

董事局報告

REPORT OF THE DIRECTORS

董事局全人欣然將截至二零零一年十二月三十一日止年度之報告及經審核財務報告呈列股東覽閱。

主要業務

本公司之主要業務為物業投資及投資控股，其主要附屬公司及聯營公司之業務刊載於第116頁至第124頁。本集團主要業務及地區性業務之業績已分別載列於本財務報告附註三及七內。

集團溢利

本集團截至二零零一年十二月三十一日止年度之溢利刊載於第51頁之綜合損益表內。

股息

本公司已於年內向股東派發中期股息每股港幣8仙，為數港幣161,100,000元。董事局現建議宣派末期股息每股港幣10仙，約為數港幣201,500,000元。此股息將於二零零二年七月二日或前後派發予所有於二零零二年六月三日名列普通股股東名冊之股東。

固定資產

本年度內固定資產之變動情況載於財務報告附註十四。

物業

本集團擁有之主要物業概要刊載於第125頁至第133頁。

股本

本年度內股本之變動情況刊載於財務報告附註二十八。

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

Principal Activities

The principal activities of the Company are property investment and investment holding. The activities of its principal subsidiaries and associates are shown on pages 116 to 124. An analysis of the Group's performance for the year by business and geographical segments is set out in notes 3 and 7 to the financial statements, respectively.

Group Profit

The consolidated profit and loss account is set out on pages 51 and shows the Group's profit for the year ended 31st December 2001.

Dividends

An interim dividend of HK8 cents per share amounting to HK\$161.1 million was paid to shareholders during the year. The directors recommend the declaration of a final dividend of HK10 cents per share amounting to approximately HK\$201.5 million payable on or about 2nd July 2002 to all persons registered as holders of ordinary shares on 3rd June 2002.

Fixed Assets

Movements in fixed assets during the year are set out in note 14 to the financial statements.

Properties

A schedule of the principal properties of the Group is set out on pages 125 to 133.

Share Capital

Movements in share capital during the year are set out in note 28 to the financial statements.

儲備

本公司及本集團儲備於本年度之變動情況刊載於財務報告附註二十九。

結算日後事項

本公司結算日後事項之詳情刊載於財務報告附註三十六。

購股權計劃

本公司設立購股權計劃，旨在提高參與者對本公司之承擔，致力實踐本公司之目標。

舊計劃

直至二零零二年一月三十一日仍然存續之購股權計劃（「舊計劃」）之有效期本於二零零二年九月十六日終止。基於香港聯合交易所有限公司證券上市規則（「上市規則」）中若干之改動及舊計劃將告終止，董事建議並已於二零零二年一月三十一日股東大會上獲股東通過提前終止舊計劃及採納新購股權計劃（「新計劃」）。新計劃之詳情已詳列於其後部份—「新計劃」內。舊計劃之合資格參與者均屬本公司及其附屬公司之僱員（包括本公司董事）。

舊計劃准許授出之購股權在行使時，已發行及可予發行之股份最多不超過二零零一年九月一日前適用之上市規則准許的上限。

承授人可於批授購股權之要約提出之日起二十八天內，支付港幣1元的象徵式代價接納要約。購股權之歸屬期及行使期由董事會釐定，但行使期由接納授出購股權之日起計不得超過十年。

Reserves

Movements in the reserves of the Company and the Group during the year are set out in note 29 to the financial statements.

Subsequent Event

Details of subsequent event of the Company are set out in note 36 to the financial statements.

Share Option Schemes

The Company operates share option schemes for the purpose of promoting additional commitment and dedication to the objectives of the Company by participants.

Old Scheme

The share option scheme which subsisted until 31st January 2002 was originally due to expire on 16th September 2002 (“Old Scheme”). As a result of certain changes to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the maturity date of the Old Scheme, the directors proposed and the shareholders in general meeting approved on 31st January 2002 the early termination of the Old Scheme and the adoption of a new share option scheme (“New Scheme”). Brief details of the New Scheme are set out in the sub paragraph headed “New Scheme” below. Eligible participants of the Old Scheme were the employees of the Company and its subsidiaries (including the directors of the Company).

The maximum number of shares issued and permitted to be issued on the exercise of options under the Old Scheme and to be granted to each participant does not exceed the maximum limit as permitted by the Listing Rules applicable before 1st September 2001.

The offer of a grant of share options may be accepted within 28 days from the date of the offer together with the payment of nominal consideration of HK\$1 in total by the grantee. The vesting and exercise period of the share options is determinable by the board of directors but the exercise period will not exceed a period of ten years immediately after acceptance of grant.

購股權的行使價由董事局全權釐定，但不得超過二零零一年九月一日前適用之上市規則所准許的上限。

董事認為並不適宜呈列所有於截至二零零一年十二月三十一日止年度內根據舊計劃所授出之購股權之價值。一般獲接受之定價模式是假設購股權可以轉讓，故此不適用於本公司之任何購股權計劃。同時，有鑑於舊計劃的終止，董事相信，建基於此基準及假設之購股權價值並無意義，並會誤導股東。

以下是本公司根據舊計劃所授出予本公司董事的購股權詳情，該等購股權可於授出之日起不超過十年之期間行使：

The exercise price of the share options is determinable at the entire discretion of the board of directors, but will not exceed the maximum discount permitted by the Listing Rules applicable prior to 1st September 2001.

The directors do not consider it is appropriate to state the value of all share options granted under the Old Scheme during the year ended 31st December 2001. The generally accepted pricing models value options that are transferable is not permitted under the Old Scheme and the New Scheme of the Company. In addition, on termination of the Old Scheme, the directors believe that the calculation of the value of the share options on such basis and assumptions would not be meaningful and would be misleading to the shareholders.

Summary of options granted to the directors of the Company under the Old Scheme, which are exercisable at any time during the period not exceeding ten years from the grant date:

董事	Director	授出日期 Date of grant	行使價 港幣 Exercise Price HK\$	購股權數目 ¹ Number of share options ¹			本公司股份價格 ² Price of Company's shares ²		
				於二零零一年 一月一日 尚未行使 outstanding at 1/1/2001	於年度 內授出 granted during the year	於年度 內行使 exercised during the year	於二零零一年 十二月 三十一日 尚未行使 outstanding at 31/12/2001	已授出 之購股權 港幣 For options granted HK\$	已行使 之購股權 港幣 For options exercised HK\$
寧高寧	Ning Gaoning	11/05/1996	3.856	3,300,000	—	—	3,300,000	—	—
		17/11/1997	14.300	1,200,000	—	—	1,200,000	—	—
		20/06/2000	7.190	3,300,000	—	—	3,300,000	—	—
陳樹林	Chen Shulin	21/11/2000	7.080	1,186,000	—	—	1,186,000	—	—
		21/11/2000	10.860	442,000	—	—	442,000	—	—
		21/11/2000	11.950	884,000	—	—	884,000	—	—
		02/04/2001	8.43	—	1,800,000	—	1,800,000	10.350	—
喬世波 閻 颺	Qiao Shibo Yan Biao	11/05/1996	3.856	1,700,000	—	—	1,700,000	—	—
		17/11/1997	14.300	1,000,000	—	—	1,000,000	—	—
		20/06/2000	7.190	3,000,000	—	—	3,000,000	—	—
姜智宏	Keung Chi Wang, Ralph	17/11/1997	14.300	500,000	—	—	500,000	—	—
		20/06/2000	7.190	2,000,000	—	600,000	1,400,000	—	12.147
		17/11/1997	14.300	500,000	—	—	500,000	—	—
劉百成	Lau Pak Shing	20/06/2000	7.190	1,000,000	—	—	1,000,000	—	—
		13/10/1999	8.480	300,000	—	—	300,000	—	—
		20/06/2000	7.190	1,000,000	—	200,000	800,000	—	12.700
王 群	Wang Qun	11/05/1996	3.856	200,000	—	160,000	40,000	—	13.300
		06/01/2000	9.790	800,000	—	400,000	400,000	—	13.350
		20/06/2000	7.190	800,000	—	400,000	400,000	—	13.300
鍾 義	Zhong Yi	11/05/1996	3.856	80,000	—	—	80,000	—	—
		20/06/2000	7.190	1,500,000	—	—	1,500,000	—	—
盧海安	Lu An	07/12/1998	8.980	600,000	—	400,000	200,000	—	12.200
		20/06/2000	7.190	1,500,000	—	730,000	770,000	—	12.204
		13/10/1999	8.480	1,500,000	—	—	1,500,000	—	—
許志明 (於二零零一年 十一月十三日離任)	Xu Zhiming (Resigned on 13th November, 2001)	13/10/1999	8.480	1,500,000	—	—	1,500,000	—	—

1. 於本年度內已授予董事之購股權並無失效或註銷。
2. 已授出之購股權所披露之本公司股份價格，為緊接各購股權授出日期前之交易日於香港聯合交易所有限公司（「聯交所」）所報收市價。已行使之購股權行使當日所披露之本公司股份價格，為該披露類別內就所有購股權之行使而在聯交所所報收市價之加權平均數。

1. No options granted to directors lapsed or cancelled during the year.
2. The price of the Company's shares disclosed for options granted is the closing price quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the trading day immediately prior to the date of the grant of the respective options. The price of the Company's shares disclosed as at the date of exercise of options is the weighted average of the closing prices quoted on the Stock Exchange over all exercises of options.

以下是本公司授出予本集團僱員的購股權詳情。在一般情況下，承授人於接納要約後每年可行使部分購股權以認購所涉股份之20%至33¹/₃%。

Summary of options granted to employees of the Group are set out below. Generally, between 20% and 33¹/₃% of shares to be issued under an option will be exercisable in each calendar year after the acceptance of a grant.

授出日期 Date of grant	行使價 港幣 Exercise Price HK\$	購股權數目 ¹ Number of share options ¹				本公司股份價格 ² Price of Company's shares ²	
		於二零零一年 一月一日 尚未行使 outstanding at 1/1/2001	於年度 內授出 granted during the year	於年度 內行使 exercised during the year	於二零零一年 十二月 三十一日 尚未行使 outstanding at 31/12/2001	已授出 之購股權 港幣 For options granted HK\$	已行使 之購股權 港幣 For options exercised HK\$
11/05/1996	3.856	3,880,000	—	850,000	3,030,000	—	11.677
17/11/1997	14.300	700,000	—	—	700,000	—	—
07/12/1998	8.980	4,110,000	—	1,832,000	2,278,000	—	12.391
13/10/1999	8.480	50,000	—	30,000	20,000	—	13.300
06/01/2000	9.790	500,000	—	330,000	170,000	—	12.667
18/02/2000	9.590	2,000,000	—	—	2,000,000	—	—
20/06/2000	7.190	9,926,400	—	3,083,400	6,843,000	—	12.712
17/02/2000	8.860	1,000,000	—	78,000	922,000	—	12.774
14/08/2000	9.670	1,000,000	—	—	1,000,000	—	—
22/08/2000	9.720	240,000	—	—	240,000	—	—
21/11/2000	7.080	8,923,000	—	2,805,000	6,118,000	—	10.769
21/11/2000	9.290	214,000	—	—	214,000	—	—
21/11/2000	10.820	1,026,000	—	—	1,026,000	—	—
21/11/2000	10.860	46,000	—	—	46,000	—	—
21/11/2000	11.730	800,000	—	—	800,000	—	—
21/11/2000	11.950	940,000	—	142,000	798,000	—	12.800
11/01/2001	8.730	—	500,000	100,000	400,000	11.200	13.000
02/04/2001	8.430	—	8,140,000	362,000	7,778,000	10.350	12.549
30/07/2001	9.120	—	400,000	—	400,000	11.900	—

1. 於本年度內已授予僱員之購股權並無失效或註銷。
2. 已授出之購股權所披露之本公司股份價格，為緊接各購股權授出日期前之交易日於聯交所所報收市價。已行使之購股權行使當日所披露之本公司股份價格，為該披露類別內就所有購股權之行使而在聯交所所報收市價之加權平均數。

1. No options granted to employees lapsed or cancelled during the year.
2. The price of the Company's shares disclosed for options respective granted is the closing price quoted on the Stock Exchange on the trading day immediately prior to the date of the grant of the respective options. The price of the Company's shares disclosed as at the date of exercise of options is the weighted average of the closing prices quoted on the Stock Exchange over all exercises of options.

新計劃

本公司根據於二零零二年一月三十一日股東通過之普通決議案採納新計劃，而除非註銷或修改，新計劃由採納日期起計有效期為十年。本公司董事局可向合資格參與者授出購股權，該等合資格參與者包括本集團之執行或非執行董事、由本集團之任何僱員、執行或非執行董事所設立的全權信託之任何信託體、本集團之專家顧問、專業顧問及其他顧問之行政人員和僱員、本公司行政總裁或主要股東、本集團之聯營公司、本公司之董事、行政總裁或主要股東的聯繫人、及主要股東的僱員。

根據新計劃及舊計劃授出但尚未行使之購股權在悉數行使時可予發行之股份總數，及根據兩計劃將會授出之所有購股權在行使時予以發行之股份最高數目以及各參與者根據兩計劃可獲之最高數目（包括授予本公司董事、行政總裁或主要股東或彼等各自之任何聯繫人之購股權），相當於當時實行的上市規則所准許的上限。於本年報之日期，根據新計劃可發行之股份總數達152,391,821股，約佔本公司已發行股本之7.35%。

承授人可於批授購股權之要約提出之日起二十八天內，支付港幣1元的代價接納要約。授出的購股權的歸屬及行使期由董事局全權釐定，但行使期由接納授出購股權之日期起計不得超過十年。

購股權之行使價由董事局絕對酌情決定，惟須符合當時實行的上市規則的規定。

New Scheme

The Company's New Scheme was adopted by the shareholders pursuant to an ordinary resolution passed on 31st January 2002, and unless otherwise cancelled or amended, will be valid and effective for a period of ten years from the date of adoption. The board of directors of the Company may grant options to eligible participants including executive or non-executive directors of the Group, any discretionary object of a discretionary trust established by any employee, executive or non-executive directors of the Group, any executives and employees of consultants, professional and other advisors to the Group, chief executive, substantial shareholder of the Company, associated companies of the Group, associates of director, chief executive and substantial shareholder of the Company, and employees of substantial shareholder.

The total number of shares that may be issued upon exercise of all options granted and yet to be exercised under the share option schemes of the Company and the maximum number of shares that may be issued upon exercise of all options to be granted thereunder and the maximum entitlement of each participant under the New Scheme (including options to be granted to the directors, chief executive or substantial shareholder of the Company, or any of their respective associates) is respectively equivalent to the maximum limit permitted under the prevailing Listing Rules. As at the date of the annual report, the total number of shares available for issue under the New Scheme is 152,391,821 shares and represent 7.35% of the issued share capital of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer together with the payment of HK\$1 in total by the grantee. The vesting and exercise period of the share options granted is determinable at the entire discretion of the board of directors but the exercise period will not exceed a period of ten years immediately after acceptance of grant.

Subject to the requirements of the prevailing Listing Rules, the exercise price of the share options is determinable by the board of directors at its absolute discretion.

本集團其他購股權計劃

一項可授予五豐行有限公司（「五豐行」）董事及僱員之購股權計劃是經由當時之股東於一九九五年十月五日批准及採納。五豐行於二零零一年四月十八日當日或前後成為本公司之全資附屬公司後，該計劃亦於二零零一年四月三十日終止。於本公司之財務年度初，該計劃並無尚未行使之購股權。自二零零一年一月一日起至該購股權終止日，並無五豐行購股權被發行、行使、註銷及失效。

慈善捐款

本年度內本集團之捐款合共約為港幣53,000元。

董事

本年度內及至本報告日期董事芳名如下：

名譽主席

谷永江先生（於二零零二年四月四日離任）

主席

寧高寧先生

副主席兼董事總經理

宋 林先生（於二零零一年十一月二十六日獲委任為副主席兼董事總經理）

董事副總經理

陳樹林先生（於二零零一年十一月二十六日獲委任為董事副總經理）

喬世波先生（於二零零一年十一月二十六日獲委任為董事副總經理）

閻 颺先生（於二零零一年十一月二十六日獲改任為董事副總經理）

姜智宏先生

Other Share Option Scheme of the Group

A share option scheme for the directors and employees of Ng Fung Hong Limited (“NFH”) was approved and adopted by the then shareholders on 5th October 1995. On or about 18th April 2001, NFH became a wholly owned subsidiary of the Company and on 30th April 2001, the share option scheme was terminated. As at the beginning of the financial year of the Company, there is no outstanding option and no share options were issued, exercised, cancelled or lapsed from 1st January 2001 to the date of termination of such share option scheme.

Charitable Donations

Donations by the Group during the year amounted to approximately HK\$53,000.

Directors

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

Honorary Chairman

Mr. Gu Yongjiang (Resigned on 4th April 2002)

Chairman

Mr. Ning Gaoning

Deputy Chairman and Managing Director

Mr. Song Lin (Appointed as Deputy Chairman and Managing Director on 26th November 2001)

Deputy Managing Directors

Mr. Chen Shulin (Appointed as Deputy Managing Director on 26th November 2001)

Mr. Qiao Shibo (Appointed as Deputy Managing Director on 26th November 2001)

Mr. Yan Biao (Re-designated as Deputy Managing Director on 26th November 2001)

Mr. Keung Chi Wang, Ralph

董事

劉百成先生	(執行董事)
陳威武先生	(執行董事)
王 群先生	(執行董事)
鍾 義先生	(執行董事)
鄺文謙先生	(執行董事，於二零零二年 二月十八日獲委任)
盧海安先生	(執行董事，於二零零二年 一月十四日離任)
蔣 偉先生	(非執行董事)
謝勝喜先生	(非執行董事，於二零零一年 八月二十八日獲委任)
許志明先生	(非執行董事，於二零零一年 十一月十三日離任)
陳普芬博士	(獨立非執行董事)
黃大寧先生	(獨立非執行董事)
盧雲龍先生	(獨立非執行董事)

根據本公司組織章程細則第一百一十條規定，閻颺先生、劉百成先生、陳威武先生、王群先生及鍾義先生依章輪席告退，如再度在應屆之股東週年大會中獲選，願意繼續連任。

根據本公司組織章程細則第一百一十五條規定，宋林先生、喬世波先生、鄺文謙先生及謝勝喜先生依章輪席告退，如再度在應屆之股東週年大會中獲選，願意繼續連任。

董事及高層管理人員之簡歷

董事及高層管理人員簡歷刊載於第28頁至第33頁。

董事之證券權益

於二零零一年十二月三十一日，陳普芬博士個人實益擁有本公司506,000股普通股之權益及以受託人身份持有本公司70,000股普通股。

Directors

Mr. Lau Pak Shing	(Executive Director)
Mr. Chan Wai Mo	(Executive Director)
Mr. Wang Qun	(Executive Director)
Mr. Zhong Yi	(Executive Director)
Mr. Kwong Man Him	(Executive Director, appointed on 18th February 2002)
Mr. Lu An	(Executive Director, resigned on 14th January 2002)
Mr. Jiang Wei	(Non-executive Director)
Mr. Xie Shengxi	(Non-executive Director, appointed on 28th August 2001)
Mr. Xu Zhiming	(Non-executive Director, resigned on 13th November 2001)
Dr. Chan Po Fun, Peter	(Independent non-executive Director)
Mr. Houang Tai Ninh	(Independent non-executive Director)
Mr. Loo Wun Loong, John	(Independent non-executive Director)

In accordance with Article 110 of the Company's Articles of Association, Mr. Yan Biao, Mr. Lau Pak Shing, Mr. Chan Wai Mo, Mr. Wang Qun and Mr. Zhong Yi retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Article 115 of the Company's Article of Association, Mr. Song Lin, Mr. Qiao Shibo, Mr. Kwong Man Him and Mr. Xie Shengxi retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Biographical Details of Directors and Senior Management

Biographical details of directors and senior management are set out on pages 28 to 33.

Directors' Interests in Securities

As at 31st December 2001, Dr. Chan Po Fun, Peter was personally beneficially interested in 506,000 ordinary shares and held as trustee 70,000 ordinary shares in the Company.

同日，若干董事於根據本公司及其母公司集團之附屬公司的購股權計劃所授出可認購股份之購股權中擁有權益：

- (1) 根據本公司舊計劃授出之購股權已於上文「購股權計劃」一節內列載。
- (2) 根據母公司集團之附屬公司 — 華潤勵致有限公司之購股權計劃所授出的購股權：

At the same date, certain directors had interests in respect of options to subscribe for shares under the share option schemes of the Company and its fellow subsidiary:

- (1) Options granted under the Old Scheme of the Company are set out under the section headed “Share Option Schemes” above.
- (2) Options granted under the share option scheme of a fellow subsidiary, China Resources Logic Limited:

		購股權數目 Number of share options				
		二零零一年 十二月 三十一日 尚未行使				
董事	Director	授出日期 Date of grant	行使價 港幣 Exercise price HK\$	於年度 內授出 granted during the year	於年度 內行使 exercised during the year	outstanding at 31/12/2001
宋 林	Song Lin	21/09/2000	0.590	—	—	8,000,000
閻 飏	Yan Biao	04/12/2001	0.790	6,000,000	—	6,000,000

除上述者外，任何董事、主要行政人員或彼等之聯繫人（定義見上市規則）並無實益或非實益擁有本公司現行計劃中可認購股份之購股權之權益、本公司或任何相關法團之任何股本及債務證券權益，而須按證券（披露權益）條例第二十九條記錄於董事權益登記冊內，或根據上市公司董事進行證券交易之標準守則知會本公司及聯交所。

Apart from the foregoing, none of the directors, chief executives or their associates (as defined under the Listing Rules) had any beneficial or non-beneficial interest in respect of options to subscribe for shares under the existing share option scheme of the Company, in the share capital and debt securities of the Company or its associated corporations which is required to be recorded in the Register of Directors' Interests pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

董事之服務合約

董事概無與本公司或其任何附屬公司簽訂任何僱用公司不可於一年內免付補償（法定補償除外）而予以終止之服務合約。

Directors' Service Contracts

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

董事之合約權益

本公司董事並無在本公司、其附屬公司、其控股公司或其母公司集團之附屬公司所訂立，且於年結日或本年度內任何時間仍然生效之任何重大合約上，直接或間接擁有任何重大權益。

董事於存有競爭之業務中擁有之權益

根據上市規則第8.10條，本公司之董事陳樹林先生披露，於截至二零零一年十二月三十一日止年度，中國華潤總公司收購了四川金華有限公司（「四川金華」）（紡織紗線及產品的生產商及經銷商）之控股權益，該公司之業務與本集團於二零零二年一月三十一日收購之紡織經銷業務存在或可能存在競爭。陳先生本為四川金華之董事，惟於二零零二年三月十一日已離任。於二零零二年一月至三月期間，陳先生因擔任該公司之董事而被視為擁有四川金華的權益。

主要股東

根據證券（披露權益）條例第十六條（一）而設立之權益登記冊所載，於二零零一年十二月三十一日申報持有本公司已發行股本10%或以上權益之股東如下：

名稱	Name	普通股數目 No. of ordinary shares
中國華潤總公司*	China Resources National Corp.*	1,097,476,475
華潤（集團）有限公司* （「華潤集團」）	China Resources (Holdings) Company Limited* (“CRH”)	1,097,476,475

* 華潤集團是本公司的直屬控股公司，而中國華潤總公司則為華潤集團的控股公司，因此，根據證券（披露權益）條例第八條，中國華潤總公司和華潤集團均被視為擁有本公司同等股本權益。

除上述者外，概無人士登記任何須載入根據證券（披露權益）條例第十六條（一）而設立之權益登記冊內之本公司已發行股本權益。

Directors' Interest in Contracts

No contracts of significance to which the Company, its subsidiaries, its holding companies or its fellow subsidiaries were a party and in which a director of the Company had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interest in Competing Business

Pursuant to Rule 8.10 of the Listing Rules, Mr. Chen Shulin, a director of the Company, disclosed that during the year ended 31 December 2001, China Resources National Corp. acquired controlling interests in Sichuan Jinhua Co., Ltd (“Sichuan Jinhua”), a manufacturer and distributor of textile yarns and products, which business competes or is likely to compete with the textile distribution operations acquired by the Group on 31st January 2002. Mr. Chen was a director of Sichuan Jinhua and resigned on 11th March 2002. Mr. Chen had an interest in Sichuan Jinhua between January 2002 to March 2002 by virtue of his directorship in such company.

Substantial Shareholders

The following declaration of interest by shareholders holding 10% or more of the issued share capital of the Company at 31st December 2001 has been recorded in the Register of Interests pursuant to Section 16(1) of the Securities (Disclosure of Interests) Ordinance:

* CRH is the immediate holding company of the Company. China Resources National Corp. is the holding company of CRH. Therefore both China Resources National Corp. and CRH are deemed to have the same interests in the share capital of the Company by virtue of Section 8 of the Securities (Disclosure of Interests) Ordinance.

Apart from the foregoing, no person had registered any interest in the issued share capital of the Company which is required to be recorded in the Register of Interests pursuant to Section 16(1) of the Securities (Disclosure of Interests) Ordinance.

關連交易

1. 於二零零一年七月二十四日，本公司之附屬公司五豐行訂立一項協議，將其於 East World International (Industrial Trading) Limited (「East World」) 的55%股本權益出售予 East World 的現有主要股東及董事，分別為陳劍民 (佔27%) 及陳國慧 (佔28%)，總代價為港幣 10,000,000 元。該代價由訂約各方經過公平磋商後按一般商業條款，並參照 East World 近年的業務表現而釐定。出售目的在於變現部份五豐行於非分銷業務之投資，專注於食物分銷業務之發展及拓充。
2. 於二零零一年十一月二十六日，本公司訂立一項買賣協議，內容乃有關本公司以總代價約港幣 944,000,000元收購華潤集團所擁有之 China Resources Textiles (BVI) Company Limited (「華潤輕紡集團」) 全部已發行股本之事宜。該項代價乃經各方公平磋商，並參考華潤輕紡集團截至二零零零年十二月三十一日止年度之備考合併純利約港幣 181,700,000元而釐定。該項代價乃以下列方式支付：(i)本公司於該交易完成日按發行價每股港幣8.37元發行56,300,000股新普通股；及(ii)一筆過支付現金款項港幣約472,800,000元。交易已於二零零二年一月完成。

華潤輕紡集團主要從事經銷棉、聚酯纖維、胚布以及印染布等紡織品。為了支援經銷業務，華潤輕紡集團亦從事紡紗、織布業務及以「原設備製造商」方式製造成衣。

Connected Transactions

1. On 24th July 2001, NFH, a subsidiary of the Company, entered into an agreement to dispose of its 55% equity interest in East World International (Industrial Trading) Limited ("East World") to the existing substantial shareholders and directors of East World, Messrs. Chan Kim Man (for 27%) and Chan Kwok Wai (for 28%), respectively, for an aggregate consideration of HK\$10 million. The consideration was arrived at after arm's length negotiations among the parties thereto on normal commercial terms with reference to East World's business performance in recent years. The purpose of the disposal was to realise parts of NFH's investments in non-distribution businesses and to focus on the development and expansion of its food distribution operation.
2. On 26th November 2001, the Company entered into a sale and purchase agreement in relation to the acquisition by the Company of CRH's entire issued share capital of China Resources Textiles (BVI) Company Limited (the "Textile Group") for an aggregate consideration of approximately HK\$944 million. The consideration was arrived at after arm's length negotiation between the parties thereto and with reference to the pro forma combined net profit of the Textile Group for the year ended 31st December 2000 of about HK\$181.7 million. The consideration was satisfied by (i) the issue of 56,300,000 new ordinary shares of the Company at an issue price of HK\$8.37 per share on completion; and (ii) a lump sum cash payment of about HK\$472.8 million. The transaction was completed in January 2002.

The Textile Group is principally engaged in the distribution of textile products including cotton, polyester fiber, grey cloth and printed fabrics. To support its trading operation, the Textile Group is also engaged in the spinning and weaving operation and manufacture (on OEM basis) of garments.

華潤輕紡集團的成衣原件製造業務預可與本公司在中國的成衣零售業務產生協同優勢。憑藉華潤輕紡集團於製造成衣方面的支持，本公司將能就其零售業務所需而製造更大比例的產品，並增強其營運效率及盈利能力。

3. 於二零零一年十二月二十一日，本公司全資附屬公司華潤超級市場有限公司訂立一項買賣協議，向北方國際集團天津金星進出口有限公司收購天津華潤超級市場有限公司（「天津超級市場」）的45%股本權益，代價為港幣22,950,000元。北方國際集團天津金星進出口有限公司為天津超級市場的主要股東。

代價乃訂約各方在參考類似公司和業務的市價後，經公平磋商而釐定。

當協議完成時，天津超級市場將成為本公司之全資附屬公司。董事認為在得以控制天津超級市場全部股權後，不單可加快本集團在天津的業務發展，更可藉著與集團在鄰近地區的超級市場業務增加合作，進一步提升經營效率。

The garment OEM business of the Textile Group is expected to generate synergy with the Company's garment retailing business in the Chinese Mainland. With the support of the garment manufacturing capability of the Textile Group, the Company will be able to produce a greater proportion of the products required for its retail operation and enhance its operational efficiency and profitability.

3. On 21st December 2001, 華潤超級市場有限公司（“Huarun Chao Ji Shi Chang You Xian Gong Si”），a wholly owned subsidiary of the Company, entered into a sale and purchase agreement to acquire a 45% equity interest in Tianjin China Resources Supermarket Co., Ltd（“Tianjin Supermarket”）at a consideration of HK\$22.95 million from 北方國際集團天津金星進出口有限公司（“Bei Fang Guo Ji Ji Tuan Tian Jin Jin Xing Jin Chu Kou You Xian Gong Si”），a substantial shareholder of Tianjin Supermarket.

The Consideration was arrived at after arm's length negotiations between the parties with reference to market value of similar companies and businesses.

Upon the completion of the agreement, Tianjin Supermarket becomes a wholly owned subsidiary of the Company. By controlling 100% of Tianjin Supermarket, the directors consider that the Group would be able to carry out its business expansion in Tianjin more speedily and operational efficiency would be further enhanced as a result of greater cooperation with the Group's supermarket operation in the nearby region.

4. 年內，若干附屬公司，即 China Resources Petrochemicals Investments Limited (「CRPIL」) 及其附屬公司、Fresh Concepts International Limited (「FCI」) 及其附屬公司、五豐行及其附屬公司、百適企業有限公司、沙田冷倉有限公司、中港混凝土有限公司及勝暉投資有限公司曾與關連人士進行若干交易。本公司獨立非執行董事已審閱該等交易，並確認：

- (甲) 有關交易乃於本集團一般及日常業務範圍內訂立；
- (乙) 該等交易乃按一般商業條款及按公平原則訂立，以及(倘適用)按照該等交易所屬協議之條款訂立，或在無該協議下，按不遜於提供予獨立第三者或獨立第三者所提供之條款訂立；
- (丙) 訂立該等交易所按條款對本公司股東而言屬公平合理；及
- (丁) 各項有關交易之總值並未超逾聯交所授豁免內所註明各項有關限額。

4. During the year, certain subsidiaries, namely China Resources Petrochemicals Investments Limited (‘‘CRPIL’’) and its subsidiaries, Fresh Concepts International Limited (‘‘FCI’’) and its subsidiaries, NFH and its subsidiaries, Pak Sik Enterprises Limited, Sha Tin Cold Storage Company Limited, Redland Concrete Limited and Harvest Fair Investment Limited conducted certain transactions with connected parties. The independent non-executive Directors of the Company have reviewed these transactions and confirmed that:

- (a) the transactions have been entered into in the ordinary and usual course of business of the Group;
- (b) the transactions have been entered into on normal commercial terms, and on arm’s length basis and, where applicable, in accordance with the terms of the agreements governing such transactions or, where there is no such agreement, on terms no less favourable than terms available to or from independent third parties;
- (c) the transactions have been entered into on terms that are fair and reasonable so far as shareholders of the Company are concerned; and
- (d) the aggregate value of the respective transactions do not exceed the respective maximum amounts as specified in the waiver granted by the Stock Exchange.

此等交易之詳情茲概述如下：

Details of these transactions are summarised as follows.

港幣千元
HK\$'000

中港及附屬公司 (附註1)	Redland and subsidiaries (note 1)	
與若干中港董事為控股股東	Transactions with companies of which certain directors of	
之公司進行之交易：	Redland are controlling shareholders:	
— 原料採購	— Purchase of raw materials	129,602
向母公司集團之附屬公司銷售混凝土	Sales of concrete to a fellow subsidiary	23,712
百適及沙田冷倉 (附註1)	PS & STCS (note 1)	
向母公司集團之附屬	Provision for godown and storage services to	
公司提供倉貯服務	fellow subsidiaries	937
五豐行及附屬公司	NFH and subsidiaries	
向中國水產銷售食品 (附註2)	Sales of foodstuffs to CNFC (note 2)	49,436
向下列公司採購食品	Purchases of foodstuffs from	
— 指定供應商 (附註3)	— Designated suppliers (note 3)	
— 定額產品	— Quota products	376,513
— 非定額產品	— Non-quota products	23,957
— 母公司集團之附屬公司	— Fellow subsidiaries	5,544
— 中國水產	— CNFC	9,539
向中國水產採購捕撈物品、設備及船隻	Net purchases of fishing supplies, equipment and	
之淨採購額	vessels from CNFC	21,793
向母公司集團之附屬公司支付營業租約	Operating lease payments and air-conditioning charges	
款項及空調費用	to fellow subsidiaries	17,952
向中國水產支付工資	Wages paid to CNFC	106,626
勝暉 (附註4)	Harvest Fair (note 4)	
母公司集團之附屬公司提供之建築服務	Provision of construction services from a fellow subsidiary	300,744
FCI 及附屬公司	FCI and subsidiaries	
向母公司集團之附屬公司購買毛巾、	Purchase of towels, bedding accessories and knitwear from	
床鋪用品及針織衣服	fellow subsidiaries	11,124
向母公司集團之附屬公司支付營業	Operating lease payments and air-conditioning charges to	
租約款項及空調費用	fellow subsidiaries	31,259
CRPIL及附屬公司	CRPIL and subsidiaries	
應付控股公司及母公司	Tank storage services fees payable to a holding company	
集團之附屬公司之儲油服務費	and a fellow subsidiary	141,600
應收控股公司及母公司	Storage facilities management fees receivable from a holding	
集團之附屬公司之儲油設施管理費	company and a fellow subsidiary	19,992
向母公司集團之附屬公司	Operating lease payments and air-conditioning charges	
支付營業租約款項及空調費用	to a fellow subsidiary	6,028

附註：

1. 中港混凝土有限公司(「中港」)、百適企業有限公司及沙田冷倉有限公司(「百適及沙田冷倉」)為本公司之全資附屬公司。
2. 中國水產總公司(「中國水產」)為擁有五豐行之附屬公司—中國國際漁業公司49%少數權益之股東。
3. 此等供應商由對外貿易經濟合作部指定。彼等為本公司若干非全資附屬公司之主要股東。
4. 勝暉投資有限公司(「勝暉」)為本公司之非全資附屬公司，有關服務乃按照建築合約之條款提供。

附屬公司及聯營公司

於二零零一年十二月三十一日，各主要附屬公司及聯營公司之詳細資料刊載於第116頁至第124頁。

本公司及附屬公司之證券交易

本公司於年內根據舊計劃發行和授出購股權之詳情載於財務報告附註二十八(甲)內。

二零零一年五月三十日，全資附屬公司— Hebe Haven Inc. 發行230,000,000美元二零零六年到期零息可換股債券，詳情載於財務報告附註二十五(甲)內。

本公司或其附屬公司於本年內並無購回、出售或贖回本公司任何上市證券。

Notes:

1. Redland Concrete Limited ("Redland"), Pak Sik Enterprises Limited and Sha Tin Cold Storage Company Limited ("PS & STCS") are wholly owned subsidiaries of the Company.
2. CNFC International Fisheries Corp. ("CNFC") is a 49% minority shareholder of China International Fisheries Corp., a subsidiary of NFH.
3. Designated suppliers are suppliers designated by The Ministry of Foreign Trade and Economic Co-operation who are substantial shareholders of non-wholly owned subsidiaries of the Company.
4. Harvest Fair Investment Limited ("Harvest Fair") is a non-wholly owned subsidiary of the Company and the services were carried out in accordance with the terms of the construction contracts.

Subsidiaries and Associates

Particulars regarding the principal subsidiaries and associates as at 31st December 2001 are set out on pages 116 to 124.

Transactions in Securities of the Company and Subsidiaries

The Company issued and granted options under the Old Scheme during the year, details of which are set out in note 28(a) to the financial statements.

On 30th May 2001, Hebe Haven Inc., a wholly owned subsidiary, issued US\$230,000,000 zero coupon convertible bonds due 2006, further details of which are set out in note 25(a) to the financial statements.

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

最佳應用守則

除了非執行董事並無指定委任任期而需輪值退任外，本公司在本年度內一直遵守上市規則附錄十四所載之最佳應用守則。

主要客戶及供應商

本年度內，本集團五大供應商應佔之總購貨額及本集團五大客戶應佔之總營業額分別少於本集團購貨總值及營業總額之30%。

五年財務資料摘要

本集團過往五個財政年度之業績及資產負債摘要刊載於第134頁。

核數師

德勤•關黃陳方會計師行將於應屆股東週年大會任滿告退，並具資格備聘再任。

承董事局命

主席

寧高寧

香港，二零零二年四月十五日

Code of Best Practice

The Company has complied throughout the year with Appendix 14 to the Listing Rules except that non-executive directors have no set term of office but retire from office on a rotational basis.

Major Customers and Suppliers

During the year, the respective percentage of the aggregate purchases attributable to the Group's five largest suppliers and the aggregate turnover attributable to the Group's five largest customers was less than 30% of the Group's total value of purchases and total turnover.

Five-Year Financial Summary

A summary of the Group's result and its assets and liabilities for the past five financial years is set out on page 134.

Auditors

Messrs. Deloitte Touche Tohmatsu will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Ning Gaoning

Chairman

Hong Kong, 15th April 2002