

董事會謹此提呈截至二零零一年十二月三十一日止年度本公司之年報及經審核財務報表。

主要業務

本公司為投資控股公司，而其主要附屬公司及主要聯營公司之業務詳情分別載於財務報表附註38及39。

附屬公司及聯營公司

有關本公司之主要附屬公司及主要聯營公司於二零零一年十二月三十一日之詳情，分別載於財務報表附註38及39。

業績

本集團截至二零零一年十二月三十一日止年度之業績載於第31頁之綜合收入表。

五年財務概要

本集團截至二零零一年十二月三十一日止年度最近五個財政年度之經審核業績及資產與負債之概要載於年報第104頁。

儲備

本集團及本公司於年內之儲備變動詳情載於財務報表附註27。

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於財務報表附註13。

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries and principal associates are set out in notes 38 and 39 to the financial statements respectively.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and principal associates at 31 December 2001 are set out in notes 38 and 39 to the financial statements respectively.

RESULTS

The results of the Group for the year ended 31 December 2001 are set out in the consolidated income statement on page 31.

FIVE YEAR FINANCIAL SUMMARY

A summary of the audited results and the assets and liabilities of the Group for the last five financial years ended 31 December 2001 is set out on page 104 of the annual report.

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in note 27 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

股本及認股權證

本公司之股本及尚未行使之認股權證於年內之變動詳情載於財務報表附註26。

主要客戶及供應商

本集團五大客戶所佔總營業額百分比如下：

最大客戶
五大客戶合計

本集團五大供應商之應佔總購貨額百分比如下：

最大供應商
五大供應商合計

本公司董事陳明英女士及向華強先生為本集團五大供應商之一之董事並擁有其實際權益。本集團與上述客戶進行之所有交易均按一般商業條款在本集團日常業務中進行。

除上文所述者外，各董事、彼等之聯繫人士或任何股東（就董事所知擁有本公司已發行股本逾5%以上者）於本集團五大客戶或五大供應商中概無擁有任何權益。

SHARE CAPITAL AND WARRANTS

Details of movements during the year in the share capital and outstanding warrants of the Company are set out in note 26 respectively to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the aggregate turnover attributable to the Group's five largest customers is as follows:

	%
The largest customer	12.30
Five largest customers combined	41.18

The percentage of the aggregate purchases attributable to the Group's five largest suppliers is as follows:

	%
The largest supplier	30.34
Five largest suppliers combined	59.42

Ms. Chen Ming Yin, Tiffany and Mr. Heung Wah Keung, who are directors of the Company, are directors of and have beneficial interests in one of the Group's five largest suppliers. All transactions between the Group and the supplier concerned have been carried out on normal commercial terms and in the ordinary course of business of the Group.

Save as aforesaid, none of the directors, their associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers or five largest suppliers.

董事

本年度及本年報刊發日期在任之董事如下：

執行董事：

向華強先生
陳明英女士
李玉嫦女士

(二零零一年九月二十四日委任)

獨立非執行董事：

洪祖星先生
何偉志先生

根據本公司之公司細則第99(A)條，何偉志先生將於即將舉行之股東週年大會上輪值告退，惟彼合符資格並願意膺選連任。

根據本公司之公司細則第102(B)條，李玉嫦女士將於即將舉行之股東週年大會上輪值告退，惟彼合符資格並願意膺選連任。

根據本公司之公司細則，各獨立非執行董事均無特定任期，可留任直至須輪值告退為止。

擬於即將舉行之股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂任何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。

DIRECTORS

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

Executive directors:

Mr. Heung Wah Keung
Ms. Chen Ming Yin, Tiffany
Ms. Li Yuk Sheung
(appointed on 24 September 2001)

Independent non-executive directors:

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul

Under Bye-law 99(A) of the Company's Bye-laws, Mr. Ho Wai Chi, Paul shall retire by rotation at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

Under Bye-law 102(B), Ms. Li Yuk Sheung shall retire at the forthcoming annual general meeting and, being eligible, offers herself for re-election.

The term of office for each independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

董事所持股份權益

於二零零一年十二月三十一日，各董事及彼等之聯繫人士在本公司及其相聯法團（定義見證券（披露權益）條例（「披露權益條例」））中擁有根據披露權益條例第29條規定須載於本公司登記冊內或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司之權益如下：

1. 所持普通股權益

(i) 本公司

董事姓名 Name of director	所持股份數目 Number of shares held		
	個人權益 Personal interest	家族權益 Family interest	公司權益 Corporate interest
向華強先生 Mr. Heung Wah Keung	111,059,600	471,682,300 (附註a) (note a)	126,566,100 (附註b) (note b)
陳明英女士 Ms. Chen Ming Yin, Tiffany	57,338,000	237,625,700 (附註c) (note c)	414,344,300 (附註d) (note d)
李玉嫦女士 Ms. Li Yuk Sheung	800	—	—

附註：

(a) 其中 57,338,000 股股份由陳明英女士持有、287,778,200 股股份由陳明英女士全資擁有之 Porterstone Limited（「Porterstone」）持有及 126,566,100 股股份由 Glenstone Investments Limited（「Glenstone」）全資擁有之多實有限公司（「多實」）持有。而 Glenstone 則由 Porterstone 控制其 60% 權益及向華強先生控制其 40% 權益。陳明英女士之丈夫向華強先生被視為擁有由 Porterstone 及陳明英女士所持有之股份權益。

DIRECTORS' INTERESTS IN SHARES

At 31 December 2001, the interests of the directors and their associates in the share capital of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

1. Interest in ordinary shares

(i) The Company

	所持股份數目 Number of shares held		
	個人權益 Personal interest	家族權益 Family interest	公司權益 Corporate interest
Mr. Heung Wah Keung	111,059,600	471,682,300 (附註a) (note a)	126,566,100 (附註b) (note b)
Ms. Chen Ming Yin, Tiffany	57,338,000	237,625,700 (附註c) (note c)	414,344,300 (附註d) (note d)
Ms. Li Yuk Sheung	800	—	—

Notes:

(a) These shares are held as to 57,338,000 shares by Ms. Chen Ming Yin, Tiffany, as to 287,778,200 shares by Porterstone Limited ("Porterstone") (a company wholly-owned by Ms. Chen Ming Yin, Tiffany) and as to 126,566,100 shares by Dorest Company Limited ("Dorest"), a company wholly-owned by Glenstone Investments Limited ("Glenstone") which is in turn controlled as to 60% by Porterstone and as to 40% by Mr. Heung Wah Keung. Mr. Heung Wah Keung, husband of Ms. Chen Ming Yin, Tiffany, is deemed to be interested in the shares held by Porterstone and Ms. Chen Ming Yin, Tiffany.

董事所持股份權益 (續)**(i) 本公司 (續)**

(b) 這些股份由多實持有。

(c) 其中111,059,600股股份由向華強先生持有，而126,566,100股股份由多實持有。陳明英女士被視為擁有該等股份。

(d) 其中126,566,100股股份由多實持有及287,778,200股股份由Porterstone持有。

(ii) 本公司之聯營公司海岸集團有限公司 (「海岸」)**DIRECTORS' INTERESTS IN SHARES**

(continued)

(i) The Company (continued)

(b) These shares are held by Dorest.

(c) These shares are held as to 111,059,600 shares by Mr. Heung Wah Keung and as to 126,566,100 shares by Dorest. Ms. Chen Ming Yin, Tiffany is deemed to be interested in such shares.

(d) These shares are held as to 126,566,100 shares by Dorest and as to 287,778,200 shares by Porterstone.

(ii) Ocean Shores Group Limited (“Ocean Shores”), an associate of the Company

董事姓名 Name of director	權益性質 Nature of interest	所持股份數目 Number of shares held	持股百分比 Shareholding percentage
向華強先生 Mr. Heung Wah Keung	公司 Corporate	183,600,000*	38.64%
陳明英女士 Ms. Chen Ming Yin, Tiffany	公司 Corporate	183,600,000*	38.64%

* 該等股份均由本公司之全資附屬公司Classical Statue Limited (「CSL」) 持有。由於按下文「主要股東」一節所述，向華強先生及陳明英女士擁有本公司之權益，故此彼等視為擁有上述所有股份之權益。

* These shares are held by Classical Statue Limited (“CSL”), a wholly-owned subsidiary of the Company. Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany are deemed to be interested in all these shares as a result of their interest in the Company as disclosed in the Section “Substantial Shareholders” below.

董事所持股份權益 (續)

2. 購買股份之權利

(i) 購買本公司股份之權利

本公司各董事擁有以下所獲授可認購本公司股份之購股權個人權益：

董事姓名 Name of director	行使期限 Exercisable period	購股權數目 Number of share options	
		每股行使價 Exercise price 港元 HK\$	十二月三十一日 At 1.1.2001 and at 31.12.2001
向華強先生 Mr. Heung Wah Keung	一九九六年十一月二十一日至二零零六年十一月二十日 21.11.1996 to 20.11.2006	2.107	9,682,012
	二零零零年三月二十八日至二零一零年三月二十七日 28.3.2000 to 27.3.2010	0.584	13,250,000
	二零零零年六月二日至二零一零年六月一日 2.6.2000 to 1.6.2010	0.283	6,000,000
陳明英女士 Ms. Chen Ming Yin, Tiffany	一九九六年十一月二十一日至二零零六年十一月二十日 21.11.1996 to 20.11.2006	2.107	9,682,012
	二零零零年三月二十八日至二零一零年三月二十七日 28.3.2000 to 27.3.2010	0.584	13,250,000
	二零零零年六月二日至二零一零年六月一日 2.6.2000 to 1.6.2010	0.283	6,000,000

年內並無向各董事授出購股權，各董事亦概無行使任何購股權。

DIRECTORS' INTERESTS IN SHARES

(continued)

2. Rights to acquire shares

(i) Rights to acquire shares in the Company

The directors of the Company had personal interests in share options to subscribe for shares in the Company granted as follows:

董事姓名 Name of director	行使期限 Exercisable period	購股權數目 Number of share options	
		每股行使價 Exercise price 港元 HK\$	十二月三十一日 At 1.1.2001 and at 31.12.2001
向華強先生 Mr. Heung Wah Keung	一九九六年十一月二十一日至二零零六年十一月二十日 21.11.1996 to 20.11.2006	2.107	9,682,012
	二零零零年三月二十八日至二零一零年三月二十七日 28.3.2000 to 27.3.2010	0.584	13,250,000
	二零零零年六月二日至二零一零年六月一日 2.6.2000 to 1.6.2010	0.283	6,000,000
陳明英女士 Ms. Chen Ming Yin, Tiffany	一九九六年十一月二十一日至二零零六年十一月二十日 21.11.1996 to 20.11.2006	2.107	9,682,012
	二零零零年三月二十八日至二零一零年三月二十七日 28.3.2000 to 27.3.2010	0.584	13,250,000
	二零零零年六月二日至二零一零年六月一日 2.6.2000 to 1.6.2010	0.283	6,000,000

No options were granted to and exercised by the directors during the year.

董事所持股份及權益 (續)**2. 購買股份之權利 (續)****(ii) 購買海岸股份之權利**

根據海岸之購股權計劃，海岸之全職僱員及執行董事可獲授購股權認購海岸股份。年內概無向本公司董事授出購股權。

除上述所披露者外，根據披露權益條例，本公司任何董事或主要行政人員或彼等各自之聯繫人士概無持有或被視為或當作擁有本公司或其任何相聯法團（定義見披露權益條例）之股本中任何權益而根據披露權益條例第28條或根據上市公司董事進行證券交易之標準守則必須通知本公司及香港聯合交易所有限公司根據披露權益條例第29條必須記錄於該條例所述之登記冊內之權益。

除上述所披露者外，本公司或其任何附屬公司於本年內概無參與任何安排，致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。

購股權計劃

本公司本年度之購股權計劃（「計劃」）於一九九六年十月二十三日（「採納日期」）採納。計劃之主要條款概述如下：

1. 計劃旨在鼓勵參與者。
2. 計劃參與者包括本集團任何成員公司之僱員或董事。

DIRECTORS' INTERESTS IN SHARES

(continued)

2. Rights to acquire shares (continued)**(ii) Rights to acquire shares in Ocean Shores**

Ocean Shores has a share option scheme under which Ocean Shores' full time employees and executive directors may be granted options to subscribe for shares in Ocean Shores. There were no options granted to the directors of the Company during the year.

Other than as disclosed above, no interests were held or deemed or taken under the SDI Ordinance to be held by any directors or chief executives of the Company or their respective associates in any share capital of the Company or any associated corporations (within the meaning of the SDI Ordinance) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 28 of the SDI Ordinance or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies which are required pursuant to Section 29 of the SDI Ordinance to be entered in the register referred to therein.

Other than as disclosed above, 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 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The share option scheme ("Scheme") of the Company during the year was adopted by the Company on 23 October 1996 ("the Adoption Date"). The major terms of the Scheme are summarised as follows:

1. The purpose of the Scheme was to provide incentives to the participants.
2. The participants of the Scheme included any employee or director of any members of the Group.

購股權計劃 (續)

3. 根據計劃授出之購股權所涉及之股上股份數目不得超逾本公司不時之已發行股本10%。以回顧年度結算日計算，股份上限為176,326,696股股份。
4. 向同一參與者授出之購股權所涉及之股份，加上根據計劃所授出之購股權而可發行之股份總數，不得超逾計劃所涉及之股份上限25%。
5. 購股權可於視為授出當日後隨時全部或部份行使。
6. 根據計劃所授出購股權之行使期不得超逾上述持有期限屆滿日期起計十年。
7. 承授人須於授出日期起計30日內接納購股權(如接納)，並向本公司支付1港元不可退回款項。
8. 購股權之行使價須為下列之較高者：
 - (i) 在授出購股權日期前五個交易日股份之平均收市價80%；及
 - (ii) 股份面值。
9. 董事會可由採納日期至由採納日期起計滿十年之日期內，隨時向任何合資格僱員提出給予其購股權之建議。

SHARE OPTION SCHEME (continued)

3. The maximum number of shares in respect of which options might be granted under the Scheme must not exceed 10% of the issued share capital of the Company from time to time and should be of maximum of 176,326,696 shares as at end of the year under review.
4. The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares and issuable under any option granted to the same participant under the Scheme, must not exceed 25% of the maximum shares under the Scheme from time to time.
5. Any option may be exercised in whole or in part at any time after the date on which the option is deemed to be granted.
6. The exercise period of an option granted under the Scheme must not exceed a period of 10 years commencing on the expiry of the abovementioned minimum holding period.
7. The acceptance of an option, if accepted, must be made within 30 days from the date of the offer of the grant with a non-refundable payment of HK\$1.00 from the grantee to the Company.
8. The exercise price of an option must be the higher of:
 - (i) a price not less than 80% of the average closing price of the share for the 5 trading days immediately preceding the grant; and
 - (ii) the nominal value of the share.
9. The life of the Scheme is that the Board shall be entitled at any time following the Adoption Date and before the tenth anniversary of the Adoption Date to offer the grant of an option to any eligible employee.

購股權計劃 (續)

年內，根據計劃授出可認購本公司每股面值0.05港元股份之購股權之變動如下：

SHARE OPTION SCHEME (continued)

Details of movements in the share options to subscribe for shares of HK\$0.05 each in the Company granted under the Scheme during the year are as follows:

行使期限 Exercisable period	每股行使價 Exercise price per share 港元 HK\$	購股權數目 Number of share options			
		二零零一年 一月一日 未行使 Outstanding at 1.1.2001	因辭任 而失效 Lapsed upon resignation	二零零一年 十二月 三十一日 未行使 Outstanding at 31.12.2001	
董事 Directors					
向華強先生 Mr. Heung Wah Keung	一九九六年十一月二十一日至 二零零六年十一月二十日 21.11.1996 - 20.11.2006	2.107	9,682,012	—	9,682,012
	二零零零年三月二十八日至 二零一零年三月二十七日 28.3.2000 - 27.3.2010	0.584	13,250,000	—	13,250,000
	二零零零年六月二日至 二零一零年六月一日 2.6.2000 - 1.6.2010	0.283	6,000,000	—	6,000,000
陳明英女士 Ms. Chen Ming Yin, Tiffany	一九九六年十一月二十一日至 二零零六年十一月二十日 21.11.1996 - 20.11.2006	2.107	9,682,012	—	9,682,012
	二零零零年三月二十八日至 二零一零年三月二十七日 28.3.2000 - 27.3.2010	0.584	13,250,000	—	13,250,000
	二零零零年六月二日至 二零一零年六月一日 2.6.2000 - 1.6.2010	0.283	6,000,000	—	6,000,000
			<u>57,864,024</u>	<u>—</u>	<u>57,864,024</u>
僱員 Employees	一九九九年一月五日至 二零零九年一月四日 5.1.1999 - 4.1.2009	0.175	1,271	—	1,271
	二零零零年三月二十八日至 二零一零年三月二十七日 28.3.2000 - 27.3.2010	0.584	18,500,000	3,800,000	14,700,000
	二零零零年六月二日至 二零一零年六月一日 2.6.2000 - 1.6.2010	0.283	12,000,000	—	12,000,000
			<u>30,501,271</u>	<u>3,800,000</u>	<u>26,701,271</u>
			<u>88,365,295</u>	<u>3,800,000</u>	<u>84,565,295</u>

關連交易及董事於合約之權益

年內須予披露關連交易及董事於合約所擁有之權益詳情載於財務報表附註36。

本公司獨立非執行董事已審核及確認載於財務報表附註36(a)之關連交易乃按照發行協議之條款及一般商業條款在本集團日常業務中進行，且就本公司股東而言屬公平合理，而根據發行協議尚未償還之墊款淨額並無超過本公司於二零零零年十二月三十一日之經審核資產淨值50%。

除上述所披露者外，於年度終結或年內任何時間並無任何由本公司或其任何附屬公司參與訂立而本公司董事直接或間接擁有重大權益之重大合約。

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Details of the discloseable connected transactions and directors' interests in contracts for the year are set out in note 36 to the financial statements.

The independent non-executive directors of the Company have reviewed and confirmed that the connected transactions as stated in note 36(a) to the financial statements were conducted in accordance with the terms of the distribution agreements, carried out on normal commercial terms, in the ordinary course of business of the Group and fair and reasonable so far as the shareholders of the Company were concerned and that the net outstanding amount of the advances made under the distribution agreements had not exceeded 50% of the audited consolidated net assets of the Company at 31 December 2000.

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

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)條規定本公司須予保存之主要股東登記冊內所載，除上文所披露若干董事之權益外，下列股東擁有本公司之已發行股本10%或以上之權益：

名稱 Name	股份數目 Number of shares	持股百分比 %
Porterstone*	414,344,300	23.50

* Porterstone及多實分別直接擁有287,778,200股及126,566,100股本公司股份之權益。多實為Glenstone全資擁有之公司，而Glenstone則由陳明英女士全資擁有之Porterstone實益擁有60%權益及由向華強先生實益擁有40%權益。

除上文所披露者外，於二零零一年十二月三十一日，本公司並未獲知會有任何其他人士擁有本公司已發行股本10%或以上之任何其他權益。

退休福利計劃

本集團之退休福利計劃詳情載於財務報表附註35。

購買、出售及贖回本公司之上市證券

於年內本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

SUBSTANTIAL SHAREHOLDERS

At 31 December 2001, the register of substantial shareholders maintained by the Company under Section 16(1) of the SDI Ordinance showed that other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 10% or more in the issued share capital of the Company:

名稱 Name	股份數目 Number of shares	持股百分比 %
Porterstone and Dorest*	414,344,300	23.50

* Porterstone and Dorest have direct interests in 287,778,200 shares and 126,566,100 shares of the Company respectively. Dorest is a company wholly-owned by Glenstone which is in turn beneficially owned as to 60% by Porterstone (a company wholly-owned by Ms. Chen Ming Yin, Tiffany) and as to 40% by Mr. Heung Wah Keung.

Other than as disclosed above, the Company had not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31 December 2001.

RETIREMENT BENEFITS SCHEME

Particulars of the retirement benefits scheme of the Group are set out in note 35 to the financial statements.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

優先購買權

本公司之公司細則或百慕達法例均無有關優先購買權之條文，規定本公司須按持股比例向現有股東發售新股份。

遵守最佳應用守則

本公司在截至二零零一年十二月三十一日止年度，一直遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則。

結算日後事項

結算日後重大事項之詳情載於財務報表附註37。

核數師

於即將舉行之股東週年大會上將提呈決議案，繼續委任德勤•關黃陳方會計師行為本公司之核數師。

承董事會命
主席
向華強

香港，二零零二年四月二十六日

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31 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.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 37 to the financial statements.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Heung Wah Keung
Chairman

Hong Kong, 26 April 2002