

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2001.

Principal activities and analysis of operations

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

The Company will continue to identify suitable projects and investment opportunities for possible diversifications. In addition, it will continue to identify suitable properties and redevelopment opportunities for acquisition.

An analysis of the Group's performance for the year by business segments is set out in Note 4 to the financial statements.

Results and appropriations

The results of the Group for the year are set out in the consolidated income statement on page 22.

The directors do not recommend the payment of any dividend.

Fixed assets

Details of movements in fixed assets of the Company and the Group are set out in Note 13 to the financial statements.

Principal properties

Details of the principal properties held for resale and for investment purposes are set out on pages 80 and 81.

Bank and other borrowings

Particulars of bank and other borrowings of the Company and the Group at 31 December 2001 are set out in Notes 22 and 23 to the financial statements.

Debentures

Particulars of debentures of the Company and the Group at 31 December 2001 are set out in Note 24 to the financial statements.

Share capital

Particulars of the share capital of the Company during the year are set out in Note 25 to the financial statements.

Report of the Directors

Reserves

Movements in the reserves of the Company and the Group during the year are set out in Note 26 to the financial statements.

Distributable reserves

Distributable reserves of the Company at 31 December 2001, calculated under section 79B of the Company Ordinance, amounted to HK\$Nil (2000: HK\$Nil).

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of Hong Kong.

Purchase, sale or redemption of shares

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

Five year financial summary

A summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, restated for the effects of the change in accounting policy for goodwill as set out in Note 2(b) to the financial statements, and reclassified as appropriate is set out on page 79.

Directors

The directors who held office during the year and up to the date of this report were:

Executive Directors

Mr. Ha Shu Tong	(appointed on 24 October 2001)
Mr. Cheung Chung Leung, Richard	
Mr. Ling Kit Wah, Joseph	(appointed on 24 October 2001)
Mr. Ng Chun Chuen, David	(appointed on 24 October 2001)
Mr. Clive William Baker Oxley	(resigned on 6 April 2001)
Mr. Liu Ngai Wing	(resigned on 18 December 2001)
Mr. Wong Wai Chi	(resigned on 29 October 2001)

Independent Non-executive Directors

Mr. Chan Wai Sum	(appointed on 5 November 2001)
Ms. Tam Chi Ling, Elaine	(appointed on 6 June 2001)
Mr. Tang Chi Wing	(appointed on 25 March 2002)
Mr. Cheung Chi Hoi	(resigned on 31 May 2001)
Ms. Chan Yuk Fung, Rita	(appointed on 24 October 2001 and resigned on 6 November 2001)
Mr. Fung Pui Cheung	(resigned on 14 March 2001)
Mr. Lui Ming	(resigned on 6 November 2001)
Mr. Tyebjee Hatam Barma	(resigned on 30 March 2001)

Non-executive Directors

Mr. Tang Hung	(appointed on 10 December 2001)
Mr. Wong Chi Keung	(appointed on 10 December 2001)

In accordance with article 116 of the Company's articles of association, Mr. Cheung Chung Leung, Richard retired by rotation and the remaining directors retired in accordance with article 99 of the Company's articles of association at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Directors' service contracts

The appointments of the present non-executive directors including independent directors are not for specific terms. They are subject to retirement by rotation in accordance with the Company's articles of association.

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

Report of the Directors

Directors' interests in shares

At 31 December 2001, the interests of directors of the Company in the share capital of the Company and its associated corporations (as defined in the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) as recorded in the register required to be kept under Section 29 to the SDI Ordinance were as follows:

Beneficial interests	Personal interest	Number of Ordinary shares of HK\$0.025 each		
		Family interest	Corporate interest	Other interest
Singapore Hong Kong Properties Investment Limited				
Mr. Cheung Chung Leung, Richard	11,000,000	-	-	-

Share options

Pursuant to a share option scheme (the "Scheme") approved at the annual general meeting of the Company held on 28 August 1999, the directors may at their discretion grant options to purchase ordinary shares in the Company at HK\$1 per grantee to the executive directors and employees of the Company. The exercise price of the option shares shall be at a price equal to the higher of the nominal value of the shares and 80% of the average closing price of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the five business days immediately preceding the date of grant of such options. Each option gives the holder the right to subscribe for one share. At 31 December 2001, the market value per share of the Company was HK\$0.01.

Details of the share options granted under the Scheme and remained outstanding as at 31 December 2001 and the movement of the share options previously granted during the year are as follows:

	Options held at 1 January 2001	Options lapsed during the year	Options held at 31 December 2001	Exercise price HK\$	Grant date	Exercisable from	Exercisable until
Mr. Cheung Chung Leung, Richard	70,000,000	-	70,000,000	0.025	29 December 1999	29 December 1999	28 December 2002
Mr. Clive William Baker Oxley	20,000,000	(20,000,000)	-	0.025	29 December 1999	29 December 1999	28 December 2002

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors interests in contracts

The properties owned by two subsidiaries of the Company, Day Success Company Limited ("Day Success") and Marson Development Limited ("Marson") were pledged to a bank in return for mortgage loans granted to Sheen Win Investment Limited ("Sheen Win"), a then subsidiary of China Bio-medical Group Limited ("CBM"). The mortgage loans borrowed by Sheen Win, which were also secured by a corporate guarantee of CBM, were in turn wholly utilized by Day Success and Marson throughout the year of 2001. Sheen Win was disposed by CBM to the Company on 15 August 2001 at a consideration of HK\$2.

In addition, the properties owned by three subsidiaries of the Company, Bright Wick Limited ("Bright Wick"), Fairsheen Limited ("Fairsheen") and Solar Regent Investments Limited ("Solar Regent"), were pledged to another bank in return for overdraft facilities granted to CBM to the extent of HK\$42,400,000. CBM utilised such overdraft facilities for advancement of HK\$42,400,000 to Bright Wick, Fairsheen and Solar Regent in aggregate. The carrying value of the properties as at 31 December 2001 amounted to HK\$32,300,000.

Mr. Wong Wai Chi was interested in the above transactions during the period from 1 January 2001 to 23 April 2001 as Mr. Wong was a common director of both CBM and the Company. Mr. Wong's interest in these transactions ceased on 23 April 2001 when he resigned from the directorship of CBM. Mr. Wong also resigned as director of the Company on 29 October 2001.

During the aforesaid period, Day Success and Marson paid interest of HK\$695,000 to Sheen Win; while Bright Wick, Fairsheen and Solar Regent paid interest of HK\$1,510,000 to CBM in respect of the aforesaid mortgage loan and advancement, respectively.

Apart from the foregoing, no contract of significance to which the Company or any of its subsidiaries was a party, in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Directors' interests in competing business

None of the directors or the management shareholders (as defined in the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "Main Board Listing Rules")) of the Company had an interest in a business which competes or may compete with the business of the Group.

Report of the Directors

Substantial Shareholders

The Company has not been notified of any interests in the Company's issued shares at 31 December 2001 amounting to 10% or more of the ordinary shares in issue and recorded in the register required to be kept under section 16(1) of the Securities (Disclosure of Interests) Ordinance.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Mandatory Provident Fund

Details of the Mandatory Provident Fund are set out in Note 10 to the financial statements.

Major customers and suppliers

The percentages of sales and purchases attributable to the Group's major customers and suppliers during the year are as follows:

The largest customer	40%
Five largest customers in aggregate	85%
The largest supplier	65%
Five largest suppliers in aggregate	100%

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had an interest in the major customers and suppliers noted above.

Compliance with the Code of Best Practice

The Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Main Board Listing Rules, except that the independent non-executive directors are not appointed for a specific term, only one audit committee member was appointed during the period from 31 May 2001 to 6 November 2001 and no audit committee member was appointed during the period from 7 November 2001 to 19 March 2002.

Audit Committee

The Company has established an audit committee in September 1999 with written terms of reference based on the guidelines set out in "A Guide for the Formation of An Audit Committee" published by the Hong Kong Society of Accountants.

The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group. The audit committee has met two times during the year.

The audit committee members who held office during the year and up to the date of this report were:

Mr. Ha Shu Tong	(appointed on 20 March 2002)
Mr. Chan Wai Sum	(appointed on 20 March 2002)
Mr. Tang Chi Wing	(appointed on 25 March 2002)
Mr. Cheung Chi Hoi	(resigned on 31 May 2001)
Mr. Clive William Baker Oxley	(resigned on 6 April 2001)
Mr. Fung Pui Cheung	(resigned on 14 March 2001)
Mr. Lui Ming	(resigned on 6 November 2001)
Mr. Tyebjee Hatam Barma	(resigned on 30 March 2001)

Events after the Balance Sheet Date

Details of the events after the balance sheet date are set out in Note 31 to the financial statements.

Auditors

On 26 May 1999, Coopers and Lybrand, now practising under the name of PricewaterhouseCoopers after having merged their practice with Price Waterhouse, tendered their resignation as the Company's auditors. KPMG were appointed as auditors of the Company on 27 May 1999. In July 2000, KPMG, tendered their resignation as the Company's auditors. Subsequently, RSM Nelson Wheeler were appointed as auditors of the Company in December 2000.

A resolution to re-appoint the retiring auditors, RSM Nelson Wheeler, will be proposed at the forthcoming annual general meeting.

By order of the board
Ha Shu Tong
Managing Director

Hong Kong SAR, 26 April 2002