



The directors have pleasure in submitting the annual report together with the audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of principal subsidiaries are set out in note 28 on the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the financial year are set out in note 12 on the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2001, the five largest customers in aggregate accounted for less than 30% of the Group's turnover. The five largest suppliers in aggregate and the largest supplier of the Group accounted for approximately 41% and 14% respectively by value of the Group's total purchases.

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had any interest (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) in these major customers and suppliers.

董事會欣然提呈截至二零零一年十二月三十一日止年度之週年報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務及其他詳情載於財務報表附註28。

本公司及其附屬公司於本財政年度按主要業務及經營地區劃分之分析載於財務報表附註12。

主要客戶及供應商

截至二零零一年十二月三十一日止年度，五大客戶合共佔本集團之營業額少於30%。本集團五大供應商及最大供應商分別佔本集團之總採購額約41%及14%。

於本年度任何時間，本公司各董事、彼等之聯繫人士或就董事會所知任何持有本公司已發行股本5%以上之股東概無擁有上述主要客戶及供應商任何權益（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））。

CONNECTED TRANSACTIONS

On 23 November 2001, a new tenancy agreement was entered into between Wisdom Power Property Limited (“WPP”), a wholly-owned subsidiary of the Company, and China Everbright Holdings Company Limited (“CEH”), a substantial shareholder of the Company, under which WPP agreed to let and CEH agreed to take a portion (with saleable area of approximately 4,586 square feet) of the 39th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong at a monthly rental of HK\$185,000 (inclusive of management fee, insurance, government rent and rates) for a term of 2 years commencing on 28 November 2001, following the expiry of a previous tenancy agreement between the same parties. Details of the lease were announced by way of a press announcement by the Company on 23 November 2001.

FINANCIAL STATEMENTS

The profit and cash flow of the Group for the year ended 31 December 2001 and the state of the Company’s and the Group’s affairs as at that date are set out in the financial statements on pages 27 to 85.

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2001.

FIXED ASSETS

Details of the movements in fixed assets during the year are set out in note 13 on the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 25 on the financial statements.

RESERVES

The movements in the reserves of the Group and of the Company during the year are set out in note 26 on the financial statements.

關連交易

繼本公司全資附屬公司智力物業有限公司（「智力物業」）與本公司之主要股東中國光大集團有限公司（「光大集團」）簽訂之上一份租約協議屆滿後，上述雙方已於二零零一年十一月二十三日簽訂一項新租約協議；據此，智力物業同意向光大集團出租，而光大集團同意租用位於香港夏慤道16號遠東金融中心39樓部分面積（實用面積約4,586平方呎），每月租金為185,000港元（包括管理費、保險、政府地租及差餉），租期由二零零一年十一月二十八日起計為期兩年。本公司已於二零零一年十一月二十三日於報章公佈此項租約之詳情。

財務報表

本集團截至二零零一年十二月三十一日止年度之溢利及現金流量，以及本公司及本集團於當日之財政狀況載於第27頁至第85頁之財務報表內。

董事會並不建議派發截至二零零一年十二月三十一日止年度之末期股息。

固定資產

固定資產於本年度之變動詳情載於財務報表附註13。

股本

本公司股本之變動詳情載於財務報表附註25。

儲備

本集團及本公司儲備於本年度之變動載於財務報表附註26。

**DIRECTORS**

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

Executive directors:

Wang Mingquan, *Chairman*
 Wang Shaolan, *Chief Executive Officer*
 Huang Shenglan, *General Manager*
 Zang Qiutao
 Yi Zhenqiu, *Vice-chairman*
 (resigned on 8 August 2001)

Non-executive directors:

Werner Max Michael Makowski *
 Yang Zheng Qing *

* *Independent non-executive Director*

In accordance with Article 116 of the Company's Articles of Association, Messrs Zang Qiutao and Wang Shaolan retire from the board by rotation at the forthcoming annual general meeting and eligible for re-election.

The non-executive directors are subject to retirement in accordance with the Company's Articles of Association as indicated above.

DIRECTORS' SERVICE CONTRACTS

The non-executive directors were appointed by the board of directors in accordance with the Company's Articles of Association. Their remuneration is determined by the shareholders in the annual general meeting.

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.

董事

以下為本年度內及截至本報告日止之董事：

執行董事：

王明權 (主席)
 王少蘭 (行政總裁)
 黃勝藍 (總經理)
 臧秋濤
 易振球 (副主席)
 (於二零零一年八月八日辭任)

非執行董事：

麥高祺*
 楊正清*

* *獨立非執行董事*

根據本公司之公司章程細則第116條之規定，臧秋濤先生及王少蘭先生將於應屆股東週年大會依章輪值告退及膺選連任。

非執行董事須根據本公司上述之公司章程細則依章告退。

董事之服務合約

非執行董事由董事會根據本公司之公司章程細則委任。彼等之酬金由股東於股東週年大會上釐定。

於應屆股東週年大會上獲提名膺選連任之董事，並無與本公司或其任何附屬公司訂立於一年內終止而必須賠償（一般法定責任除外）之未屆滿服務合約。

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES

As at 31 December 2001, no directors nor chief executive of the Company had any beneficial interests in the issued share capital of the Company, its holding Company, subsidiaries and other associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) as recorded in the register required to be kept under section 29 of the SDI Ordinance.

Arrangement to purchase shares or debentures

The Company had a share option scheme ("the Old Scheme") which was adopted on 20 November 1991 whereby the directors of the Company were authorised, at their discretion, to invite employees of the Group, including directors of any Company in the Group, to take up options to subscribe for shares not exceeding 10% of the issued share capital of the Company. During the year, the following director of the Company had personal interests in share options to subscribe for shares of the Company granted under the Old Scheme:

董事及主要行政人員之股份權益

於二零零一年十二月三十一日，根據本公司遵照證券(披露權益)條例(「披露權益條例」)第29條規定須予存置之股東名冊所載，概無任何本公司董事或主要行政人員於本公司、其控股公司、附屬公司及其他相聯法團(定義見披露權益條例)之已發行股本中持有任何實益權益。

購買股份或債券之安排

本公司於一九九一年十一月二十日採納一項優先認購股份權計劃(「舊有計劃」)，藉此授權本公司董事酌情邀請本集團之僱員(包括本集團任何成員公司之董事)接納優先認購股份權，以便認購不超過本公司已發行股本10%之股份。於本年度內，下列本公司董事於根據舊有計劃授予彼等優先認購本公司股份之優先認購股份權中，擁有下列個人權益：

		Number of options outstanding as at 1 January 2001	Cancelled during the year	Number of options outstanding as at 31 December 2001
		於二零零一年 一月一日 之尚未行使優先 認購股份權數目	於年內註銷	於二零零一年 十二月三十一日 之尚未行使優先 認購股份權數目
Yi Zhenqiu	易振球	18,000,000	(18,000,000)	-



DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES (continued)

Arrangement to purchase shares or debentures (continued)

Each option gave the holder the right to subscribe for one share. The above options to subscribe for shares of the Company were granted on 11 August 1997 and the options were exercisable during the period which is 6 months after the date of grant of the options and cancelled upon the termination of the Old Scheme. The consideration paid by the director for the options granted was HK\$1. The exercise price per share to be paid on exercise of the options was HK\$2.796. No option was granted to or exercised by any directors or employees of the Company under the Old Scheme during the year.

The Old Scheme was terminated on 25 May 2001 and replaced by a new share option scheme ("New Scheme"), details of which are the same as the old one. The maximum number of shares in respect of which options may be granted under the New Scheme may not exceed 10% of the issued share capital of the Company as at the date of approval of the scheme, excluding any options lapsed in accordance with the terms of the scheme. No option was granted to or exercised by any directors or employees of the Company under the New Scheme during the year. With effect from 1 September 2001, no further share option may be granted by the Company under the New Scheme following the amendments to Chapter 17 of the Listing Rules. The Company is considering to revise the rules of the New Scheme in due course.

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

董事及主要行政人員之股份權益(續)

購買股份或債券之安排(續)

每個單位之優先認購股份權均賦予其持有人可認購一股份之權利。上述可認購本公司股份之優先認購股份權乃於一九九七年八月十一日授出。該等優先認購股份權可於授出日期後六個月期間內行使，並於舊有計劃終止時註銷。獲授優先認購股份權之個別董事已支付1港元之代價。行使該等優先認購股份權時應付之每股行使價為2.796港元。於本年度內，並無任何本公司董事或僱員獲授予或行使舊有計劃項下之任何優先認購股份權。

舊有計劃已於二零零一年五月二十五日終止，並由新優先認購股份權計劃（「新計劃」）所代替，新計劃之詳情與舊有者相同。根據新計劃，可能授出之優先認購股份權之股份數目最多不得超過本公司於批准計劃日期已發行股本之10%，惟不包括根據計劃條款失效之任何優先認購股份權。本年度內，概無任何本公司董事或僱員根據新計劃獲授或行使任何優先認購股份權。由二零零一年九月一日起，於上市規則第17條作出修訂後，本公司不能再根據新計劃進一步授出優先認購股份權。本公司正考慮在適當時候修訂新計劃之規則。

除本公司採納上述優先認購股份權計劃外，於本年度任何時間內，本公司或其任何附屬公司概無訂立任何安排，致使其董事、主要行政人員或任何彼等之配偶或未滿18歲子女可透過購入本公司或任何其他法人團體之股份或債券而獲取利益。

DIRECTOR'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

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, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that, the following company had an interest of 10% or more on the issued ordinary shares of the Company.

Name 名稱	Number of shares held 持有股份 數目	Percentage of total issued shares 佔已發行股份 總數百分比
CEH 光大集團	625,393,515 <i>(note)</i> (附註)	40.26%

Note: The 625,393,515 shares are beneficially held by CEH which comprise 625,369,515 shares and 24,000 shares held by Kenco Investments Limited and Everbright Investment & Management Limited respectively, both of which are indirect or direct wholly-owned subsidiaries of CEH.

董事於重大合約中之權益

本公司董事概無於本公司或其任何附屬公司參與訂立，並於年終或本年度任何時間內仍然生效之重大合約中直接或間接擁有任何重大權益。

本公司股本中之主要權益

於二零零一年十二月三十一日，根據本公司遵照披露權益條例第16(1)條所存置之主要股東名冊顯示，下列公司持有本公司已發行普通股10%或以上權益。

附註： 光大集團實益擁有625,393,515股股份之權益。Kenco Investments Limited持有其中625,369,515股股份及光大投資管理有限公司持有其中24,000股股份。該兩間公司為光大集團間接或直接持有之全資附屬公司。

Save for the shares referred to above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31 December 2001.

除上文所述股份外，於二零零一年十二月三十一日，本公司並無得悉任何其他人士持有本公司已發行股本10%或以上之任何其他權益。

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

Save as set out in note 25 on the financial statements, there were no other purchases, sales or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

購回、出售或贖回本公司之上市證券

除財務報表附註25所載者外，於本年度內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

**BANK LOANS**

Particulars of bank loans of the Company and the Group as at 31 December 2001 are set out in note 23 on the financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial year/period is set out on pages 86 and 87 of the annual report.

PROPERTIES

Particulars of the major properties of the Group are shown on page 88 of the annual report.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under Companies Law in the Cayman Islands.

RETIREMENT SCHEMES

The Group provides retirement benefits to all local eligible employees under an approved defined contribution provident fund ("the ORSO Scheme"). The ORSO Scheme is administered by independent trustees with its assets held separately from those of the Group. The ORSO Scheme is funded by contributions from employees and employers respectively at a rate of 5%, based on the monthly salary payments of employees. The unvested benefit of the employer's contribution, that is, the forfeited contributions can be utilised to reduce future contributions of the employers.

銀行貸款

本公司及本集團於二零零一年十二月三十一日之銀行貸款詳情載於財務報表附註23。

五年財務資料摘要

本集團於過去五個財政年度／期間之業績與資產及負債摘要載於本年報第86頁及第87頁。

物業

本集團主要物業詳情載於本年報第88頁。

優先購買權

開曼群島公司法並無訂明有關優先購買權之限制，本公司之公司章程細則對該項權利亦無訂立任何規定。

退休計劃

本集團為本地所有合資格僱員設立經批准的定額供款公積金（「該職業退休計劃」）。該職業退休計劃之資產由獨立信託人管理，並與本集團之資產分開持有。該職業退休計劃由僱主及僱員根據僱員月薪的5%分別供款。不發放予僱員之僱主供款部分（即沒收之供款）可用作扣減僱主日後之供款。

RETIREMENT SCHEMES (continued)

As from 1 December 2000, the Group also operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance not previously covered by the ORSO scheme. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$20,000.

The employees of the subsidiaries in the PRC are members of the Central Pensions Scheme operated by local authorities. The subsidiaries are required to contribute a certain percentage of their payroll to the Central Pensions Scheme to fund the benefits. The only obligation of the Group with respect to the Central Pensions Scheme is the required contributions under the Central Pensions Scheme.

The Group’s total contributions to these schemes charged to the profit and loss account during the year ended 31 December 2001 amounted to approximately HK\$1,270,000 (2000: HK\$1,100,000).

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 Listing Rules, except that the non-executive directors have not been appointed for specific terms and are subject to retirement in accordance with the Company’s Articles of Association.

退休計劃 (續)

於二零零零年十二月一日，本集團根據香港強制性公積金計劃條例為根據香港僱用條例聘用而未有參與職業退休計劃的僱員成立強制性公積金計劃（「強積金計劃」）。強積金計劃供款乃定額供款退休計劃，由獨立信託人管理。根據強積金計劃，僱主及其僱員須按僱員之有關入息的5%為基準供款，有關月入上限為20,000港元。

國內附屬公司之僱員均參加由當地機關設立之中央公積金計劃。附屬公司須按有關規定以員工薪金之若干百分比向中央公積金供款。本集團之唯一責任，僅為根據中央公積金計劃之規定向中央公積金供款。

截至二零零一年十二月三十一日止年度，本集團計入損益表之該等計劃總供款額約達1,270,000港元（二零零零年：1,100,000港元）。

遵守最佳應用守則

除本公司之非執行董事並無指定之委任年期，而需根據本公司之公司章程細則依章告退外，本公司於本年全內均遵守上市規則附錄十四所載監管之最佳應用守則。

**AUDITORS**

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the board
Wang Shaolan
Director and Chief Executive Officer

Hong Kong, 15 April 2002

核數師

畢馬威會計師事務所任滿告退，惟彼等已表示願意接受續聘。在本公司之應屆股東週年大會上將提呈一項決議案，續聘畢馬威會計師事務所為本公司之核數師。

承董事會命
王少蘭
董事兼行政總裁

香港，二零零二年四月十五日