

董事會報告書

Directors' Report

董事會同寅欣然將截至二零零一年十二月三十一日止年度之報告書連同經審核之財務報告表呈覽。

主要業務

本公司為一間投資控股公司，其主要附屬公司、聯營公司及共同控制公司之主要業務已分別詳載於財務報告表附註39、40及41。

本集團於年內之營業額主要來自中國之業務。本集團截至二零零一年十二月三十一日止年度之營業額及除稅前之溢利貢獻按主要業務及地域市場詳載於財務報告表附註4。

附屬公司、聯營公司及共同控制公司

有關本公司於二零零一年十二月三十一日之主要附屬公司、聯營公司及共同控制公司的詳情已載於財務報告表附註39、40及41。

業績及溢利分配

本集團截至二零零一年十二月三十一日止年度之業績已詳載於第62頁之綜合利潤表。

董事會建議不派發股息及保留本年度溢利。

管理層討論及分析

管理層討論及分析已載於第9頁至第22頁。

物業、廠房及設備

本集團於年內購入之物業、廠房及設備總值約港幣10,003,000元。

有關本集團於年內之物業、廠房及設備變動及其他變動之詳情已載於財務報告表附註13。

The directors are pleased to present their annual report together with the audited financial statements for the year ended 31st December, 2001.

Principal Activities

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries, associates and jointly controlled entities are respectively shown in notes 39, 40 and 41 to the financial statements.

The Group's turnover for the year was derived mainly from activities carried out in the PRC. The breakdown by principal activities and geographical markets of the Group's turnover and contribution to profit before taxation for the year ended 31st December, 2001 is set out in note 4 to the financial statements.

Subsidiaries, Associates and Jointly Controlled Entities

Details of the Company's principal subsidiaries, associates and jointly controlled entities as at 31st December, 2001 are respectively set out in notes 39, 40 and 41 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 62.

The directors do not recommend the payment of a dividend and recommend the profit for the year be retained.

Management Discussion and Analysis

The management discussion and analysis is set out on pages 9 to 22.

Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment totalling approximately HK\$10,003,000.

Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

董事會報告書 (續)

Directors' Report (continued)

投資項目

於年內，若干開售項目合共港幣161,959,000元轉為投資項目。本集團重估所有投資項目截至年底之價值，因重新估價而引起的盈餘為港幣10,160,000元，其中本集團應佔的港幣1,252,000元已入賬投資項目重估儲備。

物業權益

本集團物業權益已詳列於第23頁至第33頁。

股本及認股權證

股本及認股權證之變動情況已載於財務報告表附註24。

儲備

有關本集團及本公司於年內之儲備變動已載於財務報告表附註25。

財務摘要

本集團於過去五個財政年度之業績及資產與負債概要已載於第153頁。

借款及資本化之利息

須於一年內償還或應要求下償還之銀行貸款、透支及其他借款歸納於流動負債內。有關附息及免息貸款之還款詳情分別載於財務報告表附註26及27。本集團於年內就發展中物業而轉作資本化之利息為港幣21,660,000元，詳情載於財務報告表附註8。

Investment Properties

During the year, certain completed properties for sale of HK\$161,959,000 were transferred to investment properties. The Group revalued all of its investment properties as at the year end date. The surplus arising on the revaluation amounted to HK\$10,160,000 in which revaluation surplus attributable to the Group of HK\$1,252,000 has been credited to the investment property revaluation reserve.

Interests in Properties

Particulars of the Group's interests in properties are set out on pages 23 to 33.

Share Capital and Warrants

Movements in share capital and warrants are set out in note 24 to the financial statements.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 25 to the financial statements.

Financial 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 page 153.

Borrowings and Interest Capitalised

Bank loans, overdrafts and other borrowings which are repayable within one year or on demand are classified as current liabilities. Repayment analyses of interest-bearing and interest-free borrowings are respectively set out in notes 26 and 27 to the financial statements. Interest capitalised by the Group during the year in respect of properties under development amounted to HK\$21,660,000, details of which are set out in note 8 to the financial statements.

董事會報告書 (續)
Directors' Report (continued)

董事會

在本年度及截至本報告書日期為止，本公司董事會之成員如下：

執行董事

許業榮

李成偉

勞景祐

朱希鐸

段永基

(於二零零一年五月三十日辭任)

王健生

(於二零零一年九月二十七日辭任)

王誼

(於二零零一年三月十二日辭任)

翁振杰，段永基之替代董事

(於二零零一年五月三十日辭任)

謝海林，王健生之替代董事

(於二零零一年九月二十七日辭任)

非執行董事

鄭慕智

楊麗琛

吳玗

(於二零零一年三月十二日委任)

張冬

(於二零零一年三月十二日委任)

胡丹

(於二零零一年三月十二日辭任)

現任執行董事及非執行董事均將在任至彼等依據本公司組織章程細則第一零三條於每屆股東週年大會上按序退任為止。

根據上述章程細則，勞景祐先生、朱希鐸先生及楊麗琛小姐於將召開之股東週年大會任期屆滿，按序退任，上述董事，除朱希鐸先生外，均願繼續膺選連任。

Directors

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

Executive Directors

David Hui Yip Wing

Patrick Lee Seng Wei

Edwin Lo King Yau

Zhu Xiduo

Duan Yongji

(resigned on 30th May, 2001)

Wang Jian Sheng

(resigned on 27th September, 2001)

Wang Yi

(resigned on 12th March, 2001)

Weng Zhenjie, alternate to Duan Yongji

(resigned on 30th May, 2001)

Xie Hailin, alternate to Wang Jian Sheng

(resigned on 27th September, 2001)

Non-Executive Directors

Moses Cheng Mo Chi

Lisa Yang Lai Sum

Wu Gan

(appointed on 12th March, 2001)

Zhang Dong

(appointed on 12th March, 2001)

Hu Dan

(resigned on 12th March, 2001)

Both the executive directors and non-executive directors shall hold office until they become due to retire by rotation at each annual general meeting in accordance with Article 103 of the Company's Articles of Association.

In accordance with the above Article, Mr. Edwin Lo King Yau, Mr. Zhu Xiduo and Miss Lisa Yang Lai Sum shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, all except Mr. Zhu Xiduo offer themselves for re-election.

董事會報告書 (續)

Directors' Report (continued)

董事及高級管理人員之個人資料

執行董事

許業榮，五十二歲，一九九六年十二月出任為本公司董事總經理。加入本公司前，許先生曾任一個從事紡織業之上市集團之董事達七年，負責該集團之整體運作，主力於策劃管理、財務控制、整頓架構以及履行品質管理方面。許先生在一九八九年加入工業界前，乃一金融機構之董事總經理，並有超過十年銀行經驗。許先生亦為本公司主要股東新鴻基有限公司之副主席及行政總裁，並為上海聯合水泥股份有限公司之主席。

李成偉，五十歲，一九九六年六月出任本公司執行董事。李先生為一名建築師，曾於澳洲IBM服務，其後在馬來西亞及香港參與地產發展工作超過十九年，彼於物業發展具廣泛經驗。李先生亦為本公司主要股東新鴻基有限公司及聯合地產（香港）有限公司之董事。

勞景祐，四十一歲，為特許公司秘書，並為澳洲Macquarie University之應用財務碩士，於一九九九年八月獲委任為本公司之執行董事。彼曾於香港多間公司履任多項行政職位，包括在上市公司出任公司秘書。勞先生現為聯合集團有限公司之執行董事。

朱希鐸，五十七歲，二零零零年四月出任本公司執行董事。朱先生畢業於清華大學，現為四通集團公司總裁，加入四通集團之前曾在包頭市計算機研究所擔任高職。

Biographic Details of Directors and Senior Management

Executive Directors

David Hui Yip Wing, aged 52, was appointed the Managing Director of the Company in December 1996. Before joining the Company, Mr. Hui was, for seven years, a director of a listed textile group, where he had overall responsibilities for its operations, with special emphasis on strategic planning, financial control and the re-engineering and implementation of the concept of total quality management. Prior to joining the industrial sector in 1989, Mr. Hui was the Managing Director of a financial institution and has over 10 years of experience in banking. He is the Deputy Chairman and Chief Executive Officer of Sun Hung Kai & Co. Limited, a substantial shareholder of the Company, and the Chairman of Shanghai Allied Cement Limited.

Patrick Lee Seng Wei, aged 50, became an Executive Director of the Company in June 1996. Mr. Lee is an architect and worked for IBM Australia before becoming involved in property development in Malaysia and Hong Kong for more than nineteen years. He has extensive experience in the property field. He is a director of Sun Hung Kai & Co. Limited and Allied Properties (H.K.) Limited, substantial shareholders of the Company.

Edwin Lo King Yau, aged 41, a chartered company secretary and holder of a Master's Degree in Applied Finance from Macquarie University, Australia, was appointed Executive Director of the Company in August 1999. He had served various executive roles in several companies in Hong Kong including company secretary for publicly listed companies. He is currently an Executive Director of Allied Group Limited.

Zhu Xiduo, aged 57, was appointed Executive Director of the Company in April 2000. Mr. Zhu graduated from Qinghua University and held several senior positions at Baotou City Computer Research Laboratory prior to joining the Stone Group. Mr. Zhu is currently the President of Stone Group Corporation.

董事會報告書 (續)

Directors' Report (continued)

董事及高級管理人員之個人資料 (續)

非執行董事

鄭慕智，五十二歲，一九九七年五月獲委任為本公司獨立非執行董事。鄭先生乃香港胡百全律師事務所之資深合夥人，並於一九九一年至一九九五年間為香港立法局議員。彼現擔任香港董事學會、教育委員會及公民教育促進委員會主席。鄭先生同時亦為其他多間上市公司之獨立非執行董事。

楊麗琛，三十五歲，一九九九年十一月獲委任為本公司獨立非執行董事。彼現為香港執業律師，亦為李梅生律師行之合夥人。楊小姐畢業於澳洲雪梨大學，取得法律及經濟學士學位，亦取得澳洲及英國之律師資格。

吳玓，三十六歲，二零零一年三月出任本公司非執行董事。吳先生擁有豐富的銀行和投資經驗。彼現為中銀集團投資有限公司（「中銀投資」）經理及由中銀投資控制或擁有權益之多間公司之董事。

張冬，三十七歲，二零零一年三月出任本公司非執行董事。張小姐擁有豐富的銀行和投資經驗。彼現為中銀集團投資有限公司（「中銀投資」）高級經理及由中銀投資控制或擁有權益之多間公司之董事。

高級行政人員

周正遊，四十三歲，本集團華東地區總經理，一九九七年六月加入本集團。周先生擁有十餘年中國房地產發展及投資經驗。

Biographic Details of Directors and Senior Management (continued)

Non-Executive Directors

Moses Cheng Mo Chi, aged 52, was appointed an Independent Non-Executive Director of the Company in May 1997. Mr. Cheng is a Senior Partner of P.C. Woo & Co., a firm of solicitors and notaries in Hong Kong. Mr. Cheng was a member of the Legislative Council of Hong Kong between 1991 and 1995. He is currently the Chairman of the Hong Kong Institute of Directors, the Board of Education and the Committee on the Promotion of Civic Education. He also serves on the boards of various listed companies as an independent non-executive director.

Lisa Yang Lai Sum, aged 35, was appointed an Independent Non-Executive Director of the Company in November 1999. She is a practising solicitor in Hong Kong and is a partner of Maurice Lee, Tsang, Ng-Quinn & Tang. She graduated from the University of Sydney with a Bachelor's Degree in Law and Economics and is also qualified as a solicitor in Australia and England.

Wu Gan, aged 36, was appointed a Non-Executive Director of the Company in March 2001. Mr. Wu has extensive experience in banking and investment. Currently, he is a manager of Bank of China Group Investment Limited ("BOCGI") and director of a number of companies controlled by BOCGI or in which BOCGI has an interest.

Zhang Dong, aged 37, was appointed a Non-Executive Director of the Company in March 2001. Miss Zhang has extensive experience in banking and investment. Currently, she is a senior manager of Bank of China Group Investment Limited ("BOCGI") and director of a number of companies controlled by BOCGI or in which BOCGI has an interest.

Senior Management

Chau Ching Yau, aged 43, is the General Manager of the Eastern China Region, joined the Group in June 1997. Mr. Chau has over ten years of experience in property development and investment in China.

董事會報告書 (續)

Directors' Report (continued)

董事及高級管理人員之個人資料 (續)

高級行政人員 (續)

蔡楚珠，三十九歲，於一九九七年一月加入本集團。現為本集團副總經理，負責本集團人力資源、行政及公關事宜。蔡小姐畢業於香港中文大學，擁有工商管理學士學位。

高成明，三十四歲，於一九九八年三月加入本集團。現為本集團副總經理兼公司秘書，負責法律及公司秘書事務、資訊科技、系統策劃及推行品質管理。高先生擁有工商數量分析學士學位及公司行政深造文憑，具有超過九年會計及國內投資管理經驗。高先生亦是上海聯合水泥股份有限公司的執行董事。

顧永雄，四十三歲，本集團合約部高級經理，一九九四年五月加入本集團，顧先生為英國皇家特許測量師學會會員。顧先生具有十多年合同管理及成本控制經驗。

馬申，六十一歲，本集團總經理，並同時出任本集團華南地區總經理，一九八四年加入新鴻基證券有限公司，一九八五年轉調本集團。除擁有機電工程學士學位外，馬先生擁有豐富機電工程經驗及超過二十年的中國商貿、金融投資及物業發展經驗。

謝妙龍，三十五歲，本集團華東地區及上海辦事處副總經理兼財務總監。一九九七年加入本集團。謝先生為英國公認註冊會計師公會會員及馬來西亞會計師公會會員。具有十餘年的財務管理及商業經驗。

Biographic Details of Directors and Senior Management (continued)

Senior Management (continued)

Choi Chor Chu, aged 39, joined the Group in January 1997. She is the Deputy General Manager of the Group responsible for the Group's human resources, administration and public relations affairs. Ms. Choi holds a Bachelor's Degree in Business Administration from The Chinese University of Hong Kong.

Ko Sing Ming, aged 34, joined the Group in March 1998. He is the Deputy General Manager and Company Secretary of the Group responsible for legal and secretarial affairs, IT affairs, system re-engineering and the implementation of total quality management. Mr. Ko holds a Bachelor's Degree in Quantitative Analysis for Business and a Postgraduate Diploma in Corporate Administration. Mr. Ko has over 9 years of experience in accounting and managing PRC investments. He is also an Executive Director of Shanghai Allied Cement Limited.

Eric Ku Wing Hung, aged 43, is the Senior Contracts Manager of the Group. He joined the Group in May 1994. Mr. Ku is an associate member of The Royal Institution of Chartered Surveyors. Mr. Ku has over 10 years experience in contract management and cost control in construction field.

Ma Sun, aged 61, is the General Manager of the Group and the Southern China Region. Mr. Ma joined Sun Hung Kai Securities Limited in 1984 and was then transferred to the Group in 1985. Besides holding a Bachelor's Degree in Electrical Engineering, he has extensive experience in electrical engineering and over 20 years of experience in China commercial business, financial investment and property development.

Alan Sia Meow Leng, aged 35, is the Deputy General Manager and Financial Controller of the Eastern China Region and the Shanghai Office. He joined the Group in 1997. Mr. Sia is a fellow member of the Chartered Association of Certified Accountants and Malaysian Institute of Accountants. Mr. Sia has over 10 years of experience in financial management and commercial business.

董事會報告書 (續)

Directors' Report (continued)

董事及高級管理人員之個人資料 (續)

高級行政人員 (續)

舒義龍，四十九歲，於二零零二年一月加入本集團，現為本集團項目總監，負責集團各地產發展項目。舒先生畢業於加拿大Manitoba University，擁有環境系學士學位及建築系碩士學位。舒先生現為加拿大皇家建築師學會會員，加拿大安大略省建築師學會會員及美國建築師學會會員，亦為加拿大註冊專業建築師。舒先生具備超過二十年建築及工程之經驗。

杜燦生，三十七歲，本集團財務總監，一九九四年五月加入本集團。杜先生為香港會計師公會會員及英國特許管理會計師公會會員，並擁有工商管理碩士學位。杜先生具有超過十年財務管理及中國商業經驗。

楊亮賢，四十四歲，本集團的物業及酒店管理部總經理，一九九八年加入本集團，除負責集團內的酒店及物業管理外，還負責經營附屬本集團的港力物業管理有限公司。楊先生擁有酒店管理學士學位及具備超過十年管理國內一級酒店及物業經驗。

姚增元，六十一歲，本集團華北地區及大連辦事處總經理，一九九零年加入聯合集團有限公司任高級經理，一九九四年調任聯合地產有限公司駐大連辦事處為首席代表兼總工程師，一九九七年八月轉調本集團。姚先生於一九六四年畢業於上海同濟大學，擁有土木及機電工程學士學位，具有三十年以上專業經驗及在國內物業市場建立穩固地位。

Biographic Details of Directors and Senior Management (continued)

Senior Management (continued)

Wilson Shu Yee Loon, aged 49, is our newly appointed Group Project Director commencing January 2002. Mr. Shu graduated from University of Manitoba, Canada with a Bachelor's Degree in Environmental Studies and a Master's Degree in Architecture. He is currently a member of Royal Architectural Institute of Canada, a member of the Ontario Association of Architects, a member of the American Institute of Architects, and a registered Architect in Canada. Mr. Shu has over twenty years of experience in the Construction and Development Industries.

Sunny Tao Tsan Sang, aged 37, is the Financial Controller of the Group. He joined the Group in May 1994. Mr. Tao is an associate member of The Hong Kong Society of Accountants and The Chartered Institute of Management Accountants and holds a Master's Degree in Business Administration. Mr. Tao has over 10 years of experience in financial management and the Chinese business field.

Michael Yeung Leung Yin, aged 44, is the General Manager of the Property & Hotel Management Department of the Group. Mr. Yeung joined the Group in 1998. Besides managing the Group's properties and hotels, he is also responsible for running the Group's subsidiary – Cornell Property Services Co., Ltd. Mr. Yeung holds a Bachelor's Degree in Business Administration in Hotel Management and has over 10 years of China experience in marketing and managing deluxe hotels and first class commercial real estate.

James York Tseng Yuan, aged 61, is the General Manager of the Northern China Region and the Dalian Office. In 1990, he joined Allied Group Limited as a Senior Manager. He was then transferred to Allied Properties Limited as a Chief Representative and Chief Engineer in Dalian Office in 1994. Mr. York was transferred to the Group in August 1997. Mr. York graduated from Shanghai Tung Chi University in 1964 with a Bachelor's Degree in Civil and Mechanical Engineering. He has more than 30 years of experience in building service fields and is well established in mainland China property circles.

董事會報告書 (續)

Directors' Report (continued)

董事及高級管理人員之個人資料 (續)

高級行政人員 (續)

余耀輝，五十歲，本集團華北地區副總經理，一九九七年加入本集團任高級項目經理。余先生畢業於美國Purdue University，獲土木工程學士及碩士學位。余先生現為香港工程師學會會員，特許結構工程師，亦為香港及美國註冊專業工程師。余先生具備超過二十年工程、建築及物業發展之經驗。

董事股份權益

除於「購股權」一節所披露者外，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條規定所存放之登記冊，各董事或其聯繫人士概無持有本公司或其任何相聯法團之任何股本或債務證券之權益。

購股權

(a) 本公司

本公司於一九九九年一月二十七日通過決議案採納購股權計劃（「計劃」），主要為合資格僱員（包括執行董事）提供獎勵，而該計劃將於二零零九年一月二十六日屆滿。根據該計劃，本公司之董事會可向合資格僱員（包括本公司及附屬公司之董事）授出可認購本公司股份之購股權。

Biographic Details of Directors and Senior Management (continued)

Senior Management (continued)

Raymond Yu Yiu Fai, aged 50, is the Deputy General Manager of the Northern China Region. He joined the Group in 1997 as the Senior Project Manager. Mr. Yu graduated from Purdue University USA with both Bachelor's and Master's Degrees in Civil Engineering. He is currently a member of the Hong Kong Institute of Engineers, a chartered structural engineer, a registered professional engineer (structural) in Hong Kong and a registered professional civil engineer in the United States. Mr. Yu has over 20 years of experience in engineering, construction and property development.

Directors' Interests in Securities

Save as disclosed in the section "Share Options", as at 31st December, 2001, none of the Directors or their associates had interests in the equity or debt securities of the Company or any of its associated corporations according to the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance").

Share Options

(a) The Company

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 27th January, 1999 for the primary purpose of providing incentives to eligible employees (including executive directors), and will expire on 28th January, 2009. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

董事會報告書 (續)
Directors' Report (continued)

購股權 (續)

(a) 本公司 (續)

於二零零一年，並無授出購股權，亦無購股權被行使。截至二零零一年十二月三十一日止，根據該計劃授出而尚未行使之購股權可認購之股份為61,000,000股，相等於當日本公司已發行股份之0.72%。根據該計劃授出之購股權可認購股份總數不得超過授予當日本公司已發行股份之10% (惟就此根據計劃授出之購股權獲行使而發行之任何股份除外)。而向任何合資格僱員授出之購股權可認購之股份不得超過當時根據計劃本公司已發行及可予發行之股份總數之25%。

承授人須支付港幣10元，作為授出購股權之代價。承授人須於接納購股權最少六個月後方可行使。於兩年行使期間 (由授予日起六個月後開始) 之第一個至第六個月內，最高可行使50%購股權，其餘50%購股權，則可於兩年行使期間內之第十三至第二十四個月內行使。倘於第一個至第六個月期間，行使少於50%購股權，這些尚未行使之購股權，可結轉至第十三至第二十四個月行使。

行使價由本公司董事釐定，惟將不少於本公司股份之面值或於緊接購股權授出之日前五個營業日股份在聯交所之平均收市價之80%，以較高者為準。

Share Options (continued)

(a) The Company (continued)

No options were granted nor were there any options being exercised during the year of 2001. As at 31st December, 2001, the number of shares in respect of which options had been granted under the Scheme was 61,000,000, representing 0.72% of the shares of the Company in issue at that date. Under the Scheme, the maximum number of shares in respect of which options may be granted is not permitted to exceed 10% of the shares of the Company in issue at the date of grant excluding any shares issued pursuant to the Scheme. The number of shares in respect of which options may be granted to any eligible employee is not permitted to exceed 25% of the aggregate number of shares of the Company for the time being issued and issuable under the Scheme.

A consideration of HK\$10 is payable on the grant of an option. Options granted must be held for a minimum period of six months before they can be exercised. A maximum of 50% of the options may be exercised during the first to sixth month of the 2-year exercisable period (commencing on the expiry of six months after the date of grant) and the remaining 50% are exercisable during the thirteenth to twenty-fourth month of the 2-year period. If no options or less than 50% of the options are exercised during the first to sixth month, these unexercised options can be carried forward to the thirteenth to twenty-fourth month.

The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the Company's share or 80% of the average closing prices of the shares on the Stock Exchange for the five business days immediately preceding the date of grant.

董事會報告書 (續)
Directors' Report (continued)

購股權 (續)

(a) 本公司 (續)

下表披露本公司之購股權於本年之變動:

Share Options (continued)

(a) The Company (continued)

The following table shows movements in the Company's share options during the year of 2001:

	授出日期 Date of Grant	購股權數目 Number of share options			每股行使價 Exercise Price per share	行使期間 Exercisable Period
		於二零零一年 一月一日 As at 1st January, 2001	於年內失效 Lapsed during the year	於二零零一年 十二月 三十一日 As at 31st December, 2001		
					港幣 HK\$	
董事 Directors						
許業榮 David Hui Yip Wing	二零零零年 三月一日 1st March, 2000	20,000,000	-	20,000,000	0.51	二零零零年九月一日 至二零零二年 八月三十一日 1st September, 2000 to 31st August, 2002
李成偉 Patrick Lee Seng Wei	二零零零年 三月一日 1st March, 2000	6,000,000	-	6,000,000	0.51	二零零零年九月一日 至二零零二年 八月三十一日 1st September, 2000 to 31st August, 2002
勞景祐 Edwin Lo King Yau	二零零零年 三月一日 1st March, 2000	14,000,000	-	14,000,000	0.51	二零零零年九月一日 至二零零二年 八月三十一日 1st September, 2000 to 31st August, 2002
僱員 Employees	二零零零年 三月一日 1st March, 2000	27,000,000	6,000,000	21,000,000	0.51	二零零零年九月一日 至二零零二年 八月三十一日 1st September, 2000 to 31st August, 2002
合計 Total		67,000,000	6,000,000	61,000,000		

董事會報告書 (續)
Directors' Report (continued)

購股權 (續)

(a) 本公司 (續)

除以上所披露者外，於年內，各董事或彼等之配偶或未滿十八歲子女概無獲授予認購本公司股本或債務證券之權利，亦無行使該等權利。

(b) 附屬公司 – 上海聯合水泥股份有限公司 (「上聯水泥」)

上聯水泥於一九九四年四月二十二日通過決議案採納購股權計劃 (「上聯水泥計劃」)，主要為董事及合資格僱員提供獎勵，而該計劃將於二零零四年四月二十一日屆滿。根據上聯水泥計劃，上聯水泥之董事可向合資格僱員 (包括上聯水泥及其附屬公司之董事) 授出可認購上聯水泥股份之購股權。上聯水泥計劃已根據董事會決議案於二零零一年八月二十一日終止。

根據上聯水泥計劃授出購股權所涉及股份總數不得超過授出購股權當日上海水泥已發行股份10%。於任何年度向某個別人士授出購股權所涉及股份數目則不得超過授出所有購股權所涉及股份25%。

承授購股權時毋須支付任何代價。購股權可由承授購股權當日至授出當日起計滿十周年之日隨時行使。行使價由上聯水泥董事釐定，將不會低於上聯水泥股份面值或截至授出日期止五個營業日之股份平均收市價80%，以較高者為準。

Share Options (continued)

(a) The Company (continued)

Save as disclosed above, no rights to subscribe for equity or debt securities of the Company had been granted to or exercised by any Directors or their spouses or children under the age of 18 at any time during the year.

(b) Subsidiary – Shanghai Allied Cement Limited (“SAC”)

The share option scheme of SAC (the “SAC Scheme”) was adopted pursuant to a resolution passed on 22nd April, 1994 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 21st April, 2004. Under the SAC Scheme, the directors of SAC may grant options to eligible employees, including directors of SAC and its subsidiaries, to subscribe for shares in SAC. The SAC Scheme was terminated on 21st August, 2001 pursuant to a board resolution.

The total number of shares in respect of which options may be granted under the SAC Scheme is not permitted to exceed 10% of the shares of SAC in issue at the date of grant. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 25% of the shares of SAC for which options have been granted.

No consideration is payable on the grant of an option. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the directors of SAC, and will not be less than the higher of the nominal amount of SAC's share or 80% of the average closing price of the shares for the five business days immediately preceding the date of grant.

董事會報告書 (續)
Directors' Report (continued)

購股權 (續)

(b) 附屬公司－上海聯合水泥股份有限公司(「上聯水泥」)(續)

下表披露上聯水泥之購股權於本年之變動：

Share Options (continued)

(b) **Subsidiary – Shanghai Allied Cement Limited (“SAC”)**
(continued)

The following table shows movements in the SAC Scheme during the year of 2001:

	授出日期 Date of Grant	購股權數目 Number of share options			每股行使價 Exercise Price per share	行使期間 Exercisable Period
		於二零零一年 一月一日 As at 1st January, 2001	於年內失效 Lapsed during the year	於二零零一年 十二月三十一日 As at 31st December, 2001		
董事 Directors					港幣 HK\$	
顏文熙 Ngan Man Hay	一九九四年 十月二十五日 25th October, 1994	11,700,000	11,700,000	–	0.64	一九九四年 十月二十五日至 二零零四年 十月二十四日 25th October, 1994 to 24th October, 2004
陳秀娟 Chan Sau Kuen	一九九四年 十月二十五日 25th October, 1994	2,400,000	2,400,000	–	0.64	一九九四年 十月二十五日至 二零零四年 十月二十四日 25th October, 1994 to 24th October, 2004
	一九九四年 十二月十九日 19th December, 1994	3,000,000	3,000,000	–	0.53	一九九四年 十二月十九日至 二零零四年 十二月十八日 19th December, 1994 to 18th December, 2004
姚煥勝 Raymond Yiu Woon Shing	一九九四年 十月二十五日 25th October, 1994	2,400,000	2,400,000	–	0.64	一九九四年 十月二十五日至 二零零四年 十月二十四日 25th October, 1994 to 24th October, 2004
僱員 Employees	一九九四年 十月二十五日 25th October, 1994	9,000,000	9,000,000	–	0.64	一九九四年 十月二十五日至 二零零四年 十月二十四日 25th October, 1994 to 24th October, 2004
合計 Total		28,500,000	28,500,000	–		

董事會報告書 (續)

Directors' Report (continued)

購股權 (續)

(b) 附屬公司 – 上海聯合水泥股份有限公司 (「上聯水泥」) (續)

根據上聯水泥計劃條款，先前根據上聯水泥計劃授予上聯水泥董事之購股權已於二零零一年五月十五日彼等辭任董事後失效。

購買股份或債券之安排

除根據本公司之購股權計劃向若干董事授予用以認購本公司股份之購股權外，本公司或其任何附屬公司於本年度內並無參與任何安排，使本公司董事或彼等之配偶或十八歲以下子女可藉收購本公司或其他公司之股份或債券從而獲得利益。

重要合約之董事權益

本公司或任何其附屬公司在本年度終結或本年度內，並無參與本公司董事或前任董事直接或間接擁有重大利益之重要合約。

管理及服務合約

年內並無訂立或存在有關本公司或其任何附屬公司之任何業務全部或任何重要部份之管理及行政之重要合約。

並無擬於即將召開之股東週年大會上膺選連任及再獲委任之董事與本公司或其任何附屬公司簽訂僱主一方須付出賠償金 (法定賠償除外) 始能於一年內終止之服務合約。

主要客戶及供應商

於本年度，本集團最大五位客戶之銷售總額及本集團最大五位供應商之採購總額均各自少於本集團銷售總額及採購總額之30%。

Share Options (continued)

(b) Subsidiary – Shanghai Allied Cement Limited (“SAC”) (continued)

The share options previously granted to the directors of SAC under the SAC Scheme lapsed on 15th May, 2001 following their resignations as directors on the same date according to the terms of the SAC Scheme.

Arrangements to Acquire Shares or Debentures

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate with the exception of the share options to subscribe for shares in the Company granted to certain directors under the share options scheme.

Directors' Interests in Contracts of Significance

No contract of significance to which the Company or any of its subsidiaries was a party and in which the directors, or former directors, of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management and Service Contracts

No contract of significance concerning the management and administration of the whole or any substantial part of any business of the Company or any of its subsidiaries was entered into or existed during the year.

No director proposed for re-election and re-appointment at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

Major Customers and Suppliers

During the year, both the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's sales and purchases respectively.

董事會報告書 (續)
Directors' Report (continued)

主要客戶及供應商 (續)

據董事會所知，持有本公司發行股本5%以上的本公司董事、彼等之聯繫人士或任何股東並無在本集團的五個最大供應商及客戶擁有任何實益權益。

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十六(一)條規定所存放之登記冊所載，持有本公司已發行股本10%或以上權益之人士如下：

名稱 Name	股份數目 Number of Shares	附註 Notes
新鴻基有限公司 (「新鴻基」) Sun Hung Kai & Co. Limited ("SHK")	3,674,079,379	
AP Emerald Limited ("APE")	3,674,079,379	1, 2
秀冠有限公司 (「秀冠」) Grace Crown Limited ("GCL")	3,674,079,379	1, 3
聯合地產(香港)有限公司 (「聯合地產」) Allied Properties (H.K.) Limited ("APL")	3,674,079,379	1, 4
聯合集團有限公司 (「聯合集團」) Allied Group Limited ("AGL")	3,674,079,379	1, 5

附註：

- 此數字與新鴻基持有之3,674,079,379股股份相同。
- APE有權在新鴻基的大會上行使或控制三分之一以上的表決權，因此被視作擁有該等股份之權益。
- 秀冠持有APE 100%已發行股本，因此被視作擁有該等股份之權益。
- 聯合地產持有秀冠100%已發行股本，因此被視作擁有該等股份之權益。
- 聯合集團乃聯合地產之控股公司，因此被視作擁有該等股份之權益。

Major Customers and Suppliers (continued)

None of the directors of the Company, their associates or any shareholders, which to the knowledge of the directors of the Company owned more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest suppliers and customers.

Substantial Shareholders

As at 31st December, 2001, those parties having an interest in 10% or more of the issued share capital of the Company as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance were as follows:

Notes:

- The figure refers to the same holding of 3,674,079,379 shares held by SHK.
- APE was entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of SHK and was therefore deemed to have interest in the shares.
- GCL owned 100% interest in the issued share capital of APE and was therefore deemed to have interest in the shares.
- APL owned 100% interest in the issued share capital of GCL and was therefore deemed to have interest in the shares.
- AGL was the holding company of APL and was therefore deemed to have interest in the shares.

董事會報告書 (續)

Directors' Report (continued)

董事於競爭性業務之利益

於年內及截至本報告日期止，按上市規則規定，董事被視為於與本集團之業務構成競爭或可能構成競爭之業務中擁有利益之詳情如下：

1. 許業榮先生及李成偉先生為新鴻基有限公司之董事，該公司之若干附屬公司部份從事經營借貸之業務。
2. 李成偉先生為聯合地產(香港)有限公司之董事，該公司之一間附屬公司部份從事經營借貸之業務。
3. 勞景祐先生為聯合集團有限公司之董事，該公司之一間附屬公司部份從事經營借貸之業務。

由於本公司之董事會與上述公司之董事會均獨立運作，而上述各董事亦未能控制本公司之董事會，故本集團能獨立於該等公司之業務運作，及以各自利益來經營業務。

關連交易

1. 於二零零一年二月二十三日，本公司間接持有60%權益的附屬公司南京天都實業有限公司(「天都」)與東亞銀行上海分行(「東亞銀行」)訂立了一項貸款協議(「貸款協議」)，東亞銀行同意由簽訂貸款協議之日起，給予天都貸款港幣7千萬元(「貸款」)，為期三年，為興建由天都擁有的項目(「項目」)提供資金。

該貸款附有之利率為東亞銀行報價的香港優惠利率加年息0.5%，並將項目按揭，作為償還保證。

Directors' Interests in Competing Businesses

During the year and up to the date of this report, the directors who are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

1. Mr. David Hui Yip Wing and Mr. Patrick Lee Seng Wei are directors of Sun Hung Kai & Co. Limited which, through certain subsidiaries, are partly engaged in the business of money lending.
2. Mr. Patrick Lee Seng Wei is a director of Allied Properties (H.K.) Limited which, through a subsidiary, is partly engaged in the business of money lending.
3. Mr. Edwin Lo King Yau is a director of Allied Group Limited which, through a subsidiary, is partly engaged in the business of money lending.

As the Board of Directors of the Company is independent from the boards of the abovementioned companies and none of the above directors can control the Board of the Company, the Group is capable of carrying on its businesses independently of, and at arms length, from the businesses of such companies.

Connected Transactions

1. On 23rd February, 2001, Nanjing Tiandu Industry Co., Ltd. ("Tiandu"), a 60% indirectly-owned subsidiary of the Company entered into a loan agreement (the "Loan Agreement") with The Bank of East Asia, Limited, Shanghai Branch ("BEA") whereby BEA agreed to grant to Tiandu a loan facility of HK\$70 million (the "Loan Facility") for a period of 3 years from the date of the Loan Agreement to finance the construction of a property owned by Tiandu (the "Property").

The Loan Facility bore interest at 0.5% per annum over Hong Kong Prime Rate quoted by BEA and was secured by a mortgage on the Property.

董事會報告書 (續)

Directors' Report (continued)

關連交易 (續)

該貸款由本公司按一般商務條款提供擔保(「貸款擔保」),確保完全償還本金和利息。

根據該貸款協議,本公司與持有天都其餘40%權益之股東出具一項完成及超支擔保(「完成及超支擔保」),共同及個別促使(其中包括)該項目的建設及完成,並對因建設及完成該項目而直接或間接引起的費用作出擔保。而出具完成及超支擔保乃本公司於物業發展項下之一般業務運作。

就貸款協議向天都提供財務資助而作出的貸款擔保和完成及超支擔保,根據上市規則第14.25(2)(a)條均屬本公司的關連交易。

2. 本公司於二零零一年六月一日宣佈,本公司及新鴻基有限公司(「新鴻基」)同意將本公司發行予新鴻基之一間全資附屬公司的可換股貸款票據之到期還款日期延遲一年至二零零二年六月二日。

由於新鴻基乃本公司之主要股東(定義見上市規則),上述變更可換股貸款票據條款屬本公司一項關連交易。本公司已遵照上市規則之規定,披露上述變更可換股貸款票據條款之詳情,並已於報章作出有關公佈。

Connected Transactions (continued)

The Loan Facility was guaranteed (“Loan Guarantee”) by the Company for the full repayment of the principal and interests under normal commercial terms.

According to the Loan Agreement, the Company together with the other shareholders of Tiandu which hold the remaining 40% interests issued a completion and funding guarantee (the “Completion and Funding Guarantee”) on a joint and several basis to procure, inter alia, the construction and completion of the Property and guaranteed all direct and indirect expenses involved in the construction and completion of the Property. The issue of the Completion and Funding Guarantee is required in the normal course of business of the Company in property development.

The Loan Guarantee and the Completion and Funding Guarantee by the Company under the Loan Agreement for the purpose of granting financial assistance to Tiandu each constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

2. On 1st June, 2001, the Company announced that the Company and Sun Hung Kai & Co. Limited (“SHK”) have agreed to extend the maturity and repayment date of a convertible loan note which was issued to a wholly-owned subsidiary of SHK for one year to 2nd June, 2002.

As SHK is a substantial shareholder (as defined in the Listing Rules) of the Company, the change of a term of the convertible loan note constitutes a connected transaction for the Company. Details of the adjusted term of the convertible loan note as disclosed above has already been announced in the newspapers by the Company in accordance with the requirements of the Listing Rules.

董事會報告書 (續)
Directors' Report (continued)

關連交易 (續)

3. 於二零零一年七月二十六日，本公司宣佈本公司與新鴻基及其全資附屬公司 Texgulf Limited (「Texgulf」) 達成一份租務協議，以使本公司可租用兩個辦公室：

(a) 本公司向新鴻基分租位於香港金鐘道八十八號太古廣場一期十二樓，佔地約1,140平方呎，租期由二零零一年六月一日至二零零五年三月三十一日止，月租為港幣68,970.00元。

(b) 本公司向Texgulf租用位於香港夏愨道十八號海富中心二座十一樓，佔地約985平方呎，租期由二零零一年五月一日至二零零五年三月三十一日止，月租為港幣31,421.50元。

上述租務乃根據當時之市場租金水平而釐定，而該租務協議並無延續租務安排之選擇權。本公司之董事(包括獨立非執行董事)認為該租務協議之條款皆屬公平合理及按一般商業條款而釐定。

4. 於二零零一年十二月二十九日，本公司之一間非全資附屬公司常州天安城市發展有限公司(「常州天安」)與中國建設銀行(「建設銀行」)訂立了一項貸款協議(「貸款協議」)，建設銀行同意由簽訂貸款協議之日起，給予常州天安貸款人民幣1,000萬元(「貸款」)，為期一年，年息6.435%。

Connected Transactions (continued)

3. On 26th July, 2001, the Company announced that a rental agreement has been reached with SHK and Texgulf Limited ("Texgulf"), a wholly-owned subsidiary of SHK for the use of two offices premises by the Company. Particulars of the rental arrangements are disclosed herebelow in accordance with the requirements of the Listing Rules:

(a) The Company has sub-leased approximately 1,140 sq. ft. located at Level 12, One Pacific Place, 88 Queensway, Hong Kong from SHK at a rental of HK\$68,970.00 per month for the period from 1st June, 2001 to 31st March, 2005.

(b) The Company has leased approximately 985 sq. ft. located at 11/F., Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong from Texgulf at a rental of HK\$31,421.50 per month for the period from 1st May, 2001 to 31st March, 2005.

The above rentals were determined on the basis of the prevailing market rate. The agreement does not provide an option to further renew the rental arrangement. The directors (including the independent non-executive directors) of the Company were of the view that the terms and conditions of the rental agreement were fair and reasonable and on normal commercial terms.

4. On 29th December, 2001, Changzhou Tian An City Development Co., Ltd. ("Changzhou Tian An"), a non-wholly owned subsidiary of the Company, entered into a loan agreement (the "Loan Agreement") with The People's Construction Bank of China ("Construction Bank") whereby Construction Bank agreed to grant to Changzhou Tian An a loan facility of RMB10 million (the "Loan Facility") for a period of one year from the date of the Loan Agreement. The Loan Facility bore interest at 6.435% per annum.

董事會報告書 (續)

Directors' Report (continued)

關連交易 (續)

該貸款乃由本公司之全資附屬公司天安(上海)投資有限公司(「天安上海」)按一般商務條款提供擔保(「貸款擔保」)，而天安上海則擁有常州天安90%權益。

鑑於常州長江經濟技術開發總公司持有常州天安10%權益，常州長江經濟技術開發總公司屬本公司關連人士(定義見上市規則)。根據上市規則第14.25(2)(a)條，天安上海就貸款協議而作出的貸款擔保，乃按照一般商務條款，屬本公司的關連交易。

5. 本公司之一間非全資附屬公司上海天洋房地產有限公司(「上海天洋」)分別於二零零一年四月三十日，二零零一年五月十八日，二零零一年五月二十三日及二零零一年十二月十五日與交通銀行、招商銀行及中國農業銀行訂立四項貸款協議(「貸款協議」)。上海天洋獲授無抵押貸款合共人民幣7,500萬元(「貸款」)，作為一般營運資金。該貸款附有年息6.435%，並須於各項貸款協議簽訂日期起一年內償還。

該貸款乃由天安上海按照一般商務條款提供擔保(「貸款擔保」)，而天安上海則擁有上海天洋80%權益。

鑒於上海聯洋集團有限公司持有上海天洋20%權益，就其上海天洋擁有股權而成為本公司關連人士(定義見上市規則)，根據上市規則第14.25(2)(a)條，天安上海就貸款協議而作出的貸款擔保，屬本公司之關連交易。

Connected Transactions (continued)

The Loan Facility was guaranteed (the “Loan Guarantee”) by a wholly owned subsidiary of the Company, Tian An (Shanghai) Investments Co., Ltd. (“Tian An Shanghai”) which holds 90% interests in Changzhou Tian An, under normal commercial terms.

By virtue only of its 10% holdings in Changzhou Tian An, 常州長江經濟技術開發總公司 is a connected person (as defined in the Listing Rules) of the Company. The Loan Guarantee by Tian An Shanghai under the Loan Agreement was provided upon normal commercial terms and constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

5. Pursuant to four loan agreements entered into between Shanghai Tianyang Real Estate Co., Ltd. (“Shanghai Tianyang”), a non-wholly owned subsidiary of the Company, and Bank of Communications, China Merchant Bank and Agricultural Bank of China on 30th April, 2001, 18th May 2001, 23rd May, 2001 and 15th December, 2001 (the “Loan Agreements”), Shanghai Tianyang obtained unsecured loan facilities in aggregate of RMB75 million (the “Loan Facilities”) for the purpose of general working capital. The Loan Facilities bore interest at 6.435% per annum and were repayable within one year from the date of the respective Loan Agreements.

The Loan Facilities were guaranteed (the “Loan Guarantee”) by Tian An Shanghai which holds 80% interests in Shanghai Tianyang, under normal commercial terms.

上海聯洋集團有限公司, which holds the remaining 20% interests in Shanghai Tianyang, is a connected person (as defined in the Listing Rules) of the Company by virtue only of its shareholding in Shanghai Tianyang. The Loan Guarantee by Tian An Shanghai under the Loan Agreements constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

董事會報告書 (續)

Directors' Report (continued)

關連交易 (續)

6. 根據由(當中包括)本公司之一間間接全資附屬公司 Teamlead Associates Limited (「Teamlead」) 與 Steady Up Assets Limited (「Steady Up」) 於二零零零年十二月二十日簽訂之股東協議(「股東協議」), Teamlead 持有信溢投資有限公司(「信溢」) 85% 權益, Teamlead 與 Steady Up 同意按彼等於信溢之股權比例, 以股東貸款方式, 向信溢提供資金。

因此, Teamlead 於年內向信溢作出股東貸款港幣 17,550,000 元, 作為信溢於上海成立一間其全資擁有之企業上海佘山鄉村俱樂部有限公司之用。

Steady Up 持有信溢其餘 15% 權益, 屬本公司之關連人士(定義見上市規則)。根據上市規則第 14.25(2)(b) 條, 由 Teamlead 作出的股東貸款屬本公司的關連交易。

購回、出售或贖回上市證券

本公司或其任何附屬公司概無於本年度內購回、出售或贖回本公司任何上市證券。

最佳應用守則

本公司於截至二零零一年十二月三十一日止年度內, 均遵守香港聯合交易所有限公司證券上市規則附錄十四所載之最佳應用守則。

Connected Transactions (continued)

6. Pursuant to a shareholders' agreement dated 20th December, 2000 (the "Shareholders' Agreement") entered into between, inter alia, Teamlead Associates Limited ("Teamlead") and Steady Up Assets Limited ("Steady Up"), Teamlead, an indirect wholly-owned subsidiary of the Company, which holds 85% interests in Regal Asset Investment Limited ("Regal") and Steady Up agreed to provide and contribute fundings to Regal in proportion to their respective shareholdings in Regal by way of shareholders' loan.

Accordingly, Teamlead have made a shareholder's loan of HK\$17,550,000 to Regal during the year 2001 for its setting up of a wholly owned enterprise in Shanghai, PRC under the name of Shanghai Sheshan Country Club Company Limited.

Steady Up, which holds the remaining 15% interests in Regal, is a connected person of the Company (as defined in the Listing Rules). The shareholder's loan made by Teamlead constituted a connected transaction for the Company pursuant to paragraph 14.25(2)(b) of the Listing Rules.

Purchase, Sale or Redemption of Listed Securities

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

Compliance with Code of Best Practice

The Company has complied throughout the year ended 31st December, 2001 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

董事會報告書 (續)
Directors' Report (continued)

核數師

本公司截止二零零一年十二月三十一日止之財務報告表為德勤•關黃陳方會計師行審核。一項關於委任德勤•關黃陳方會計師行為本公司核數師之議案，將於即將舉行之股東週年大會上提呈。

代表董事會
董事總經理
許業榮

香港，二零零二年三月二十六日

Auditors

The financial statements for the years ended 31st December, 2001 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
David Hui Yip Wing
Managing Director

Hong Kong, 26th March, 2002