

董事會謹此提呈截至二零零二年十二月三十一日止年度之報告及經審核財務報表。

主要業務

本公司為投資控股公司。各主要附屬公司、共同控制機構及聯營公司之業務分別載於財務報表附註41、17及18。

業績及分派

本集團截至二零零二年十二月三十一日止年度之業績載於第36頁之綜合收益表。

董事建議宣派末期息每股港幣3仙，合共約港幣21,882,000元，並將於二零零三年六月二十七日或該日前後派付予於二零零三年五月十二日名列本公司股東名冊內之股東。

財務概要

本集團過往五個財政期間之業績及資產與負債概要載於第100頁。

附屬公司、共同控制機構及聯營公司

本公司各主要附屬公司、共同控制機構及聯營公司於二零零二年十二月三十一日之詳情分別載於財務報表附註41、17及18。

物業、廠房及設備

自有關政府機關於二零零二年三月十四日批准對本集團之前共同控制機構上海聯合水泥有限公司（「上海水泥」）之合營合同及合營細則作出之修訂後，該公司已成為本公司之附屬公司，而本集團已於本年度內綜合計算該公司為港幣285,289,000元之物業、廠房及設備。

本集團物業、廠房及設備於年內之變動詳情載於財務報表附註14。

The directors present their report and the audited financial statements for the year ended 31st December, 2002.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of the principal subsidiaries, jointly controlled entity and associate are set out in notes 41, 17 and 18 to the financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2002 are set out in the consolidated income statement on page 36.

The directors recommend the declaration of a final dividend of HK3 cents per share amounting to approximately HK\$21,882,000 payable on or about 27th June, 2003 to shareholders whose names are on the Register of Members of the Company as of 12th May, 2003.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial periods is set out on page 100.

SUBSIDIARIES, JOINTLY CONTROLLED ENTITY AND ASSOCIATE

Details of the Company's principal subsidiaries, jointly controlled entity and associate as at 31st December, 2002 are set out in notes 41, 17 and 18 to the financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group consolidated the property, plant and equipment of HK\$285,289,000 of Shanghai Allied Cement Co., Ltd., ("Shanghai SAC") formerly a jointly controlled entity of the Group, since it became a subsidiary of the Company as a result of the approval of the amendments to its joint venture contract and joint venture articles by the relevant government authority on 14th March, 2002.

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

股本及購股權

本公司股本及購股權於年內之變動詳情分別載於財務報表附註27及28。

於本年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

儲備

本集團及本公司儲備於年內之變動詳情載於財務報表附註29。

借貸

須於一年內或要求時償還之銀行貸款、透支及其他借貸均歸類為流動負債。長期借貸之詳情載於財務報表附註26。本集團於年內並無將利息撥作資本。

董事

本公司於年內及截至本報告刊發日期止之董事如下：

董事：

許業榮，主席

黃清海，總裁及行政總裁

高成明，副總裁

李志剛

(於二零零二年一月十六日獲委任)

獨立非執行董事：

賴顯榮

勞偉安

根據本公司細則之規定，黃清海先生須告退，惟符合資格並願意膺選連任。各獨立非執行董事之任期為截至根據本公司細則規定輪流退任之期間為止。

SHARE CAPITAL AND SHARE OPTIONS

Details of movements during the year in the share capital and share options of the Company are set out in notes 27 and 28 to the financial statements respectively.

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

RESERVES

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

BORROWINGS

Bank loans and overdrafts and other borrowings repayable within one year or on demand are classified under current liabilities. Details of long term borrowings are set out in note 26 to the financial statements. No interest was capitalised by the Group during the year.

DIRECTORS

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

Directors:

David Hui Yip Wing, *Chairman*

Ng Qing Hai, *President and Chief Executive Officer*

Ko Sing Ming, *Vice President*

Li Chi Kong

(appointed on 16th January, 2002)

Independent non-executive directors:

Henry Lai Hin Wing

Lo Wai On

In accordance with the provisions of the Company's Bye-laws, Mr. Ng Qing Hai retires and, being eligible, offers himself for re-election. The term of office of each independent non-executive director is for a period up to his retirement by rotation in accordance with the provisions of the Company's Bye-laws.

擬於應屆股東週年大會上膺選連任之董事概無訂立本公司不付賠償(法定賠償除外)則不得於一年內終止之任何服務合約。

The director proposed for re-election at the forthcoming annual general meeting does not have any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事之股份權益

於二零零二年十二月三十一日，各董事、主要行政人員及彼等之聯繫人士概無擁有本公司及其聯營公司(定義見香港證券(披露權益)條例(「披露權益條例」))之任何股本權益。

DIRECTORS' INTERESTS IN SHARES

At 31st December, 2002, none of the directors, chief executive and their associates had any interests in the share capital of the Company and its associated corporations, within the meaning of the Hong Kong's Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance").

購股權

本公司購股權計劃之詳情載於財務報表附註28。

SHARE OPTIONS

Details of the Company's share option scheme are set out in note 28 to the financial statements.

於二零零二年內，本公司並無授出購股權，亦無任何購股權獲行使。

No options were granted nor exercised during the year of 2002.

董事認購股份或債券之權利

根據本公司之最終控股公司天安中國投資有限公司(「天安」)所採納之購股權計劃，本公司下列董事已獲授並接納可認購天安股份之購股權。該等董事所擁有先前以名義代價授出可認購天安股份之購股權之個人權益如下：

Directors		Exercise Price	Outstanding at 1.1.2002	Lapsed during the year	Outstanding at 31.12.2002
董事		行使價 HK\$ 港幣	於二零零二年 一月一日	年內失效	於二零零二年 十二月三十一日
許業榮	David Hui Yip Wing	0.51	20,000,000	20,000,000	—
黃清海	Ng Qing Hai	0.51	800,000	800,000	—
高成明	Ko Sing Ming	0.51	1,200,000	1,200,000	—

除上文所披露者外，本公司、其任何控股公司、其任何附屬公司或其任何同系附屬公司於年內任何時間並無參與任何安排，致使本公司董事可藉認購本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益，而各董事、主要行政人員或彼等之配偶或十八歲以下之子女於年內亦無擁有或行使任何該等權利。

董事於競爭業務之權益

除本集團業務外，董事並無在與本集團業務存在競爭或極可能直接或間接存在競爭之任何業務擁有權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the share option scheme adopted by Tian An China Investments Company Limited (“Tian An”), the Company’s ultimate holding company, options have been granted to and accepted by the following directors of the Company to subscribe for shares of Tian An. Details of these directors’ personal interests in the options to subscribe for shares of Tian An previously granted at nominal consideration are as follows:

Directors		Exercise Price	Outstanding at 1.1.2002	Lapsed during the year	Outstanding at 31.12.2002
董事		行使價 HK\$ 港幣	於二零零二年 一月一日	年內失效	於二零零二年 十二月三十一日
許業榮	David Hui Yip Wing	0.51	20,000,000	20,000,000	—
黃清海	Ng Qing Hai	0.51	800,000	800,000	—
高成明	Ko Sing Ming	0.51	1,200,000	1,200,000	—

Save as disclosed above, at no time during the year was the Company, any of its holding companies, any of its subsidiaries or any of its fellow 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 debt securities, including debentures, of the Company or any other body corporate, and none of the directors, chief executive or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

DIRECTORS' INTEREST IN COMPETING BUSINESSES

None of the directors is interested in any business apart from the Group’s businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

董事所擁有之合約權益

於年終時或年內任何時間概無存在任何由本公司、其任何控股公司、其任何附屬公司或任何同系附屬公司參與訂立，而本公司董事直接或間接擁有重大權益之重大合約。

主要股東

於二零零二年十二月三十一日，根據證券(披露權益)條例第16(1)條設立之主要股東登記冊所載，下列股東擁有本公司已發行股本10%或以上之權益：

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company, any of its holding companies, any of its subsidiaries or any of its fellow subsidiaries was a party and 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 SHAREHOLDERS

As at 31st December, 2002, the register of substantial shareholders required to be maintained under Section 16(1) of the Securities (Disclosure of Interests) Ordinance showed that the following shareholders had interests of 10% or more of the issued share capital of the Company:

名稱	Name	股份數目 Number of shares	附註 Notes
天安中國酒店房地產投資有限公司 (「天安中國酒店」)	Tian An China Hotel and Property Investments Company Limited ("TACHP")	500,000,000	1, 8
天安	Tian An	543,485,640	1, 2, 8
新鴻基有限公司(「新鴻基」)	Sun Hung Kai & Co. Limited ("SHK")	543,485,640	2, 3, 8
AP Emerald Limited(「APE」)	AP Emerald Limited ("APE")	543,485,640	2, 4, 8
AP Jade Limited(「APJ」)	AP Jade Limited ("APJ")	543,485,640	2, 5, 8
聯合地產(香港)有限公司 (「聯合地產」)	Allied Properties (H.K.) Limited ("APL")	543,485,640	2, 6, 8
聯合集團有限公司(「聯合集團」)	Allied Group Limited ("AGL")	543,485,640	2, 7, 8
Best Advantage Limited(「BAL」)	Best Advantage Limited ("BAL")	144,000,000	8
吳小俊	Ng Siu Chun	144,000,000	8

附註：

Notes:

- 該數字指天安中國酒店所持有之356,000,000股股份及由吳小俊先生(「吳先生」)向天安中國酒店之全資附屬公司BAL抵押而被認為擁有之144,000,000股股份權益之總和。
 - 該數字指天安工業投資有限公司(「天安工業」)之全資附屬公司Oasis Star Limited所持有之43,485,640股股份、天安中國酒店所持有之356,000,000股股份，及由吳先生向BAL抵押而被認為擁有之144,000,000股股份之總和。天安中國酒店及天安工業均為天安之全資附屬公司。
- The figure referred to the aggregate holding of 356,000,000 shares held by TACHP and the deemed interest in the 144,000,000 shares charged by Mr. Ng Siu Chun ("Mr. Ng") to BAL, a wholly owned subsidiary of TACHP.
 - The figure referred to the aggregate holding of 43,485,640 shares held by Oasis Star Limited, a wholly owned subsidiary of Tian An Industrial investments Company Limited ("TAIICL"), 356,000,000 shares held by TACHP and the deemed interest in the 144,000,000 shares charged by Mr. Ng to BAL. Both TACHP and TAIICL were wholly owned subsidiaries of Tian An.

3. 新鴻基直接及間接持有合共43.27%天安權益，因此被視為擁有該等股份權益。
4. APE乃新鴻基之控股公司，因此被視為擁有該等股份權益。
5. APJ擁有APE已發行股本之100%權益，因此被視為擁有該等股份權益。
6. 聯合地產擁有APJ已發行股本之100%權益，因此被視為擁有該等股份權益。
7. 聯合集團乃聯合地產之控股公司，因此被視為擁有該等股份權益。
8. 於二零零一年十二月二十日，吳先生與BAL訂立股份抵押協議，吳先生同意將7,200,000,000股（就二零零二年十二月二十日起生效之五十合一股份合併而調整為144,000,000股股份）抵押予BAL，作為吳先生適當遵守及履行由吳先生與BAL等各方所訂立買賣協議及補充協議之保證。

除上文所披露者外，據本公司所知，於二零零二年十二月三十一日並無其他佔本公司已發行股本10%或以上之權益。

優先購買權

本公司細則或百慕達法例並無有關本公司須按比例向現有股東發售新股之優先購買權規定。

主要客戶及供應商

本集團五大客戶佔銷售總額約43%，而最大客戶則佔本集團年內總營業額約26%。

本集團五大供應商佔採購總額約59%，而最大供應商則佔本集團年內總採購額約17%。

3. SHK held a total of 43.27% interest directly and indirectly in Tian An and was therefore deemed to have interest in the shares.
4. APE was the holding company of SHK and was therefore deemed to have interest in the shares.
5. APJ owned 100% interest in the issued share capital of APE and was therefore deemed to have interest in the shares.
6. APL owned 100% interest in the issued share capital of APJ and was therefore deemed to have interest in the shares.
7. AGL was the holding company of APL and was therefore deemed to have interest in the shares.
8. On 20th December, 2001, Mr. Ng entered into a share charge with BAL, whereby Mr. Ng charged his 7,200,000,000 shares (adjusted to 144,000,000 shares for the share consolidation of 50 to 1 with effect from 20th December, 2002) to BAL to secure the due observance and performance by Mr. Ng of his obligations under a sale and purchase agreement and a supplemental agreement entered among, inter alia, Mr. Ng and BAL.

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31st December, 2002.

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.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers accounted for approximately 43% and the largest customer accounted for approximately 26% of the Group's total turnover for the year.

The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 59% and the largest supplier accounted for approximately 17% of the Group's total purchases for the year.

各董事、其聯繫人士及就董事所知擁有本公司股本5%以上之股東概無擁有本集團五大客戶及五大供應商之任何權益。

關連交易

1. 二零零二年三月十三日，本公司公佈上海水泥之股東於二零零一年十二月二十八日簽訂協議，修訂上海水泥之合營企業合同及合營企業章程，以提昇上海水泥管理效率（「修訂」）。根據修訂，上海水泥之董事會決議案將由多數上海水泥董事投票贊成而通過。修訂已於二零零二年三月十四日生效，上海水泥已成為本公司之附屬公司。

本公司或其附屬公司（包括上海水泥）之若干交易已成為本公司之關連交易而須遵守香港聯合交易所有限公司證券上市規則（「上市規則」）有關披露及／或股東批准之規定。

其中一項交易為上海水泥與上海水泥之主要股東上海水泥廠（「上海水泥廠」）於一九九五年十二月十六日訂立之租約，根據租約，上海水泥廠將若干器材及設施租予上海水泥使用（「交易」）。由二零零二年三月十四日起至二零零二年十二月三十一日止期間之交易總額達港幣3,647,000元。獨立非執行董事已審閱交易及確認於二零零二年之交易乃：

- (i) 由本公司於日常及一般業務中進行；
- (ii) 按一般商業條款，並就本公司股東而言乃公平合理之條款進行；

None of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers and five largest suppliers.

CONNECTED TRANSACTIONS

1. On 13th March, 2002, the Company announced that the shareholders of Shanghai SAC had entered into an agreement to amend the joint venture contract and joint venture articles of Shanghai SAC on 28th December, 2001 for the purpose of enhancing efficient management in Shanghai SAC (the "Amendment"). Pursuant to the Amendment, resolutions of the board of directors of Shanghai SAC will be approved by majority affirmative voting of the directors of Shanghai SAC. The Amendment became effective on 14th March, 2002 and Shanghai SAC became a subsidiary of the Company.

Certain transactions of the Company or its subsidiaries (including Shanghai SAC) became connected transactions of the Company and were subject to the disclosure and/or shareholders' approval requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

One such transaction was the leasing agreement dated 16th December, 1995 entered into between Shanghai SAC and Shanghai Cement Factory ("SCF"), a substantial shareholder of Shanghai SAC, pursuant to which certain equipments and facilities were leased from SCF for the use of Shanghai SAC (the "Transaction"). The aggregate amount of the Transaction for the period from 14th March, 2002 to 31st December, 2002 amounted to HK\$3,647,000. The independent non-executive directors have reviewed the Transaction and confirmed that the Transaction was:

- (i) entered into in the ordinary and usual course of business of the Company;
- (ii) conducted on normal commercial terms and fair and reasonable so far as the shareholders of the Company were concerned;

- (iii) 根據規範交易之協議條款進行；及
- (iv) 於二零零二年之交易全年總額低於香港聯合交易所有限公司(「聯交所」)同意之有關最高金額。

其他關連交易為上海水泥就天安之全資附屬公司天安(上海)投資有限公司(「天安上海」)及天安之間接全資附屬公司上海天洋房地產有限公司(「上海天洋」)之借款分別為人民幣25,000,000元及人民幣20,000,000元提供擔保(「天安擔保」及「天洋擔保」)。就上海水泥提供之擔保，天安上海及上海天洋須每年支付擔保本金額1%之擔保費作為代價。由於天安乃本公司之控股股東，故緊隨上海水泥成為本公司之附屬公司後，天安擔保及天洋擔保構成本公司之關連交易。有關交易已獲得本公司股東於二零零二年五月二十三日批准。

- (2) 於二零零二年七月八日，本公司公佈本公司與天安於二零零二年七月八日訂立協議(「總協議」)，根據總協議，本公司與天安將作出對應安排，促使彼等各自於中國人民共和國(「中國」)之附屬公司就其他中國附屬公司之借款提供擔保(「聯合水泥擔保」及「天安擔保」)。本公司之附屬公司每年就天安之附屬公司以聯合水泥擔保獲得之借款本金總額之1%作為擔保費。天安之附屬公司亦就所提供之天安擔保收取相同比率之擔保費，根據上市規則，總協議及聯合水泥擔保構成本公司之關連交易，並已獲得本公司股東於二零零二年八月十九日批准。獨立非執

- (iii) entered into in accordance with the terms of the agreement governing the Transaction; and
- (iv) the aggregate annual amount of the Transaction in 2002 was within the relevant maximum amount as agreed by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Another connected transaction was the provision of guarantees by Shanghai SAC in relation to the borrowings of Tian An (Shanghai) Investments Co. Ltd ("Tian An Shanghai"), a wholly-owned subsidiary of Tian An, and Shanghai Tian Yang Real Estate Co. Ltd ("Shanghai Tian Yang"), an indirect non-wholly owned subsidiary of Tian An, in the sums of RMB25,000,000 (the "Tian An Guarantee") and RMB20,000,000 (the "Tian Yang Guarantee") respectively. Tian An Shanghai and Shanghai Tian Yang were required to pay a guarantee fee of 1% per annum on the principal amount of the guarantees as consideration for the provision by Shanghai SAC of the guarantees. As Tian An was the controlling shareholder of the Company, both the Tian An Guarantee and the Tian Yang Guarantee constituted connected transactions of the Company immediately after Shanghai SAC became a subsidiary of the Company. The transaction was approved by the shareholders of the Company on 23rd May, 2002.

- (2) On 8th July, 2002, the Company announced that an agreement dated 8th July, 2002 (the "Master Agreement") was entered into between the Company and Tian An, pursuant to which the Company and Tian An agreed to have a reciprocal arrangement to procure their respective subsidiaries in the People's Republic of China (the "PRC") to provide guarantee(s) to secure the borrowings of other subsidiaries in the PRC (the "SAC Guarantees" and "Tian An Guarantees"). A guarantee fee of 1% per annum was charged by the Company's subsidiaries on the aggregate principal amount of borrowings by Tian An's subsidiaries secured by SAC Guarantees. The same rate of guarantee fee was also charged by Tian An's subsidiaries for Tian An's Guarantees provided vice versa. Under the Listing Rules, the Master Agreement and the SAC Guarantees constituted connected

行董事已審閱於二零零二年之聯合水泥擔保及確認聯合水泥擔保乃：

- (i) 按一般商業條款，並就本公司股東而言乃公平合理之條款進行；
- (ii) 根據總協議之條款進行；及
- (iii) 天安之附屬公司於截至二零零二年十二月三十一日止年度內任何時間因聯合水泥擔保而獲得之借款本金總額低於聯交所同意之有關最高金額人民幣100,000,000元。

公司監管

董事認為，本公司於整個年度內已遵守上市規則附錄14所載之最佳應用守則之規定。

本公司之審核委員會成員包括兩位獨立非執行董事賴顯榮先生及勞偉安先生，並制訂其書面職權範圍。

核數師

本公司將於股東週年大會提呈決議案，續聘德勤•關黃陳方會計師行為核數師。

代表董事會

黃清海
行政總裁

香港，二零零三年三月二十日

transactions of the Company, which were approved by the shareholders of the Company on 19th August, 2002. The independent non-executive directors have reviewed the SAC Guarantees for 2002 and confirmed that the SAC Guarantees were:

- (i) on normal commercial terms and fair and reasonable so far as the shareholders of the Company were concerned;
- (ii) provided in accordance with the terms of the Master Agreement; and
- (iii) the aggregate principal amount of borrowings of Tian An's subsidiaries covered by the SAC Guarantees at any time during the year ended 31st December, 2002 was within the relevant maximum amount of RMB100 million as agreed by the Stock Exchange.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

The audit committee of Company consists of two independent non-executive directors of the Company, Mr. Henry Lai Hin Wing and Mr. Lo Wai On, with written terms of reference.

AUDITORS

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

On behalf of the Board

Ng Qing Hai
Chief Executive Officer

Hong Kong, 20th March, 2003