests of the relevant Director duplicate each other as the 500,000 shares are held through a company in which the relevant Director and his family are interested.

附註2：有關董事持有之法團權益與其家族權益重疊，因500,000股股份為透過一間由該董事及其家族擁有之公司之權益。

Note 3: In addition to the aforesaid, the relevant Director is also one of the trustees of a Canadian discretionary trust which controls Canadian companies which owns 24,000 shares of the Company.

附註3：除上述所載外，有關董事亦為一個加拿大全權信託之受託人之一。該全權信託控制擁有本公司24,000股股份之加拿大公司。

Directors' Report

As at 31 December 2001, none of the Directors has any other interests in the equity or debt securities of the Company or any associated corporations (within the meaning of the SDI Ordinance) which have been entered in the register kept by the Company pursuant to section 29 of the SDI Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Substantial Shareholders

As at 31 December 2001, the interests of substantial shareholders, other than the Directors of the Company, in the equity securities of the Company as recorded in the register required to be kept under section 16(1) of the SDI Ordinance are as follows:

<i>Name</i>	<i>Number of Shares of the Company</i> 本公司之股份數目	名稱
CITIC Beijing	632,066,285	中信北京
CITIC HK	632,066,285	中信香港
Heedon Corporation	498,424,285	Heedon Corporation
Honpville Corporation	310,988,221	Honpville Corporation
Rockhampton Investments Limited	292,000,000	Rockhampton Investments Limited
Bloomfield Enterprises Corp	292,000,000	Bloomfield Enterprises Corp
Earnplex Corporation	292,000,000	Earnplex Corporation

CITIC HK is a substantial shareholder of the Company indirectly through the following wholly owned subsidiary companies by virtue of section 8(2) of the SDI Ordinance as follows:

<i>Name of Subsidiary Companies of CITIC HK</i>	<i>Number of Shares of HK\$0.40 each</i> 每股面值港幣 0.40 元之股份數目	中信香港之附屬公司名稱
Affluence Limited	43,266,000	Affluence Limited
Winton Corp	30,718,000	Winton Corp
Westminster Investment Inc	101,960,000	Westminster Investment Inc
Jetway Corp	22,500,000	Jetway Corp
Cordia Corporation	32,258,064	Cordia Corporation
Honpville Corporation	310,988,221	Honpville Corporation
Hainsworth Limited	80,376,000	Hainsworth Limited
Southpoint Enterprises Inc	10,000,000	Southpoint Enterprises Inc

董事會報告

於二零零一年十二月三十一日，各董事於本公司或其任何相聯法團（定義見披露權益條例）之股本或債務證券中，概無擁有依據披露權益條例第 29 條於本公司予以保存之登記名冊內記錄，或是根據上市公司董事進行證券交易的標準守則已通知本公司及聯交所之任何其他權益。

主要股東

於二零零一年十二月三十一日，根據披露權益條例第 16(1)條須予保存之登記名冊內記錄主要股東（本公司董事除外）於本公司股本證券之權益如下：

按披露權益條例第 8(2)條，中信香港透過下列全資附屬公司間接成為本公司之主要股東：

Each of Affluence Limited, Winton Corp, Westminster Investment Inc, Jetway Corp, Cordia Corporation, Honpville Corporation, Hainsworth Limited and Southpoint Enterprises Inc holds the shares of the Company beneficially. Accordingly, Honpville Corporation is a substantial shareholder of the Company.

CITIC Beijing is the direct holding company of CITIC HK. CITIC HK is the direct holding company of Heedon Corporation, Hainsworth Limited, Affluence Limited and Barnsley Investments Limited. Heedon Corporation is the direct holding company of Winton Corp, Westminster Investment Inc, Jetway Corp, Kotron Company Ltd and Honpville Corporation and Kotron Company Ltd is the direct holding company of Cordia Corporation. Barnsley Investments Limited is the direct holding company of Southpoint Enterprises Inc. Accordingly, the interests of CITIC Beijing in the Company duplicate the interests of CITIC HK in the Company. The interests of CITIC HK in the Company duplicate the interests in the Company of all its direct and indirect subsidiary companies as described above. The interests of Heedon Corporation in the Company duplicate the interests in the Company of all its direct and indirect subsidiary companies as described above. The interests of Barnsley Investments Limited in the Company duplicate the interests in the Company of its direct subsidiary company as described above and the interests of Kotron Company Ltd in the Company duplicate the interests in the Company of its direct subsidiary company as described above.

Rockhampton Investments Limited is a wholly owned subsidiary company of Bloomfield Enterprises Corp, which in turn is a wholly owned subsidiary company of Earnplex Corporation. Accordingly, the interests of Earnplex Corporation duplicate the interests in the Company of its direct and indirect subsidiary companies as described above. Mr Larry Yung Chi Kin is the owner of the entire issued share capital of Earnplex Corporation. The interests in the Company of Rockhampton Investments Limited represent part of the corporate interests of Mr Larry Yung Chi Kin as mentioned in the above section of “Directors’ Interests in Securities of the Company”.

Affluence Limited、Winton Corp、Westminster Investment Inc、Jetway Corp、Cordia Corporation、Honpville Corporation、Hainsworth Limited及Southpoint Enterprises Inc分別實益持有本公司之股份。因此，Honpville Corporation亦為本公司之主要股東。

中信北京為中信香港之直接控股公司。中信香港為Heedon Corporation、Hainsworth Limited、Affluence Limited及Barnsley Investments Limited之直接控股公司。Heedon Corporation為Winton Corp、Westminster Investment Inc、Jetway Corp、Kotron Company Ltd及Honpville Corporation之直接控股公司，而Kotron Company Ltd為Cordia Corporation之直接控股公司。Barnsley Investments Limited為Southpoint Enterprises Inc之直接控股公司。因此，中信北京於本公司之權益與中信香港於本公司之權益重疊。中信香港於本公司之權益與其上述所有直接及間接擁有之附屬公司於本公司之權益重疊。Heedon Corporation於本公司之權益與其上述所有直接及間接擁有之附屬公司於本公司之權益重疊。Barnsley Investments Limited於本公司之權益與其上述直接擁有之附屬公司於本公司之權益重疊，而Kotron Company Ltd於本公司之權益則與其上述直接擁有之附屬公司於本公司之權益重疊。

Rockhampton Investments Limited乃Bloomfield Enterprises Corp之全資附屬公司，因而亦是Earnplex Corporation之全資附屬公司。因此，Earnplex Corporation於本公司之權益與其上述直接及間接擁有之附屬公司於本公司之權益重疊。榮智健先生乃Earnplex Corporation全部已發行股本之擁有人。Rockhampton Investments Limited於本公司之權益乃上述「董事於本公司證券之權益」一節中所載榮智健先生之法團權益之其中一部份。

Purchase, Sale or Redemption of Shares

During the year ended 31 December 2001, the Company made the following repurchases of its own shares on the Stock Exchange for the purpose of enhancing its earnings per share:

Month/Year	Number of Shares Repurchased 購回股份數目	Price Per Share 每股作價		Aggregate Price Paid 已付價格總額 HK\$ million 港幣百萬元	年/月
		Highest 最高 HK\$ 港幣元	Lowest 最低 HK\$ 港幣元		
September 2001	6,220,000	15.90	13.15	88	二零零一年九月

These repurchased shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on repurchase was charged against retained profit. An amount equivalent to the nominal value of the shares cancelled of HK\$2 million was transferred from retained profit to capital redemption reserve.

Save as disclosed above, neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31 December 2001 and the Company has not redeemed any of its shares during the year ended 31 December 2001.

Service Contracts

As at 31 December 2001, there were no service contracts which were not determinable by the employer within one year without payment of compensation (other than statutory compensation) between any company in the Group and any Director proposed for re-election at the forthcoming Annual General Meeting.

Arrangements for Acquisition of Shares or Debentures

The Company adopted the CITIC Pacific Share Incentive Plan 2000 ("the Plan") on 31 May 2000, pursuant to which the Board may invite selected Employees (as defined in the rules of the Plan) to subscribe for options over the Company's shares on payment of HK\$1 per acceptance of such invitation. The subscription price is to be determined by the Board and will not be lower than 100% of the average of the closing prices of the Company's shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant (which is deemed to be the date of the offer) on which there were dealings in the Company's shares on the Stock Exchange. No such invitation has been made as at 31 December 2001.

購買、出售或贖回股份

於截至二零零一年十二月三十一日止年度，本公司曾於聯交所購回本身之股份，藉以提高每股盈利，詳情如下：

該等購回之股份在購回後隨即予以註銷，因此本公司之已發行股本已相應減去該等購回股份之面值。於購回時所須支付之溢價已於保留溢利中扣除，而為數港幣二百萬元，即相等於已註銷股份面值之款項已從保留溢利轉撥至資本贖回儲備。

除上文所披露者外，於截至二零零一年十二月三十一日止年度，本公司或其附屬公司概無購買或出售本公司之任何股份，而於截至二零零一年十二月三十一日止年度，本公司亦無贖回其任何股份。

服務合約

於二零零一年十二月三十一日，本集團屬下任何公司概無與擬於即將召開之股東週年大會上膺選連任之任何董事簽訂僱主不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

購入股份或債券之安排

本公司於二零零零年五月三十一日採納中信泰富股份獎勵計劃二零零零（「該計劃」），據此，董事會可邀請獲挑選之僱員（定義見該計劃細則）認購本公司股份之購股權，惟彼等僱員每接納該項邀請須支付港幣一元。購股權認購價將由董事會釐定，金額不會低於本公司股份於緊接授出日（即要約日）之前本公司股份在聯交所錄得成交個案之五個交易日之平均收市價（以聯交所之每日成交報價表所載為準）之100%。截至二零零一年十二月三十一日止，本公司並無作出有關邀請。

Save as aforesaid, at no time during the year was the Company or any of its subsidiary companies a party or parties 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.

Other Matters

The “Subsequent Events” as set out in note 29 to the accounts on pages 105 to 106 may be material for the appreciation of the state of the Company’s affairs by its members.

Auditors

The accounts for the year have been audited by PricewaterhouseCoopers who shall retire and, being eligible, shall offer themselves for re-appointment.

Corporate Governance

During the year, the Company was in compliance with the Code of Best Practice as set out in the Rules Governing the Listing of Securities on the Stock Exchange.

By Order of the Board,
Larry Yung Chi Kin
Chairman
Hong Kong, 14 March 2002

除上述者外，本公司或其任何附屬公司於本年度內概無參與任何安排，使本公司之董事可藉購買本公司或任何其他法人團體之股份或債券而獲得利益。

其他事項

第105至106頁所載賬目附註29之「結算日後事項」對股東瞭解本公司之業務狀況可能頗為重要。

核數師

本年度之賬目已由羅兵咸永道會計師事務所審核。該會計師事務所將依章告退，惟彼等符合資格，願意膺聘連任。

公司管治

於該年內，本公司已遵守聯交所證券上市規則所載之最佳應用守則。

承董事會命
榮智健
主席
香港，二零零二年三月十四日