

The directors submit their report together with the audited financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 29 to the financial statements.

SEGMENT INFORMATION

An analysis of the performance of the Group by principal activities is set out in note 4 to the financial statements. No geographical analysis is shown as the turnover and loss from operations of the Group are all derived from activities in the People's Republic of China ("PRC").

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2002 and the affairs of the Company and the Group are set out in the financial statements on pages 27 to 30.

No dividend was recommended for the year.

RESERVES

Movements in reserves of the Group and the Company during the year are set out in consolidated statement of change in equity and note 22 to the financial statements.

FIXED ASSETS

Movements in fixed assets during the year are set out in note 11 to the financial statements.

INVESTMENT PROPERTIES

Movements in investment properties including the pledge of assets during the year are set out in note 12 to the financial statements. Particulars of major investment properties of the Group are set out on page 54.

董事會謹提呈截至二零零二年十二月三十一日止年度之董事會報告書及經審核財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司之業務載列於財務報表附註29。

分類資料

本集團以主要業務分類之業務分析載列於財務報表附註4。由於本集團之營業額及經營虧損全由中華人民共和國（「中國」）業務所得，因此並無載列以地域劃分之分析。

業績及分配

本集團截至二零零二年十二月三十一日止年度之業績及本公司與本集團之財務狀況載列於財務報表27至30頁。

本年度不建議派發股息。

儲備

本年度之儲備變動載列於綜合權益變動表及財務報表附註22。

固定資產

本年度之固定資產變動載列於財務報表附註11。

投資物業

本年度之投資物業，包括資產按揭載列於財務報表附註12。本集團之投資物業資料載列於第54頁。

PROPERTIES HELD FOR/UNDER DEVELOPMENT

Movements in properties held for/under development during the year are set out in note 13 to the financial statements. Particulars of properties held for/under development of the Group are set out on pages 55 to 58.

SHARE CAPITAL

Details of share capital of the Company are set out in note 21 to the financial statements.

BORROWINGS AND INTEREST CAPITALISED

Details of borrowings are set out in note 18 to the financial statements.

No borrowing cost was capitalised in respect of property development projects during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The information of turnover and purchases attributable to the major customers and suppliers of the Group for the year is as follows:

		2002	2001
		%	%
Turnover	銷售		
The largest customer	最大客戶	23	29
Five largest customers in aggregate	五大客戶總額	53	64
Purchases	採購		
The largest supplier	最大供應商	37	27
Five largest suppliers in aggregate	五大供應商總額	96	41

None of the directors and their associates, or any shareholder (who to the best knowledge of the directors, own more than 5% of the Company's share capital) had interest in the above customers and suppliers at any time during the year.

持有作發展／發展中物業

本年度之持有作發展／發展中物業載列於財務報表附註13。本集團之持有作發展／發展中物業資料載列於第55至58頁。

股本

本公司之股本詳載於財務報表附註21。

借貸及撥作資本之利息

本集團之借貸詳載於財務報表附註18。

本年內並無物業發展項目之利息撥作資本。

主要客戶及供應商

本集團主要客戶及供應商於本年度佔本集團銷售及採購之詳情如下：

概無本公司董事及其聯繫人士，或任何股東（據董事所知擁有本公司5%以上之股本）於本年度任何時間擁有上述客戶及供應商任何權益。

SUBSIDIARIES

Particulars of principal subsidiaries of the Company as at 31 December 2002 are set out in note 29 to the financial statements.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 4.

MATERIAL EVENTS AFTER BALANCE SHEET DATE

Material events after balance sheet date are set out in note 26 to the financial statements.

DIRECTORS

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

Tong Shi Jun, <i>Chairman</i>	(appointed on 18 March 2002)
Zhang Jian, <i>Deputy Chairman</i>	(appointed on 18 March 2002)
Zhao Lishen	(appointed on 25 April 2003)
Chiu Kong	(appointed on 7 May 2003)
Huang Ling	(appointed on 7 May 2003)
Zhu Jun	(appointed on 7 May 2003)
Tsang Hin Cho	(resigned on 8 November 2002)
Chan Fung Wa	(appointed on 18 March 2002 and resigned on 30 April 2002)
Lai Tat Tung	(resigned on 18 July 2002)
Koh Pie Siong	(resigned on 1 August 2002)
Zhang Pin	(resigned on 31 December 2002)
Fung Kam Kwong	(resigned on 18 March 2002)
Kuo Chung Ping	(resigned on 18 March 2002)
Wong Sze Sze	(resigned on 18 March 2002)
Chen Song Sheng*	
Chang Ling*	

* *Independent non-executive directors*

附屬公司

本公司於二零零二年十二月三十一日之附屬公司資料載列於財務報表附註29。

財務概要

本集團過去五個財政年度之業績、資產及負債概要載列於第4頁。

重大結算日後事項

結算日後重大事項之資料載列於財務報表附註26。

董事

本年度及截至本報告日期止，本公司之董事為：

佟世均 (主席)	(於二零零二年三月十八日獲委任)
張健 (副主席)	(於二零零二年三月十八日獲委任)
趙立申	(於二零零三年四月二十五日獲委任)
趙鋼	(於二零零三年五月七日獲委任)
黃玲	(於二零零三年五月七日獲委任)
朱軍	(於二零零三年五月七日獲委任)
曾憲藻	(於二零零二年十一月八日辭任)
陳鳳華	(於二零零二年三月十八日獲委任及於二零零二年四月三十日辭任)
賴達通	(於二零零二年七月十八日辭任)
許丕祥	(於二零零二年八月一日辭任)
張嬪	(於二零零二年十二月三十一日辭任)
馮錦光	(於二零零二年三月十八日辭任)
郭中屏	(於二零零二年三月十八日辭任)
黃思思	(於二零零二年三月十八日辭任)
陳頌聲*	
張玲*	

* *獨立非執行董事*

Madam Chang Ling and Mr. Chen Song Sheng retire from office at the forthcoming Annual General Meeting in accordance with bye-laws no. 87 of the Company, being eligible, offer themselves for re-election.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Tong Shi Jun, aged 46, is the Chairman and executive director of the Company. Mr. Tong has long been engaging in construction investments and project management in the PRC, and with extensive management experience. He has excellent performance in export and import trading business in the recent ten years. Mr. Tong joined the Group in March 2002.

Zhang Jian, aged 73, is the Deputy Chairman and executive director of the Company, mainly responsible for project developments in the PRC. Mr. Zhang is a senior engineer and has long been engaging in the management of construction investments in the PRC. He has extensive experience in the management of construction planning and development. Mr. Zhang joined the Group in March 2002.

Zhao Lishen, aged 32, is the executive director of the Company, responsible for the whole management of Great China, PRC of the Group. Mr. Zhao graduated from ZhongNan University of Economics and Law (中南財經政法大學). Mr. Zhao has long been engaging in the banking investment and the enterprise management of major corporation for a number of years. He has extensive understanding and cumulative experience in group management. Mr. Zhao joined the Group in April 2003.

Chiu Kong, aged 44, is the executive director of the Company. Mr. Chiu has long been engaging in export and import trading business as well as electrommunication investments in mainland. He joined the Group in June 2002 and is mainly responsible for the administration of the Hong Kong Office.

根據本公司之章程細則第87條，張玲女士及陳頌聲先生於即將召開之股東週年大會上告退，惟願意膺選連任。

董事及高級管理人員資料

董事

佟世均，46歲，本公司主席及執行董事。佟先生長期從事中國建設投資和建設項目管理工作，具豐富管理經驗。彼近十年從事之進出口貿易工作成績卓著。佟先生於二零零二年三月加入本集團。

張健，73歲，本公司副主席及執行董事，主要負責中國發展項目。張先生為高級工程師，長期從事中國建設投資管理工作。彼於建設規劃發展具有豐富管理經驗。張先生於二零零二年三月加入本集團。

趙立申，32歲，本公司執行董事，主要負責集團中國區域的整體管理。趙先生畢業於中南財經政法大學，長期以來從事投資銀行以及大型企業管理工作，對集團企業的運營管理有著較為深入的理解及豐富的經驗積累。趙先生於二零零三年四月加入本集團。

趙綱，44歲，本公司執行董事。趙先生長期從事進出口貿易生意及國內電子通信投資工作。彼於二零零二年六月加入本集團，主要負責本集團香港公司行政管理的工作。

Huang Ling, aged 28, is the executive director of the Company, mainly responsible for capital financing. She graduated from Guangdong Foreign Trade University (廣東外貿大學) with a Bachelor of Economics degree. She has engaged in international accounting of bank with certain experience in financing. Miss Huang joined the Group in February 2003.

Zhu Jun, aged 32, is the executive director of the Company, mainly responsible for personnel management. She had worked in group logistics property administration of South China University of Technology. Miss Zhu joined the Group in February 2003.

Independent non-executive directors

Chen Song Sheng, aged 67, has been a non-executive of the Company since February 2001. Mr. Chen graduated from the University of Zhongshan in the PRC and he stayed to work after. He had been the Deputy Head of the Department of Chinese in the University of Zhongshan and held his professorship in the University of Macau since 1991. Mr. Chen is also director and chairman of several Chinese cultural organisations.

Chang Ling, aged 48, has been a non-executive director of the Company since February 2001. Madam Chang, a graduate of Chinese medicine, was a nurse and anesthetist in the Nanhai City People's Hospital. She is currently a director of an investment company and a trading company.

Senior management

In addition to the executive directors listed above, the Company has the following members on its management team:

Wong Tak Shing, aged 52, is the Company Secretary of the Group since April 2002. Mr. Wong was admitted as a solicitor of the Supreme Court of Hong Kong in 1984 and has been in private practice in Hong Kong for over 19 years. Mr. Wong is a partner of Messrs. Wong Shum & Company, Solicitors and is the holder of a Master of Law degree of Peking University, PRC.

黃玲，28歲，本公司執行董事，主要負責財務資金運作。黃小姐畢業於廣東外貿大學，持有經濟學士學位，曾從事銀行國際業務會計工作，有一定的財務工作經驗。黃小姐於二零零三年二月加入本集團。

朱軍，32歲，本公司執行董事，主要負責人事管理工作。朱小姐曾任職華南理工大學後勤產業集團行政管理工作。朱小姐於二零零三年二月加入本集團。

獨立非執行董事

陳頌聲，67歲，於二零零一年二月出任本公司非執行董事。陳先生畢業於中國中山大學，畢業後留校任教。彼曾出任中山大學中文系副主任，並自一九九一年出任澳門大學教授。陳先生亦為多個推廣中國文化組織之會長及主席。

張玲，48歲，於二零零一年二月出任本公司非執行董事。張女士自中醫學院畢業後，於南海市人民醫院任職護士及麻醉師。彼現時為一投資公司及一貿易公司之董事。

高級管理人員

徐上所列的執行董事外，本公司的高級管理人員如下：

黃得勝，52歲，於二零零二年四月加入本集團任公司秘書。黃先生於一九八四年獲香港最高法院接納為律師，彼已於香港私人執業逾十九年。黃先生為黃得勝、岑文光律師行合夥人，持有中國北京大學法學碩士學位。

Yin Cheng Zheng, aged 33, Assistant Financial Controller of the Group's in Guangzhou office, responsible for financial management and control. He graduated from ZhongNan University of Economics and Law (中南財經政法大學). Mr. Yin has been engaging in banking investment as well as in accounting management and finance control for many years. He has extensive experience in group finance management. Mr. Yin joined the Group in March 2003.

Chen Wei Wen, aged 36, is a site engineer of the Group. Mr. Chen graduated from Guangzhou University and has been working as a civil engineer for over 10 years. He joined the Group in 1993 and is responsible for site and construction works of the property projects. Before joining the Group, he was responsible for supervision of the construction progress in a construction company in Guangzhou.

Wang Jian Yong, aged 40, structural audit engineer of the Group. Mr. Wang graduated from Guangzhou Jinan University and has over 16 years' experience in construction industry. He joined the Group in 1994.

DIRECTORS' INTERESTS IN SHARES OR DEBT SECURITIES

As at 31 December 2002, none of the directors and chief executive or their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Section 28 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") (including interests which they were taken or deemed to have under Section 31 or Part I of the Schedule to the SDI Ordinance) or which were required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of listed companies to be notified to the Company and the Stock Exchange.

尹承政，33歲，本公司助理財務總監，負責集團財務管理與控制事務。尹先生畢業於中南財經政法大學，多年來從事投資銀行以及財務管理工作，有著豐富的集團財務管理經驗。彼於二零零三年三月加入本集團。

陳偉文，36歲，本集團之地盤工程師。陳先生於廣州大學畢業，具逾十年土木工程師經驗。彼於一九九三年加入本集團，負責物業項目之地盤及建築工程。於加入本集團前，彼在廣州一建築公司負責監管建築工序。

王健勇，40歲，本集團之結構核算工程師。王先生於廣州暨南大學畢業，在建築業工作逾十六年。彼於一九九四年加入本集團。

董事於股份或債券之權益

於二零零二年十二月三十一日，概無董事及主要行政人員或彼等之聯繫人士擁有根據證券(披露權益)條例(「披露權益條例」)第28條須知會本公司及聯交所於本公司或其任何聯繫公司證券中之任何個人、家族、公司或其他權益(包括根據披露權益條例第31條或附表第一部份當作或視為擁有之權益)，或根據披露權益條例第29條須列入該條例所述登記名冊之權益，或根據上市公司董事進行證券交易的標準守則之規定須知會本公司及聯交所之權益。

ARRANGEMENT TO PURCHASE SHARES

Under the share option scheme, the directors may, at their discretion, offer an option to any director or employee of the Company or any subsidiary to subscribe for shares of the Company, subject to the terms and conditions of the share option scheme.

Outstanding share options of 4,000,000 were cancelled upon resignation of a director during the year. No option was granted to or exercised under the share option scheme during the year.

Save as disclosed above, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the directors or the chief executives of the Company, or their spouses 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.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which any director had a material interest, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2002, the register of substantial shareholders kept under section 16(1) of the SDI Ordinance showed that the Company had been notified of the following substantial shareholders' interest being 10% or more of the issued share capital of the Company:

Name of shareholders 股東名稱	Number of ordinary shares 股份數目
Great Capital Holdings Limited ("GCH")	453,712,000 <i>Note (1) 註(1)</i>
Sinowin Enterprises Limited	405,280,000 <i>Note (2) 註(2)</i>

Note:

- (1) A total of 288,712,000 shares had been pledged to secure banking facilities for the group companies of GCH.
- (2) A total of 405,280,000 shares had been charged to Guangdong Assets Management Limited and Guangdong Investment Limited, pending to release upon the settlement in full of a sale and purchase agreement.

購入股份之安排

根據購股權計劃，董事可酌情按照購股權計劃之條文及細則授予本公司或其任何附屬公司之任何董事或僱員購股權認購本公司股份。

由於本年內一董事辭任，4,000,000未行使之購股權股份數目註銷。於本年內，概無根據購股權計劃授出或行使任何購股權。

除上文所披露者外，於本年內本公司或其任何附屬公司概無參與任何安排，致使本公司董事或主要行政人員、或彼等各自之配偶或其十八歲以下之子女可藉購入本公司或任何其他公司之股份或債券而得益。

董事於合約之權益

於本年內任何時間，概無任何董事於本公司或其任何附屬公司所訂立之重大合約中擁有重大權益。

主要股東

於二零零二年十二月三十一日，根據披露權益條例第16(1)條存置之主要股東登記名冊記錄本公司已接獲下列持有本公司已發行股本10%或以上權益之通知：

註：

- (1) GCH持有本公司之288,712,000股股份已作抵押，以取得其集團公司之銀行信貸。
- (2) 405,280,000股股份已抵押予粵海資產管理有限公司及粵海投資有限公司，並於雙方之買賣協議完成後予以解除。

Save as disclosed above, the Company had not been notified of any interest in the issued share capital of the Company required to be recorded under section 16(1) of the SDI Ordinance as at 31 December 2002.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the law in Bermuda.

SERVICE AND MANAGEMENT CONTRACTS

None of the directors 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.

PENSION SCHEME

Particulars of pension scheme of the Group are set out in note 24 to the financial statements.

STAFF AND REMUNERATION POLICIES

The Group had approximately 80 employees in Hong Kong and the PRC for the year. They are remunerated according to the job nature, market conditions, individual performance and qualifications. Other staff benefits include share option scheme and year end bonus.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

除上文所披露者外，於二零零二年十二月三十一日本公司並無接獲其他須按照披露權益條例第16(1)條予以登記之本公司已發行股本權益之通知。

優先購買權

本公司之章程細則或百慕達法例概無優先購買權之條款。

服務合約

於即將召開之股東週年大會膺選連任之董事並無與本公司或其任何附屬公司訂立任何服務合約規定一年內終止合約時須作出賠償（法定賠償除外）。

公積金計劃

本集團之公積金計劃資料載列於財務報表附註24。

僱員及酬金政策

本年度本集團共僱用約80名員工於香港及中國工作。僱員之薪酬按照其工作性質、市場指標、個人表現及資歷而釐定。其他員工福利包括購股權計劃及年終花紅。

購買、出售或贖回股份

本年內概無本公司或其任何附屬公司購買、出售或贖回本公司之任何股份。

AUDIT COMMITTEE

The audit committee was established in 1999 in accordance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules. The committee comprises two independent non-executive directors of the Company. The audit committee has reviewed with management the interim and annual financial statements of the Group for the year.

CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not, in compliance with Appendix 14 of the Listing Rules during the year except that the independent non-executive directors are not appointed for a specific term as recommended.

AUDITORS

A resolution for the re-appointment of RSM Nelson Wheeler as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Tong Shi Jun
Chairman

Hong Kong, 24 May 2003

審核委員會

根據上市規則附錄14最佳應用守則，審核委員會於一九九九年成立。審核委員會成員包括兩位獨立非執行董事。審核委員會與管理層已審閱本集團本年度之中期及全年財務報告。

最佳應用守則

除沒有訂明非執行董事之任期外，概無董事知悉任何足以合理指出於本年內未有遵守上市規則附錄14之資料。

核數師

即將召開之股東週年大會，將提呈一項決議案續聘羅申美會計師行為本公司核數師。

承董事會命

主席
佟世均

香港，二零零三年五月二十四日