

董事總經理報告

Managing Director's Statement

業績

本集團截至二零零一年十二月三十一日止年度股東應佔經審核綜合淨溢利達港幣102,782,000元（二零零零年：港幣67,919,000元），較上年上升港幣34,863,000元或51%。本年度溢利有所增長，主要是由於出售上海聯合水泥股份有限公司（前稱為「圓方陶瓷科技有限公司」）（「上聯水泥」）部份股份，以及一間共同控制公司有較大之溢利貢獻所致。由於今年附屬公司已竣工的樓面的總樓面面積（「總樓面面積」）減少，令營業額及經營溢利分別下降至港幣299,273,000（二零零零年：港幣966,733,000元）及港幣65,396,000元（二零零零年：港幣133,702,000元）。每股盈利為港幣1.2仙（二零零零年：港幣1.4仙），即下降14%。於二零零一年十二月三十一日，本集團之每股資產淨值為港幣0.48元（二零零零年：港幣0.46元）。

整體表現

本集團（包括共同控制公司）於年內可供銷售項目中，共售出之總樓面面積約113,000平方米（二零零零年：165,000平方米），減少32%。其中101,000平方米為商／住物業（二零零零年：162,000平方米），12,000平方米為工業物業（二零零零年：3,000平方米）。

於回顧期間，已竣工商／住樓宇之總樓面面積約為119,000平方米（二零零零年：132,000平方米），較去年下跌10%，而已竣工之工業物業則達7,000平方米（二零零零年：無）。直至二零零一年年底，在建項目總樓面面積約606,000平方米（二零零零年：318,000平方米），較上年增加91%。

有關上述資料之地區分佈見第8頁之圖表。

Results

The Group's audited consolidated net profit attributable to shareholders for the year ended 31st December, 2001 was HK\$102,782,000 (2000: HK\$67,919,000), representing an increase of HK\$34,863,000, or 51%. The increase in profit for the year is mainly attributable to the disposal of certain equity interest in Shanghai Allied Cement Limited (formerly known as Interform Ceramics Technologies Limited) ("SAC"), and greater profit contribution from a jointly controlled entity. The significant decrease in turnover and the reduction in operating profit to HK\$299,273,000 (2000: HK\$966,733,000) and HK\$65,396,000 (2000: HK\$133,702,000) respectively were the result of reduced total gross floor area ("GFA") completed during the year by our subsidiaries. Earnings per share was 1.2 HK cents (2000: 1.4 HK cents) representing a decrease of 14%. As at 31st December, 2001, the Group's net assets per share was HK\$0.48 (2000: HK\$0.46).

Overall Performance

Properties of the Group offered for sale, including jointly controlled entities, during the year managed to achieve a total sale of GFA of approximately 113,000m² (2000: 165,000m²), representing a decrease of 32%. Of which, 101,000m² (2000: 162,000m²) were residential/commercial properties and 12,000m² (2000: 3,000m²) were industrial properties.

During the period under review, a total GFA of approximately 119,000m² (2000: 132,000m²) of residential/commercial properties were completed, representing a 10% decrease over the previous year while 7,000m² (2000: nil) of industrial properties were completed. Towards the end of 2001, a total GFA of approximately 606,000m² (2000: 318,000m²) was under construction, representing a 91% increase over the preceding year.

A detailed breakdown of the above figures in terms of territorial distribution is shown in graphic form on page 8.

董事總經理報告 (續)

Managing Director's Statement (continued)

按既定之發展策略，本集團致力並動用資源在北京、上海等主要城市增購供發展住宅項目之優質地皮。因此，按樓面面積計算，二零零一年土地儲備增加約1,150,000平方米。

本公司之附屬上市公司，圓方陶瓷科技有限公司為清楚反映其主要業務為水泥及建築物料之製造、分銷及貿易，於二零零一年十月三日正式易名為上海聯合水泥股份有限公司。按照上市規則要求，及作為增加土地儲備之代價，於二零零一年內本集團將其於上聯水泥之權益由約95%減持至55%。出售上聯水泥之股份以增加額外土地儲備，產生溢利為港幣111,581,000元。

鑑於現時市場情況，本集團管理層為審慎起見，為從事酒店投資及餐飲服務之共同控制公司之若干權益作出虧損準備港幣57,467,000元；為若干餘下未售物業作減值港幣27,402,000元；並作呆賬準備港幣20,100,000元。

中國之投資環境

中國於二零零一年之國內生產總值增長7.3%。城市居民可支配收入增長8.5%，而固定資產投資則增長12.1%。一年期銀行儲蓄存款利率減至1.98%，而一年期借貸利率則降至5.31%。此等數字顯示，近期全球經濟不景其實並未對中國經濟增長造成嚴重打擊。

於二零零一年中國建屋投資增長達29.8%。約有23%的總投資來自銀行貸款，表示建屋市場之資本負債率仍維持穩健水平。大部份城市之住宅物業平均售價不斷上漲。北京之住宅物業平均售價於二零零一年首十一個月飆升18%。根據最新統計數字，新建造住宅物業之銷量達90%，而大部份為私人置業人士。

In line with the stated policy, the Group has continued to dedicate considerable effort and resources to increasing its landbank for residential development in prime locations of major cities, including Beijing and Shanghai. As a result, the total landbank increased in terms of GFA by approximately 1,150,000m² in 2001.

Interform Ceramics Technologies Limited, a listed subsidiary of the Company, was renamed Shanghai Allied Cement Limited with effect from 3rd October, 2001 in order to reflect its core business of manufacturing, distribution and trading of cement and other building materials. Pursuant to the requirements of the Listing Rules and as a consideration of facilitating the acquisition of additional landbank, the Group reduced its interests in SAC from approximately 95% to 55% during 2001. These disposals of SAC shares for acquiring additional landbank gave rise to a profit of HK\$111,581,000.

Due to the current market situation, the management believes it is prudent to provide for impairment losses of HK\$57,467,000 with respect to certain interests of jointly controlled entities related to investments in the hotel and catering sector, a write down of HK\$27,402,000 for inventories of certain remaining unsold properties, and to provide HK\$20,100,000 for doubtful debts.

Investment Environment in the PRC

In 2001, the PRC reported gross domestic product (“GDP”) growth of 7.3%. Urban residents’ disposable income increased by 8.5% whereas investment in fixed assets rose by 12.1%. The one-year bank deposit rate was reduced to 1.98% and the one-year lending rate was cut to 5.31%. These figures signify that the recent global economic slowdown did not, in fact, have a significant impact on the growth in the PRC economy.

In 2001, investment in residential construction in the PRC increased by 29.8%. Only 23% of the total investment came from bank loans indicating that the gearing ratio remained at a healthy level. The average selling price of residential property in most cities continued to move upward. In Beijing, the average selling price of a residential unit surged 18% in the first 11 months of 2001. According to the latest statistics, about 90% of the newly constructed residential units were sold, mostly to private buyers.

董事總經理報告 (續)

Managing Director's Statement (continued)

預計中國政府將會繼續鼓勵提供優質房屋，以改善居民之生活水平。二手住宅物業市場看來較前活躍。與此同時，可支配收入增加，按揭利率下降，加上改善生活水平之意欲，仍然為促進物業市場增長之主要有利因素。置業人士更為理性，要求更高，隨著越來越多國內及海外發展商加入市場，國內房地產市場競爭日見激烈。

中國加入世貿組織，其社會及經濟架構亦正急速變化，以期與國際標準及慣例接軌。過去數年，中國之主要經濟增長動力為出口業，但由於全球經濟不景，預計內部消費及投資將取而代之，成為主要經濟增長動力。為此，中國政府已承諾會繼續鼓勵內部消費以維持經濟發展動力。

前景

中國二零零二年之國內生產總值的增長目標為7%。預計政府將繼續刺激內需，以達到增長目標。住宅物業市場將受惠於有關政府措施。中國加入世貿組織及主辦二零零八年奧運將吸引外資投入北京、上海等主要城市，提高對高質素住宅及辦公室樓宇之需求。如無不可預見之因素，中國經濟將會長期持續增長。

於二零零二年，本集團預計（包括共同控制公司）可供銷售物業之總樓面面積將約為400,000平方米，包括建於北京、大連、上海、南京、常州、深圳、無錫、長春等城市之物業；該等項目將為本集團帶來可觀收入。

The PRC government is expected to continuously encourage the supply of quality housing to improve citizens' living standards. The secondary residential property market appears to have become more active. This together with the increase in disposable income, lower mortgage interest rates and the desire to improve living standards are still the main contributing and favourable factors enhancing the growth of the property market. Potential house buyers are becoming rational and demanding. Competition in the residential property sector continues to intensify with increases in the number of local and overseas developers.

With the PRC's accession to the WTO, rapid changes in the social and economic environment are underway in order to move to international standards and practices. For the last few years, export businesses had been the main growth engine and drives for the growth of the economy in the PRC, but due to the global economic slowdown, it is anticipated that the increase in domestic consumption and investment will take over as the driving force. In this connection, the PRC government has committed to continue to encourage domestic consumption to maintain the momentum of the economy.

Outlook

The PRC is aiming for a 7% growth in GDP in 2002. It is anticipated that the government will continue to stimulate domestic demand in order to achieve the targeted growth. The residential property market will benefit from these government measures. The entry into the WTO, and the hosting of the 2008 Beijing Olympic Games will attract foreign investment into major cities, such as Beijing and Shanghai, leading to escalating demands for high quality residential and office buildings. Barring any unforeseeable circumstances, the economy should experience sustainable growth over the long run.

In 2002, the Group anticipates that properties to be offered for sale, including jointly controlled entities, will be around 400,000m² in terms of GFA. Cities where properties will be sold will include Beijing, Dailian, Shanghai, Nanjing, Changzhou, Shenzhen, Wuxi and Changchun. These projects will generate significant income to the Group.

董事總經理報告 (續)

Managing Director's Statement (continued)

儘管面對更為激烈之競爭，但管理層有信心，憑藉發展優質物業之經驗，提供專業物業管理，實施緊縮成本措施及靈活之市場策略，本集團已作好準備，應付所有市場挑戰，並捕捉重大商機。

致謝

於年內及至本報告完成時，段永基先生、王健生先生、翁振杰先生（段永基先生之替代董事）、謝海林先生（王健生先生之替代董事）、王誼先生及胡丹女士辭任本公司董事職務，而吳珩先生及張冬小姐獲委任為本公司董事。本人謹此對辭任之董事於過去作出的貢獻表示感謝，同時，本人熱烈歡迎董事會的新成員。

最後，本人謹對全體員工的貢獻及努力與股東的支持表示謝意。

董事總經理
許業榮

香港，二零零二年三月二十六日

Despite severe competition, the management is confident that with our experience in developing high quality properties, provision of professional property management, implementation of tightening cost control measures and a feasible marketing strategy, the Group is well prepared to meet all challenges and to capture major opportunities in the market.

Appreciation

During the year and up to the completion of this report, Messrs. Duan Yongji, Wang Jian Sheng, Weng Zhenjie (alternate to Duan Yongji), Xie Hailin (alternate to Wang Jian Sheng), Wang Yi and Ms. Hu Dan, resigned as directors of the Company and Mr. Wu Gan and Ms. Zhang Dong, were appointed. I wish to take this opportunity to express my gratitude to the resigning directors for their valuable contributions and I extend my warmest welcome to the new members of the Board.

I would also like to thank our staff for their dedication and hard work and our shareholders for their continued support.

David Hui Yip Wing
Managing Director

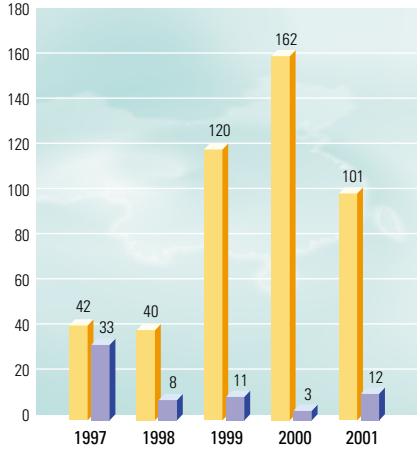
Hong Kong, 26th March, 2002

董事總經理報告 (續)

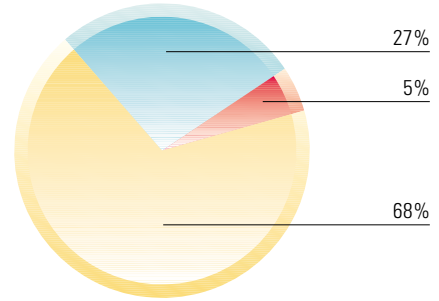
Managing Director's Statement (continued)

銷售樓面面積
Gross Floor Area ("GFA") Sold

平方米 (千位) m² ('000)

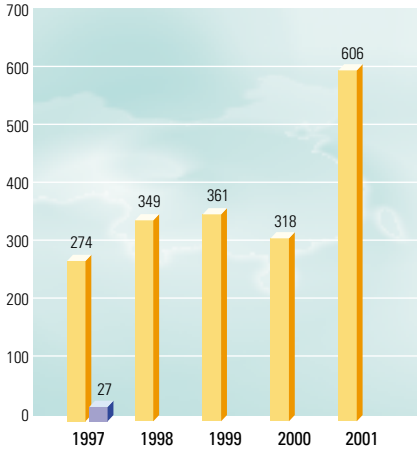


銷售樓面面積之地區分佈
Gross Floor Area Sold by Region

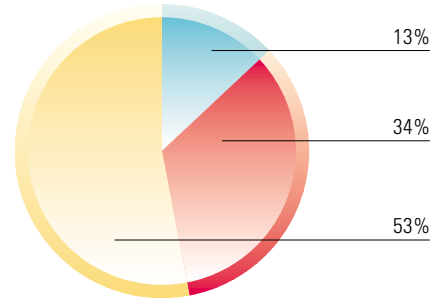


發展中物業樓面面積
Properties Under Construction in terms of GFA

平方米 (千位) m² ('000)

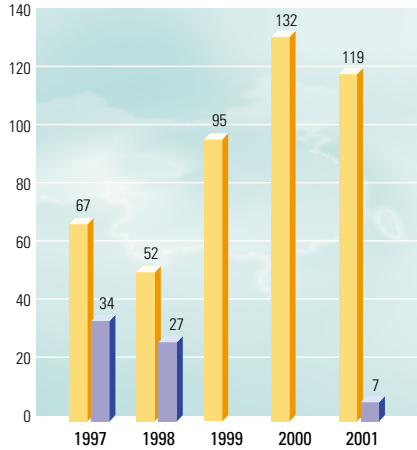


發展中物業之地區分佈
Properties Under Construction by Region

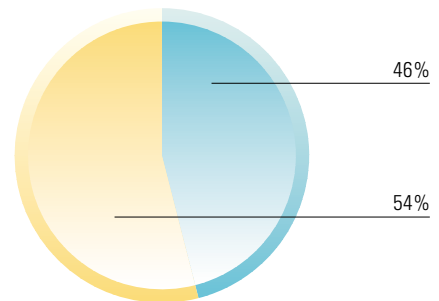


建成樓面面積
Properties Completed in terms of GFA

平方米 (千位) m² ('000)



建成樓面之地區分佈
Properties Completed by Region



■ 商住 Residential/Commercial
 ■ 工業 Industrial

● 華東 Eastern China
 ● 華南 Southern China
 ● 華北 Northern China