



# Chief Executive Officer's Report

## 行政總裁報告書

### RESULTS OF THE GROUP

For the year under review, the Company and its subsidiaries (collectively the "Group") achieved a net profit after tax of HK\$371 million, of which approximately HK\$36.9 million (representing 10% of the net profit after tax) was derived from share of profits from the Group's associated companies, namely 21.4% (formerly 20%) share of China Everbright Bank Company Limited, 49% share of Everbright Securities Company Limited, 20% share of International Bank of Asia Limited and 35% (formerly 20%) share of Standard Life (Asia) Limited. Out of the remaining profit, approximately HK\$55.7 million (representing 15% of the net profit after tax) was derived from partial disposal of the Group's investment in China Mobile (Hong Kong) Limited and approximately HK\$271 million (representing 73% of the net profit after tax) was derived from payment received in partial satisfaction of the judgment awarded in favour of the Company in its claim against Mr. Ch'ng Poh.

### REVIEW OF OPERATIONS

#### (A) Banking Business

For the year under review, the Group's 21.4% owned China Everbright Bank Company Limited ("Everbright Bank") recorded a profit after tax of HK\$20 million (representing a decrease of 96% from last year). This contributed a profit after tax of HK\$4 million to the Group. The significant decrease in Everbright Bank's profit was primarily due to increase in provisions including provisions on foreclosed assets acquired from China Investment Bank in 1999, and a cautious provision approach taken by the management in response to policy changes in the banking sector.

As at the end of year 2001, Everbright Bank achieved loan and deposit growth of 39% and 37% respectively. The Bank's total assets, deposit and loan values reached approximately HK\$237 billion, HK\$189 billion and HK\$114 billion respectively.

### 業績狀況

於回顧年度內，本公司及其附屬公司（統稱「本集團」）的稅後利潤為3.71億港元，本集團的聯營公司，即本集團持股21.4%（以前為20%）的中國光大銀行股份有限公司、49%的光大證券有限責任公司、20%的港基國際銀行有限公司及35%（以前為20%）標準人壽保險（亞洲）有限公司，合共貢獻利潤約3,694萬港元，佔總稅後利潤約10%。本集團由出售中國移動（香港）有限公司股份錄得約5,570萬港元利潤（佔總稅後利潤約15%）。此外，本集團亦因成功向莊寶先生索償而取回約2.71億港元的部份賠款，該賠款佔總稅後利潤約73%。

### 業務回顧

#### (A) 銀行業務

本集團持有21.4%股權的中國光大銀行股份有限公司（「光大銀行」）於二零零一年錄得稅後利潤2,000萬港元（比去年下降96%），並為本集團帶來約400萬港元的稅後利潤。光大銀行利潤大幅下降主要因為銀行管理層因國內銀行政策轉變而採納較保守的撥備政策，包括於一九九九年收購中國投資銀行業務而產生的以資抵債虧損等資產的撥備。

至二零零一年末，光大銀行的貸款和存款分別增長39%及37%，總資產約2,370億港元，而各項存款和各項貸款分別約1,890億港元及1,140億港元。

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### REVIEW OF OPERATIONS (continued)

#### (A) Banking Business (continued)

Everbright Bank recorded a net interest income of RMB4.3 billion for the year, an increase of 31% compared to last year. The continuous reinforcement of risk control measures, coupled with increased efforts in bad debt recovery works, the overall quality of Everbright Bank's loans has shown improvements.

As at the end of year 2001, Everbright Bank is operating under 30 direct branches and 316 banking offices in 30 provinces/cities and autonomous regions in the PRC with a representative office in Hong Kong.

Year 2001 marked a breakthrough in Everbright Bank's electronic banking system development. Everbright Bank introduced a "one counter-through" real time clearing system for the bank's corporate clients. This system provides significant benefits in enlarging Everbright Bank's customer loan and deposit base. With the advance of the banking system together with major efforts in improving Everbright Bank's branch network operations, which includes areas such as asset and liability management, credit and risk control, loan approval and control procedures, Everbright Bank has established a solid foundation for its future development.

Everbright Bank completed a rights issue in September 2001 with positive response and support from the shareholders. Taking into account the partial proceeds raised in year 2000, Everbright Bank has raised a total of RMB6 billion (approximately HK\$5.7 billion) from the rights issue. The rights issue has greatly strengthened the capital position of Everbright Bank, and the proceeds from the rights issue will principally be used for business expansion, which includes general up-grade of branch network facilities, development of electronic banking system and development of non-interest income business with particular emphasis on consumer lending and intermediary business.

### 業務回顧 (續)

#### (A) 銀行業務 (續)

於二零零一年，光大銀行錄得淨利息收入約人民幣43億元，較去年增加31%。在加強風險控制及加大力度清收呆壞賬下，光大銀行的整體貸款質素有所提高。

截至二零零一年底，光大銀行在全國30個省（市）及自治區擁有30家直屬分支行及316個營業網點，並於香港設有代表處。

於二零零一年，光大銀行在電子化建設方面取得快速發展。光大銀行為機構客戶提供全國「一櫃通」服務，該電子銀行系統有效地擴大了光大銀行的客戶貸款及存款基礎。藉著先進的電子銀行系統，及不斷改善銀行的經營運作（包括資產及負債管理、信貸及風險控制、貸款審批及控制），這些對光大銀行今後的業務發展提供了良好的基礎。

於二零零一年九月，光大銀行在股東的支持下完成其增資擴股計劃。計入二零零零年增資擴股所籌資金，光大銀行從增資擴股計劃中合共籌得人民幣60億元的資金（約57億港元）。完成增資擴股後，光大銀行的資本實力得以加強，所籌資金將主要用於業務擴展，包括提升分行網絡建設、進一步發展電子銀行系統，及開擴非利息收入業務，尤其是私人貸款及中介業務。

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### REVIEW OF OPERATIONS (continued)

#### (A) Banking Business (continued)

##### *International Bank of Asia Limited*

The Group's 20% owned International Bank of Asia Limited ("IBA") has achieved encouraging results during the year under review. IBA has recorded an after tax profit of HK\$295 million and contributed a profit after tax of HK\$59 million to the Group, representing an increase of 21% compared to last year.

#### (B) Investment Banking Business

During the year under review, the China securities market experienced a difficult time due to significant reduction in volume of securities trading and major correction in the A shares market. Naturally, the 2001 results of Everbright Securities Company Limited ("Everbright Securities") was significantly affected. Everbright Securities has achieved a total income of HK\$879 million including commission income of HK\$465 million, underwriting income of HK\$120 million and investment income of HK\$86 million. Everbright Securities recorded a profit after tax of HK\$1.8 million. The Group's 49% share of Everbright Securities' profit after tax amounted to HK\$0.88 million.

During the year under review, four new branches were established resulting in a total of 47 branches as at the end of the year. In 2001, Everbright Securities ranked the second as principal underwriter in placement deals. In terms of total capital underwritten, Everbright Securities ranked the eighth. In the year 2000 Principal Underwriter Assessment of The Securities Association of China, Everbright Securities ranked the third. The market share of Everbright Securities in A share and B share were 1.59% and 1.95% respectively in year 2001.

### 業務回顧 (續)

#### (A) 銀行業務 (續)

##### 港基國際銀行有限公司

於二零零一年，本集團持有20%股權的港基國際銀行有限公司取得令人鼓舞的業績，稅後利潤為2.95億港元，並為本集團貢獻約5,900萬港元稅後利潤，較去年增加21%。

#### (B) 投資銀行

二零零一年是中國證券市場艱辛的一年，期間證券交易成交量明顯萎縮；此外，A股市場亦較去年同期大幅調整。本集團持有49%權益的光大證券有限責任公司（「光大證券」）的業績亦無可避免地遭受影響。光大證券實現營業收入8.79億港元，其中包括佣金收入4.65億港元、包銷收入1.20億港元及投資收入0.86億港元。光大證券錄得稅後利潤180萬港元，並為本集團貢獻88萬元稅後利潤。

於二零零一年，光大證券新增了4家營業網點，其營業網點總數達47家。光大證券去年作為配股主包銷商的項目方面全國排名第二，在籌募資金額及推薦上市股票數方面均全國排名第八，在中國證券業協會公佈的二零零零年主承銷商信譽考評中積分排名第三。於A股及B股之二級市場佔有率分別為1.59%及1.95%。

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### REVIEW OF OPERATIONS (continued)

#### (B) Investment Banking Business (continued)

For the purpose of reinforcing its operational capability and expanding its business development in mainland China, Everbright Securities has proposed to increase its registered capital from RMB500 million to RMB2,600 million. Out of the total increase in capital of RMB2,100 million, RMB985 million will be transferred from the reserve of Everbright Securities with the balance of RMB1,115 million to be contributed by the shareholders of Everbright Securities. Funds raised will be used primarily for further developing the brokerage, investment banking and asset management business of Everbright Securities. In order to maintain the Company's 49% interest in Everbright Securities, the Company will make capital contribution in the sum of RMB546 million (approximately HK\$515 million) to Everbright Securities. Such contribution will be paid out of internal resources of the Group. The Group will still have sufficient working capital for its operation after having made the aforesaid capital contribution. The Group is confident that with the additional registered capital, Everbright Securities will be able to position itself for further business development and meeting the challenges ahead with a view to achieving greater success and growth.

#### (C) Insurance

The joint venture life insurance company established jointly with The Standard Life Assurance Company has completed its second year of operation according to plan. Insurance business is considered as one of the Group's core business, therefore the Group will continue to develop insurance business in Hong Kong and China.

### 業務回顧 (續)

#### (B) 投資銀行 (續)

為進一步增強經營實力，擴大在中國市場的業務發展，光大證券擬將其註冊資本由人民幣5億元增加至人民幣26億元，其中人民幣9.85億元以光大證券的淨資產轉增股本，餘下人民幣11.15億元由光大證券股東注資。所籌集的資金將主要用予進一步發展光大證券的經紀、投資銀行及資產管理業務。為了維持本公司於光大證券49%的權益，本公司將對光大證券注資人民幣5.46億元（約5.15億港元）。有關資金將由本集團的內部資源劃撥。在作出上述注資後本集團仍有足夠營運資金。本集團深信，經過上述增資擴股後，光大證券定可藉此進一步擴展其業務及面對未來的挑戰，以獲取更高的成就及增長。

#### (C) 保險業務

本集團與英國標準人壽保險公司合資的保險公司已按計劃完成其第二年的經營。作為本集團未來的主營業務之一，本集團將繼續於中、港兩地進一步發展其保險業務。

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### REVIEW OF OPERATIONS (continued)

#### (D) Other Income

##### *China Mobile (Hong Kong) Limited*

Due to the unfavourable market price of China Mobile (Hong Kong) Limited ("China Mobile") shares and the rich cash level of the Company during the year, profit from disposal of the China Mobile shares for the year reduced to HK\$55.7 million, compared to last year's HK\$1 billion. The Company held approximately 50 million shares in China Mobile as at year end.

##### *Action Against Ch'ng Poh*

The Court of Appeal dismissed unanimously the appeal of Mr. Ch'ng Poh against the judgment awarded by the Court of First Instance in favour of the Company. The judgment sum payable by Mr. Ch'ng Poh to the Company was approximately HK\$336 million as at the date of the judgment of the Court of First Instance. A sum of approximately HK\$271 million has been received and recognised as income in the Group's consolidated results for the year under review. Mr. Ch'ng has filed an appeal against the judgment of the Court of Appeal to the Court of Final Appeal.

### FINANCIAL POSITION

As at 31st December, 2001, the net assets of the Group were approximately HK\$5.54 billion, with cash on hand of approximately HK\$1.34 billion. Apart from trade liabilities in the ordinary course of business, the Group's major liability is the convertible notes issued to China Everbright Holdings Company Limited in 1999 in relation to the acquisition of Everbright Securities which has an outstanding principal amount of HK\$250 million as at 31st December, 2001. The Group also held approximately 50 million shares in China Mobile.

### 業務回顧 (續)

#### (D) 其他收入

##### *中國移動 (香港) 有限公司*

由於中國移動 (香港) 有限公司 (「中移動」) 股票的市場價格不理想，加上本集團有充足的資金儲備，因此本集團於二零零一年度減少出售中移動股票，出售所得利潤由二零零零年的10億港元下降至二零零一年的5,570港元。於二零零一年末，本集團仍持有約5,000萬股中移動股票。

##### *對莊寶的訴訟*

上訴庭已一致駁回莊寶先生對一審法院判本公司向莊寶先生索償勝訴的判決的上訴。截至一審法院判決之日，莊寶先生須向本公司支付的賠款累計約3.36億港元。於二零零一年，本公司已收回約2.71億港元的賠款，該款項已於本公司二零零一年財務報告書列賬。莊寶先生已向終審法院對上訴庭的判決提出上訴。

### 財務狀況

於二零零一年十二月三十一日，本集團資產淨值約55.4億港元，持有現金總額約13.4億港元。除日常營運流動負債外，本集團的主要負債是由於收購光大證券而向中國光大集團有限公司發行的可換股票據 (於二零零一年底本金尚餘2.5億港元)。此外，本集團仍持有約5,000萬股中移動股票。

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### EMPLOYEES

As at 31st December, 2001, the number of employees of the Group was 84. Discretionary year end bonus may be paid to employees based on individual performance. Other benefits to employees include medical insurance, retirement scheme and training programmes. Directors of the Company and full time employees of the Group may be granted share options to subscribe for shares in the Company in accordance with the terms and conditions of the share option scheme approved by the Company at an extraordinary general meeting held on 27th September, 1996.

### PROSPECTS

The financial market of 2001 was dominated by changes and volatility. Nevertheless, policy reforms and changes implemented in the financial market in 2001, particularly in the securities market, has provided a solid foundation for the healthy development of financial market in China for many years to come.

China's accession to the World Trade Organisation in 2001 will, no doubt, not only accelerate economic activities in PRC but will also accelerate the reform of state owned enterprises. The Group's banking and securities operations, with their proven track records, are well positioned to be benefited from these positive economic activities and market reforms.

### 僱員

本集團於二零零一年十二月三十一日擁有僱員84名。本集團按僱員之個別表現，酌情向僱員發放花紅。員工福利亦包括醫療保險、退休計劃及培訓計劃。本公司董事及全職僱員可根據本公司於一九九六年九月二十七日股東特別大會上採納之認股權計劃之條款及條件獲授認股權以認購本公司之股份。

### 展望

二零零一年的金融市場受多項轉變及波動主導。儘管如此，二零零一年國內金融市場，尤其在證券市場方面，所實施的一系列政策改革及變動，為國內金融市場未來的健康發展奠定了穩健的根基。

中國於二零零一年加入世界貿易組織，不但促進了中國的經貿活動，亦同時加快了國有企業的改革步伐。憑藉本集團銀行及證券業務的良好基礎，本集團將可抓緊正面經貿活動及市場改革所帶來的商機，推動自身業務的發展。

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### PROSPECTS (continued)

With the global economy clouded by uncertainties in its recovery prospects and the current difficulties experienced by the Hong Kong economy, year 2002 will certainly be a challenging year for the Management and staff of the Group. In pursuit of the Group's mission of developing itself into a substantial conglomerate, the Group will endeavour its management efforts in positioning the Group's business by developing market-oriented operations in order to stay competitive, continuously taking responsible and cautious approach in provisioning policy so as to improve its asset quality, and to utilise the immense business opportunities in the China financial market with a view to expanding its business. Creating business synergy and opportunity between the banking, securities and insurance businesses within China Everbright Group is an important strategy to achieve the Group's mission. In addition, the Group will actively seek opportunities in the financial sector so as to achieve growth and return for our shareholders.

Finally, I take this opportunity to express my gratitude for the support of the public, the members of the Board and the staff members of the Group, without which it would not be possible for the Group to achieve the 2001 results. I will, together with all those who are interested in the Group, continue to contribute to the growth and development of the Group.

### Guo You

*Chief Executive Officer*

Hong Kong, 27th March, 2002

### 展望 (續)

鑑於全球經濟復甦仍受多項不明朗因素影響，及本港目前的經濟困局，二零零二年對於本集團管理層及員工來說將會是一個極富挑戰性的年度。為貫徹本集團發展為一家金融財團的目標，本集團將繼續開展以市場為本的經營運作模式以便增強其競爭力，繼續採取審慎的政策以便改善其資產質素，利用國內金融市場的龐大潛力擴大業務增長。此外，本集團亦將善用中國光大集團內銀行、證券及保險業務之間的協同效應及所帶來的商機，作為實現本集團目標的一個重要策略。本集團亦將同時積極尋求金融業務方面的機會，以求為本集團的股東取得令人滿意的增長及回報。

最後，本人謹藉此機會對公眾投資者、董事會成員及本集團員工過去一年的支持表示衷心的感謝。本人將與所有關心本集團的人員一起共同為本集團發展壯大作出貢獻。

### 郭友

*行政總裁*

香港，二零零二年三月二十七日