

集團業績及股息

本集團截至二零零一年十二月三十一日止年度應撥歸股東之盈利為十億五千八百二十萬港元。此業績包括以實物方式派發九龍巴士控股有限公司之股份作為股息所產生之金額十一億二千八百一十萬港元。倘並無該項分派，業績（包括應撥歸此等股份之股息）將出現四千六百萬港元之虧損，而二零零零年之盈利則為二億零五百六十萬港元。於年結日本集團之每股資產淨值為六點五港元（二零零零年一九港元）。

董事會建議派發截至二零零一年十二月三十一日止財政年度之末期股息每股十八仙（二零零零年一十八仙），連同於二零零一年六月十三日派付以實物支付之特別中期股息，即每持有三十七股本公司股份可獲派四股九龍巴士控股有限公司股份（相當於每股股息二元八角）以及於二零零一年十月十五日派付之第二次中期股息每股四仙（二零零零年一八仙），年內股息總額將為每股三元二仙（二零零零年一二十六仙），派息合共十四億六千一百萬港元。

控制權及管理層之變動

於二零零一年十二月七日，Intellinsight Holdings Limited與本公司若干股東訂立一項有條件買賣協議，收購本公司已發行股本約百分之五十一點五。該協議於二零零一年十二月十八日完成。Intellinsight Holdings Limited為Polytec Holdings International Limited之全資附屬公司，並由一項受益人包括本人及本人之家族成員之全權信託最終全資擁有。

GROUP RESULTS AND DIVIDENDS

The Group's profit attributable to shareholders for the year ended 31 December 2001 was \$1,058.2 million. This result includes an amount of \$1,128.1 million arising on the distribution by way of dividend in specie of shares in The Kowloon Motor Bus Holdings Limited. Without such distribution, the result including the dividend attributable to these shares would have been a loss of \$46 million as against a comparable profit for 2000 of \$205.6 million. The net asset value per share of the Group at the year end date was \$6.5 (2000 – \$9).

The Board of Directors recommends the payment of a final dividend of \$0.18 (2000 – \$0.18) per share for the financial year ended 31 December 2001. Together with the special interim dividend in specie of 4 shares of The Kowloon Motor Bus Holdings Limited for every 37 shares of the Company held (equivalent to a dividend of \$2.8 per share) which was paid on 13 June 2001 and the second interim dividend of \$0.04 (2000 – \$0.08) per share paid on 15 October 2001, the total dividend for the year will be \$3.02 (2000 – \$0.26) per share, amounting to \$1,461 million.

CHANGE OF CONTROL AND MANAGEMENT

On 7 December 2001, Intellinsight Holdings Limited entered into a conditional sale and purchase agreement with certain shareholders of the Company to acquire approximately 51.5% of the issued share capital of the Company. The agreement was completed on 18 December 2001. Intellinsight Holdings Limited is a wholly-owned subsidiary of Polytec Holdings International Limited and is ultimately wholly-owned by a discretionary family trust, the beneficiaries of which include me and my family members.

根據香港公司收購及合併守則，Intellinsight Holdings Limited提出強制性無條件現金收購建議，藉以收購並非由Intellinsight Holdings Limited及其一致行動人士已擁有之本公司全部已發行股本及購股權。直至今日為止，Intellinsight Holdings Limited及其一致行動人士已擁有及控制四億一千四百八十五萬六千八百八十三股本公司股份，佔本公司已發行股本約百分之八十五點八。本公司已接獲香港聯合交易所有限公司豁免嚴格遵守上市規則第8.08條有關公眾最少須持有上市公司已發行股本百分之二十五之規定。該項豁免有效至二零零二年五月十一日，以便Intellinsight Holdings Limited減低其於本公司之持股量。Intellinsight Holdings Limited正積極採取步驟配售該等數目之股份，從而使公眾人士持有不少於百分之二十五之已發行股本，以符合上市規則之規定。

收購建議截止後，前任之十六名董事除一名董事以外（包括於本公司擔任行政職位者）皆已辭任。於二零零二年一月十六日，本公司委任九名新任董事（包括本人）。

業務回顧

二零零一年為本集團經營困難的一年，租金總收益比對去年錄得百分之四點九之跌幅。年內，本集團出售其中兩項物業，包括創建商業大廈及匯景花園之商舖，代價分別為一億五千八百萬港元及一億六千三百萬港元，從投資物業重估儲備轉撥有關之重估虧損後，出現虧損二億四千三百一十萬港元。

由於向本公司股東分派五千二百萬股九龍巴士控股有限公司股份作為特別中期股息，本集團之長期上市證券投資組合因而大幅減少。與二零零零年比較，由投資組合產生之總收益下降百分之五。倘無進一步變動，投資組合之總收益於二零零二年將大幅下降。

Pursuant to the Hong Kong Code on Takeovers and Mergers, Intellinsight Holdings Limited made a mandatory unconditional cash offer to acquire all the issued shares and options of the Company not already owned by Intellinsight Holdings Limited and parties acting in concert with it. As at today's date, Intellinsight Holdings Limited and parties acting in concert with it owned and controlled 414,856,883 shares in the Company, representing approximately 85.8% of the issued share capital of the Company. A waiver has been obtained from The Stock Exchange of Hong Kong Limited from strict compliance with rule 8.08 of the Listing Rules, which requires at least 25% of the issued share capital of a listed company be held in public hands, until 11 May 2002 in order for Intellinsight Holdings Limited to reduce its shareholding in the Company. Intellinsight Holdings Limited is actively taking steps to place such number of shares as to result in not less than 25% of the issued share capital being owned by the public in accordance with the requirements of the Listing Rules.

Following closing of the offer, all but one of the former 16 directors, including those holding executive positions in the Company, resigned. On 16 January 2002, nine new directors, including myself, were appointed.

BUSINESS REVIEW

2001 was a difficult year for the Group which recorded a drop of 4.9% in gross rental income as compared with last year. Also during the year, the Group disposed of two of its properties, the Chong Kin Commercial Building and the retail space at Sceneway Garden Arcade, at considerations of \$158 million and \$163 million respectively, which resulted in a loss of \$243.1 million after a transfer of the related revaluation deficit from the investment property revaluation reserve.

With the distribution of 52 million shares of The Kowloon Motor Bus Holdings Limited to the Company's shareholders as a special interim dividend, the Group's long-term listed investment portfolio reduced substantially. Total income generated from the portfolio decreased by 5% when compared with 2000 and, if no further changes are made to the portfolio, will reduce substantially in 2002.

其他業務方面，物業管理、證券買賣及影片發行均有顯著改善，對本集團提供盈利貢獻。

本集團於二零零一年出售其於兩間聯營公司之權益，包括九建羅建輝證券有限公司之百分之四十權益及NetThruPut Inc.之百分之四十八權益，代價分別為九百萬港元及一千萬美元。本集團於此兩項出售事項分別錄得虧損九十萬港元及盈利一百六十萬港元。

於二零零二年三月，為配合本集團集中發展物業及投資業務之新目標，本集團以二千五百萬港元之代價出售其於豐城有限公司之權益，並錄得盈利六十萬港元。同月，本公司與Polytec Holdings International Limited訂立一項有條件買賣協議，以收購物業權益組合，包括有關香港一個房地產項目之獨家發展權，代價合共約八億一千六百三十萬港元，惟按協議規定有待作出最後調整。是項交易構成本公司一項關連交易，並將於二零零二年四月十五日召開之股東特別大會上尋求獨立股東之批准。

於二零零二年三月，本集團以七千七百萬港元購入尖沙咀文華中心（又名新文華中心）一樓商場大部份舖位。在租出六千五百六十四平方呎之空置舖位前，此項零售商場投資初步可為本集團每年提供達百分之十一點七之回報收益。

The other businesses, including property management, securities trading and film distribution showed improved performance and have contributed profits to the Group.

The Group disposed of its interests in two associated companies in 2001, namely the 40% equity interest in Kowloon Development K. F. Lo Securities Limited and the 48% shareholdings in NetThruPut Inc., at considerations of \$9 million and US\$10 million respectively. The first disposal resulted in a loss of \$0.9 million to the Group while the latter realized a profit of \$1.6 million.

In March 2002, in line with the Group's new objective to concentrate on the property development and investment business, the Group sold its interest in Harvest City Ltd. at a consideration of \$25 million and realized a profit of \$0.6 million. In the same month, the Company entered into a conditional sale and purchase agreement with Polytec Holdings International Limited for the acquisition of a portfolio of property interests, including the exclusive development rights relating to a real estate project in Hong Kong, at an aggregate consideration of approximately \$816.3 million, subject to a final adjustment as set out in the agreement. The transaction constitutes a connected transaction for the Company and independent shareholders' approval will be sought at the forthcoming extraordinary general meeting to be held on 15 April 2002.

Also in March 2002, the Group acquired the major portion of the first floor of the Commercial Podium of Mandarin Plaza (also known as New Mandarin Plaza) in Tsimshatsui for \$77 million. This retail investment will provide an initial yield of 11.7% per annum before letting of vacant space of 6,564 sq. ft.

前景

新管理層銳意發展本集團之主要業務即物業發展及投資，並將積極在此範疇內尋求新商機。首先為建議向 **Polytec Holdings International Limited** 收購物業權益。收購涉及約二百萬平方呎之可發展面積，較本集團現有之物業投資及發展組合增加三倍以上。董事相信是項收購將為本集團提供良機於香港發展高質素之住宅及商用物業，加強本集團之物業組合及於未來數年創造額外收入來源。

本公司之未來方向為致力大幅改善股東每年之總回報，包括分派年度股息及提升每股資產值。

業務經營方面，管理層正研究本集團之架構及運作程序，以期適當地提升營運效益及削減成本。第一步措施將是建議修改本公司之組織章程細則，撤銷向董事支付佔純利百分之二之年度花紅。管理層將致力提升股東價值。

董事有信心九龍建業集團將有一個積極及進取的未來。

承董事會命
主席
柯為湘

香港，二零零二年四月十日

PROSPECTS

The new management intends to add dynamism to the Group's principal activities of property development and investment and will actively seek new opportunities in these areas, the first of which is the proposed acquisition of interests in properties from Polytec Holdings International Limited. The acquisition represents approximately 2 million sq. ft. of developable area, an increase of more than 3 times of the Group's existing property investment and development portfolio. The directors believe that the acquisition will enable the Group to develop high quality residential and commercial property in Hong Kong and thus strengthen the Group's property portfolio and create an additional income stream in the coming years.

Going forward, the Company's intention is to provide shareholders with a significant annual improvement in total return, made up of annual dividends and increase in asset value per share.

On the operational level, management is studying the Group's structure and procedures with a view to enhancing efficiency and reducing the cost base where appropriate. A first step to this end will be to propose a change to the Company's Articles of Association to remove the annual bonus of 2% of net profit paid to directors. Management's effort will focus on enhancing shareholder value.

The directors are confident that Kowloon Development group has an active and progressive future.

By Order of the Board
Or Wai Sheun
Chairman

Hong Kong, 10 April 2002