

董事會報告書

DIRECTORS' REPORT

董事會同寅欣然將截至二零零二年十二月三十一日止年度之報告書連同經審核之財務報告表呈覽。

主要業務

本公司為一間投資控股公司，其主要附屬公司、聯營公司及共同控制公司之主要業務已分別詳載於財務報告表附註39、40及41。

本集團於年內之營業額主要來自中國之業務。本集團截至二零零二年十二月三十一日止年度之營業額及除稅前之溢利貢獻按主要業務詳載於財務報告表附註4。

附屬公司、聯營公司及共同控制公司

有關本公司於二零零二年十二月三十一日之主要附屬公司、聯營公司及共同控制公司的詳情已載於財務報告表附註39、40及41。

業績及溢利分配

本集團截至二零零二年十二月三十一日止年度之業績已詳載於第61頁之綜合利潤表。

董事會建議不派發股息及保留本年度溢利。

管理層討論及分析

管理層討論及分析已載於第10頁至第23頁。

The directors are pleased to present their annual report together with the audited financial statements for the year ended 31st December, 2002.

Principal Activities

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries, associates and jointly controlled entities are respectively shown in notes 39, 40 and 41 to the financial statements.

The Group's turnover for the year was derived mainly from activities carried out in the PRC. The breakdown by principal activities of the Group's turnover and contribution to profit before taxation for the year ended 31st December, 2002 is set out in note 4 to the financial statements.

Subsidiaries, Associates and Jointly Controlled Entities

Details of the Company's principal subsidiaries, associates and jointly controlled entities as at 31st December, 2002 are respectively set out in notes 39, 40 and 41 to the financial statements.

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 61.

The directors do not recommend the payment of a dividend and recommend the profit for the year be retained.

Management Discussion and Analysis

The management discussion and analysis is set out on pages 10 to 23.

物業、廠房及設備

於年內，

- (a) 有關政府機構於二零零二年三月十四日批准本集團的一間共同控制公司上海聯合水泥有限公司修訂其合營企業合同和章程後，令之成為本公司之一間附屬公司，自此，本集團合併其215,289,000港元之物業、廠房及設備。
- (b) 本集團購入之物業、廠房及設備總值約10,349,000港元。

有關本集團於年內之物業、廠房及設備詳情及其他變動之詳情已載於財務報告表附註13。

投資項目

於年內，若干開售項目合共146,122,000港元轉為投資項目。本集團重估所有投資項目截至年底之價值，因重新估價而引起的盈餘為24,482,000港元，其中本集團應佔的17,515,000港元已入賬投資項目重估儲備。

本集團於年內之投資項目詳情及其他變動已載於財務報告表附註14。

物業權益

本集團物業權益已詳列於第24頁至第34頁。

股本、購股權及認股權證

股本、購股權及認股權證之變動情況已載於財務報告表附註25。

儲備

有關本集團及本公司於年內之儲備變動已載於財務報告表附註26。

Property, Plant and Equipment

During the year,

- (a) The Group consolidated the property, plant and equipment of HK\$215,289,000 of Shanghai Allied Cement Co., Ltd, 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.
- (b) The Group acquired property, plant and equipment totalling approximately HK\$10,349,000.

Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

Investment Properties

During the year, certain completed properties for sale of HK\$146,122,000 were transferred to investment properties. The Group revalued all of its investment properties as at the year end date. The surplus arising on the revaluation amounted to HK\$24,482,000 in which revaluation surplus attributable to the Group of HK\$17,515,000 has been credited to the investment property revaluation reserve.

Details of these and other movements during the year in the investment properties of the Group are set out in note 14 to the financial statements.

Interests in Properties

Particulars of the Group's interests in properties are set out on pages 24 to 34.

Share Capital, Options and Warrants

Movements in share capital, options and warrants are set out in note 25 to the financial statements.

Reserves

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

董事會報告書 (續)**DIRECTORS' REPORT (continued)****財務摘要**

本集團於過去五個財政年度之業績及資產與負債概要已載於第157頁。

借款及資本化之利息

須於一年內償還或應要求下償還之銀行貸款、透支及其他借款歸納於流動負債內。有關附息及免息貸款之還款詳情分別載於財務報告表附註27及28。本集團於年內就發展中物業而轉作資本化之利息為58,581,000港元，詳情載於財務報告表之附註8。

董事會

在本年度及截至本報告書日期為止，本公司董事會之成員如下：

執行董事

許業榮
李成偉
勞景祐
朱希鐸

(於二零零二年五月三十一日退任)

非執行董事

鄭慕智
楊麗琛
吳 玗

(於二零零三年三月五日辭任)

張 冬

(於二零零三年三月五日辭任)

現任執行董事及非執行董事均將在任至彼等依據本公司組織章程細則第一零三條於每屆股東週年大會上按序退任為止。

根據上述章程細則，許業榮先生及李成偉先生於將召開之股東週年大會任期屆滿，按序退任，如再獲選，均願繼續連任。

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 157.

Borrowings and Interest Capitalised

Bank loans, overdrafts and other borrowings which are repayable within one year or on demand are classified as current liabilities. Repayment analyses of interest-bearing and interest-free borrowings are respectively set out in notes 27 and 28 to the financial statements. Interest capitalised by the Group during the year in respect of properties under development amounted to HK\$58,581,000, details of which are set out in note 8 to the financial statements.

Directors

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

Executive Directors:

David Hui Yip Wing
Patrick Lee Seng Wei
Edwin Lo King Yau
Zhu Xiduo

(retired on 31st May, 2002)

Non-Executive Directors:

Moses Cheng Mo Chi
Lisa Yang Lai Sum
Wu Gan

(resigned on 5th March, 2003)

Zhang Dong

(resigned on 5th March, 2003)

Both the executive directors and non-executive directors shall hold office until they become due to retire by rotation at each annual general meeting in accordance with Article 103 of the Company's Articles of Association.

In accordance with the above Article, Mr. David Hui Yip Wing and Mr. Patrick Lee Seng Wei shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

董事及高級管理人員之個人資料

執行董事

許業榮，五十三歲，一九九六年十二月出任為本公司董事總經理。加入本公司前，許先生曾任一個從事紡織業之上市集團之董事達七年，負責該集團之整體運作，主力於策劃管理、財務控制、整頓架構以及履行品質管理方面。許先生在一九八九年加入工業界前，乃一金融機構之董事總經理，並有超過十年銀行經驗。許先生亦為本公司主要股東新鴻基有限公司之副主席及行政總裁，並為上海聯合水泥股份有限公司之主席。

李成偉，五十一歲，一九九六年六月出任本公司執行董事。李先生為一名建築師，曾於澳洲IBM服務，其後在馬來西亞及香港參與地產發展工作超過二十年，彼於物業發展具廣泛經驗。李先生亦為本公司主要股東新鴻基有限公司及聯合地產(香港)有限公司之董事。

勞景祐，四十二歲，為特許公司秘書，並為澳洲Macquarie University之應用財務碩士，於一九九九年八月獲委任為本公司之執行董事。彼曾於香港多間公司履任多項行政職位，包括在上市公司出任公司秘書。勞先生現為聯合集團有限公司之董事。

獨立非執行董事

鄭慕智，五十三歲，一九九七年五月獲委任為本公司獨立非執行董事。鄭先生乃香港胡百全律師事務所之資深合夥人，並於一九九一年至一九九五年間為香港立法局議員。彼現擔任香港董事學會及公民教育促進委員會主席。鄭先生同時亦為其他多間上市公司之獨立非執行董事。

Biographical Details of Directors and Senior Management

Executive Directors

David Hui Yip Wing, aged 53, was appointed the Managing Director of the Company in December 1996. Before joining the Company, Mr. Hui was, for seven years, a director of a listed textile group, where he had overall responsibilities for its operations, with special emphasis on strategic planning, financial control and the re-engineering and implementation of the concept of total quality management. Prior to joining the industrial sector in 1989, Mr. Hui was the Managing Director of a financial institution and has over 10 years of experience in banking. He is the Deputy Chairman and Chief Executive Officer of Sun Hung Kai & Co. Limited, a substantial shareholder of the Company, and the Chairman of Shanghai Allied Cement Limited.

Patrick Lee Seng Wei, aged 51, became an Executive Director of the Company in June 1996. Mr. Lee is an architect and worked for IBM Australia before becoming involved in property development in Malaysia and Hong Kong for more than twenty years. He has extensive experience in the property field. He is a director of Sun Hung Kai & Co. Limited and Allied Properties (H.K.) Limited, substantial shareholders of the Company.

Edwin Lo King Yau, aged 42, a chartered company secretary and holder of a Master's Degree in Applied Finance from Macquarie University, Australia, was appointed Executive Director of the Company in August 1999. He has served in various executive roles in several companies in Hong Kong including company secretary for publicly listed companies. He is currently a director of Allied Group Limited.

Independent Non-Executive Directors

Moses Cheng Mo Chi, aged 53, was appointed an Independent Non-Executive Director of the Company in May 1997. Mr. Cheng is a Senior Partner of P.C. Woo & Co., a firm of solicitors and notaries in Hong Kong. Mr. Cheng was a member of the Legislative Council of Hong Kong between 1991 and 1995. He is currently the Chairman of the Hong Kong Institute of Directors and the Committee on the Promotion of Civic Education. He also serves on the boards of various listed companies as an independent non-executive director.

董事會報告書 (續)**DIRECTORS' REPORT (continued)****董事及高級管理人員之個人資料 (續)****獨立非執行董事 (續)**

楊麗琛，三十六歲，一九九九年十一月獲委任為本公司獨立非執行董事。彼現為香港執業律師，亦為李梅生律師行之合夥人。楊小姐畢業於澳洲雪梨大學，取得法律及經濟學士學位，亦取得澳洲及英國之律師資格。

高級行政人員

蔡建初，四十七歲，於一九九一年三月加入本集團。現為本集團華東地區副總經理。蔡先生畢業於中國東南大學土木工程系，擁有工學學士學位和中國政府頒發的建築管理高級工程師資格，具有二十年建築設計、城市規劃和房地產開發經驗。蔡先生為中國土木工程學會資深會員。

周正遊，四十四歲，本集團華東地區總經理，一九九七年六月加入本集團。周先生擁有十餘年中國房地產發展及投資經驗。

陳春祥，五十七歲，於一九九六年十一月加入本集團，為本集團華東地區副總經理。陳先生畢業於上海交通大學電機工程系，現為註冊房地產評估師和註冊造價工程師，具備超過三十年的各類工程和物業發展經驗。

蔡楚珠，四十歲，於一九九七年一月加入本集團。現為本集團副總經理，負責本集團人力資源、行政及公關事宜。蔡小姐畢業於香港中文大學，擁有工商管理學士學位及香港城市大學中國法與比較法學碩士學位。

Biographical Details of Directors and Senior Management (continued)**Independent Non-Executive Directors (continued)**

Lisa Yang Lai Sum, aged 36, was appointed an Independent Non-Executive Director of the Company in November 1999. She is a practising solicitor in Hong Kong and is a partner of Maurice Lee, Tsang, Ng-Quinn & Tang. She graduated from the University of Sydney with a Bachelor's Degree in Law and Economics and is also qualified as a solicitor in Australia and England.

Senior Management

Cai Jian Chu, aged 47, joined the Group in March 1991. He is a Deputy General Manager of the Eastern China Region. Mr. Cai graduated from China's Southeast University with a Bachelor's Degree in Engineering and was certificated Senior Engineer of Construction Management by China government. Mr. Cai is also a senior member of the China Institute of Civil Engineering. He has 20 years experience in architecture, town planning, property development in China.

Chau Ching Yau, aged 44, the General Manager of the Eastern China Region, joined the Group in June 1997. Mr. Chau has over ten years of experience in property development and investment in China.

Chen Chun Xiang, aged 57, joined the Group in November 1996. He is a Deputy General Manager of the Eastern China Region. Graduating from the Electric Engineering Department of Shanghai Jiao Tong University, Mr. Chen is a Registered Real Estate Appraiser and a Registered Cost Engineer. He has more than 30 years of experience in the fields of engineering, construction and property development.

Choi Chor Chu, aged 40, joined the Group in January 1997. She is a Deputy General Manager of the Group responsible for the Group's human resources, administration and public relations affairs. Ms. Choi holds a Bachelor's Degree in Business Administration from The Chinese University of Hong Kong and Master's Degree in Chinese and Comparative Law from The City University of Hong Kong.

董事及高級管理人員之個人資料 (續)

高級行政人員 (續)

高成明，三十五歲，於一九九八年三月加入本集團。現為本集團副總經理兼公司秘書，負責法律及公司秘書事務、資訊科技、系統策劃及推行品質管理。高先生擁有工商數量分析學士學位及公司行政深造文憑，並為英國公認會計師公會之資深會員，具有超過十年會計及國內投資管理經驗。彼亦是上海聯合水泥股份有限公司的董事。

顧永雄，四十四歲，本集團合約部高級經理，一九九四年五月加入本集團，顧先生為英國皇家特許測量師學會會員。顧先生具有十多年合同管理及成本控制經驗。

馬申，六十二歲，本集團總經理，並同時出任本集團華南地區總經理，一九八四年加入新鴻基證券有限公司，一九八五年轉調本集團。除擁有機電工程學士學位外，馬先生擁有豐富機電工程經驗及超過二十年的中國商貿、金融投資及物業發展經驗。彼亦是本公司全資附屬公司天安（深圳）實業發展有限公司之董事長兼總經理。

Biographical Details of Directors and Senior Management (continued)

Senior Management (continued)

Ko Sing Ming, aged 35, joined the Group in March 1998. He is the Deputy General Manager and Company Secretary of the Group responsible for legal and secretarial affairs, IT affairs, system re-engineering and the implementation of total quality management. Mr. Ko holds a Bachelor's Degree in Quantitative Analysis for Business and a Postgraduate Diploma in Corporate Administration, and is a fellow member of The Association of Chartered Certified Accountants. He has over 10 years of experience in accounting and managing PRC investments. He is also a director of Shanghai Allied Cement Limited.

Eric Ku Wing Hung, aged 44, is the Senior Contracts Manager of the Group. He joined the Group in May 1994. Mr. Ku is an associate member of The Royal Institution of Chartered Surveyors. Mr. Ku has over 10 years experience in contract management and cost control in construction field.

Ma Sun, aged 62, is the General Manager of the Group and the Southern China Region. Mr. Ma joined Sun Hung Kai Securities Limited in 1984 and was then transferred to the Group in 1985. Besides holding a Bachelor's Degree in Electrical Engineering, he has extensive experience in electrical engineering and over 20 years of experience in China commercial business, financial investment and property development. Mr. Ma is also the Chairman and General Manager of Tian An (Shenzhen) Enterprise Development Ltd., a wholly-owned subsidiary of the Company.

董事會報告書 (續)**DIRECTORS' REPORT (continued)****董事及高級管理人員之個人資料 (續)****高級行政人員 (續)**

謝妙龍，三十六歲，本集團華東地區副總經理兼財務總監。一九九七年加入本集團。謝先生為英國公認會計師公會會員及馬來西亞會計師公會會員，具有十餘年的財務管理及商業經驗。

杜燦生，三十八歲，本集團財務總監，一九九四年五月加入本集團。杜先生為香港會計師公會會員及英國特許管理會計師公會會員，並擁有工商管理碩士學位。杜先生具有超過十年財務管理及中國商業經驗。

楊杰，三十七歲，本集團華東地區副總經理，一九九二年八月加入本集團。楊先生擁有上海同濟大學建築管理工程系及南京大學計算機軟件系學士學位。楊先生具有超過十年中國房地產發展及投資經驗。

楊亮賢，四十五歲，本集團的物業及酒店管理部總經理，一九九八年加入本集團，除負責集團內的酒店及物業管理外，還負責經營附屬本集團的港力物業管理有限公司。楊先生擁有酒店管理學士學位及具備超過十年管理國內一級酒店及物業經驗。

Biographical Details of Directors and Senior Management (continued)**Senior Management (continued)**

Alan Sia Meow Leng, aged 36, is a Deputy General Manager and Financial Controller of the Eastern China Region. He joined the Group in 1997. Mr. Sia is a fellow member of The Association of Chartered Certified Accountants and Malaysian Institute of Accountants. Mr. Sia has over 10 years of experience in financial management and commercial business.

Sunny Tao Tsan Sang, aged 38, is the Financial Controller of the Group. He joined the Group in May 1994. Mr. Tao is an associate member of The Hong Kong Society of Accountants and The Chartered Institute of Management Accountants and holds a Master's Degree of Business Administration. Mr. Tao has over 10 years of experience in financial management and China business field.

Yang Jie, aged 37, is a Deputy General Manager of the Eastern China Region. He joined the Group in August 1992. Mr. Yang graduated from the Department of Construction Management of Tongji University and Department of Computer of Nanjing University and has two bachelor's degrees. He has over ten years of experience in property development and investment in China.

Michael Yeung Leung Yin, aged 45, is the General Manager of the Property & Hotel Management Department of the Group. Mr. Yeung joined the Group in 1998. Besides managing the Group's properties and hotels, he is also responsible for running the Group's subsidiary – Cornell Property Services Co., Ltd. Mr. Yeung holds a Bachelor's Degree of Business Administration in Hotel Management and has over 10 years of China experience in managing deluxe hotels and first class commercial real estate.

董事及高級管理人員之個人資料 (續)

高級行政人員 (續)

姚增元，六十二歲，本集團華北地區總經理，一九九七年八月加入本集團。姚先生於一九六四年畢業於上海同濟大學，擁有土木及機電工程學士學位，具有三十年以上專業經驗及在國內物業市場建立穩固地位。

余耀輝，五十一歲，本集團華北地區副總經理，一九九七年加入本集團。余先生畢業於美國Purdue University，獲土木工程學士及碩士學位。余先生現為香港工程師學會會員，特許結構工程師，亦為香港及美國註冊專業工程師。余先生具備超過二十年工程、建築及物業發展之經驗。

董事之證券權益

於二零零二年十二月三十一日，根據證券(披露權益)條例(「披露權益條例」)第29條規定所存放之登記冊，各董事及其聯繫人士概無持有本公司或其任何相聯法團之任何股本或債務證券之權益。

Biographical Details of Directors and Senior Management (continued)

Senior Management (continued)

James York Tseng Yuan, aged 62, is the General Manager of the Northern China Region. He joined the Group in August 1997. Mr. York graduated from Shanghai Tongji University in 1964 with a Bachelor's Degree of Civil and Mechanical Engineering. He has more than 30 years of experience in building service fields and is well established in mainland China property circles.

Raymond Yu Yiu Fai, aged 51, is the Deputy General Manager of the Northern China Region. He joined the Group in 1997. Mr. Yu graduated from Purdue University USA with both Bachelor's and Master's Degrees in Civil Engineering. He is currently a member of the Hong Kong Institute of Engineers, a chartered structural engineer, a registered professional engineer (structural) in Hong Kong and a registered professional civil engineer in the United States. Mr. Yu has over 20 years of experience in engineering, construction and property development.

Directors' Interests in Securities

As at 31st December, 2002, none of the Directors or their associates had interests in the equity or debt securities of the Company or any of its associated corporations according to the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance").

董事會報告書 (續)

DIRECTORS' REPORT (continued)

購股權

(a) 本公司

本公司購股權計劃的資料已載於財務報告表附註25。

下表披露本公司之購股權於本年之詳情：

Share Options

(a) The Company

Particulars of the Company's share option scheme are set out in note 25 to the financial statements.

The following table shows details of the Company's share options during the year of 2002:

	授出日期 Date of Grant	購股權數目 Number of Share Options			每股 行使價 Exercise Price per Share	行使期間 Exercisable Period
		於二零零二年 一月一日 As at 1st January, 2002	於年 內失效 Lapsed during the Year	於二零零二年 十二月三十一日 As at 31st December, 2002		
董事 Directors					港幣 HK\$	
許業榮 David Hui Yip Wing	二零零零年三月一日 1st March, 2000	20,000,000	20,000,000	0	0.51	二零零零年九月一日至 二零零二年八月三十一日 1st September, 2000 to 31st August, 2002
李成偉 Patrick Lee Seng Wei	二零零零年三月一日 1st March, 2000	6,000,000	6,000,000	0	0.51	二零零零年九月一日至 二零零二年八月三十一日 1st September, 2000 to 31st August, 2002
勞景祐 Edwin Lo King Yau	二零零零年三月一日 1st March, 2000	14,000,000	14,000,000	0	0.51	二零零零年九月一日至 二零零二年八月三十一日 1st September, 2000 to 31st August, 2002
僱員 Employees	二零零零年三月一日 1st March, 2000	21,000,000	21,000,000	0	0.51	二零零零年九月一日至 二零零二年八月三十一日 1st September, 2000 to 31st August, 2002
合計 Total		61,000,000	61,000,000	0		

購股權 (續)

(a) 本公司 (續)

於兩年行使期間 (由授予日起六個月後開始) 之第一個至第六個月內, 最高可行使50%購股權, 其餘50%購股權, 則可於兩年行使期間內之第十三至第二十四個月內行使。倘於第一個至第六個月期間, 行使少於50%購股權, 這些尚未行使之購股權, 可結轉至第十三至第二十四個月行使。

除以上所披露者外, 於年內, 各董事或彼等之配偶或未滿十八歲子女概無獲授予認購本公司股本或債務證券之權利, 亦無行使該等權利。

(b) 附屬公司 – 上海聯合水泥股份有限公司 (「上聯水泥」)

上聯水泥購股權計劃的資料已載於財務報告表附註25。

於年內, 並無根據上聯水泥計劃授出任何購股權, 亦無任何購股權被行使。

購買股份或債券之安排

除根據本公司之購股權計劃向若干董事授予用以認購本公司股份之購股權外, 本公司或其任何附屬公司於本年度內並無參與任何安排, 使本公司董事或彼等之配偶或十八歲以下子女可藉收購本公司或其他公司之股份或債券從而獲得利益。

重要合約之董事權益

本公司或任何其附屬公司在本年度終結或本年度內, 並無參與與本公司董事或前任董事直接或間接擁有重大利益之重要合約。

Share Options (continued)

(a) *The Company (continued)*

A maximum of 50% of the options may be exercised during the first to sixth month of the 2-year exercisable period (commencing on the expiry of six months after the date of grant) and the remaining 50% are exercisable during the thirteenth to twenty-fourth month of the 2-year period. If no option or less than 50% of the options are exercised during the first to sixth month, these unexercised options can be carried forward to the thirteenth to twenty-fourth month.

Save as disclosed above, no rights to subscribe for equity or debt securities of the Company had been granted to or exercised by any Directors or their spouses or children under the age of 18 at any time during the year.

(b) *Subsidiary – Shanghai Allied Cement Limited (“SAC”)*

Particulars of the share option scheme of SAC are set out in note 25 to the financial statements.

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

Arrangements to Acquire Shares or Debentures

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or their spouse 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 with the exception of the share options to subscribe for shares in the Company granted to certain directors under the share options scheme.

Directors' Interests in Contracts of Significance

No contract of significance to which the Company or any of its subsidiaries was a party and in which the directors, or former directors, 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.

董事會報告書 (續)**DIRECTORS' REPORT (continued)****管理及服務合約**

年內並無訂立或存在有關本公司或其任何附屬公司之任何業務全部或任何重要部份之管理及行政之重要合約。

並無擬於即將召開之股東週年大會上膺選連任及再獲委任之董事與本公司或其任何附屬公司簽訂僱主一方須付出賠償金(法定賠償除外)始能於一年內終止之服務合約。

主要客戶及供應商

於本年度,本集團最大五位客戶之銷售總額及本集團最大五位供應商之採購總額均各自少於本集團銷售總額及採購總額之30%。

據董事會所知,持有本公司發行股本5%以上的本公司董事、彼等之聯繫人士或任何股東並無在本集團的五個最大供應商及客戶擁有任何實益權益。

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)條規定所存放之登記冊所載,持有本公司已發行股本10%或以上權益之人士如下:

名稱 Name	股份數目 Number of Shares	附註 Notes
新鴻基有限公司(「新鴻基」) Sun Hung Kai & Co. Limited (“SHK”)	3,674,079,379	
AP Emerald Limited (“APE”)	3,674,079,379	1, 2
AP Jade Limited (“APJ”)	3,674,079,379	1, 3
聯合地產(香港)有限公司(「聯合地產」) Allied Properties (H.K.) Limited (“APL”)	3,674,079,379	1, 4
聯合集團有限公司(「聯合集團」) Allied Group Limited (“AGL”)	3,674,079,379	1, 5

Management and Service Contracts

No contract of significance concerning the management and administration of the whole or any substantial part of any business of the Company or any of its subsidiaries was entered into or existed during the year.

No director proposed for re-election and re-appointment at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

Major Customers and Suppliers

During the year, both the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's sales and purchases respectively.

None of the directors of the Company, their associates or any shareholders, which to the knowledge of the directors of the Company owned more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest suppliers and customers.

Substantial Shareholders

As at 31st December, 2002, those parties having an interest in 10% or more of the issued share capital of the Company as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance were as follows:

主要股東 (續)

附註：

1. 此數字與新鴻基持有之3,674,079,379股股份相同。
2. APE乃新鴻基之控股公司，因此被視作擁有該等股份之權益。
3. APJ持有APE100%已發行股本，因此被視作擁有該等股份之權益。
4. 聯合地產持有APJ100%已發行股本，因此被視作擁有該等股份之權益。
5. 聯合集團乃聯合地產之控股公司，因此被視作擁有該等股份之權益。

董事於競爭性業務之利益

於年內及截至本報告日期止，按上市規則規定，下列董事（獨立非執行董事除外）被視為於與本集團之業務構成競爭或可能構成競爭之業務中擁有利益，詳情如下：

1. 許業榮先生及李成偉先生為新鴻基有限公司之董事，該公司之若干附屬公司部份從事經營借貸之業務。
2. 李成偉先生為聯合地產（香港）有限公司之董事，該公司之一間附屬公司部份從事經營借貸之業務。
3. 勞景祐先生為聯合集團有限公司之董事，該公司透過若干附屬公司部份從事經營借貸之業務。

由於本公司之董事會與上述公司之董事會均獨立運作，而上述各董事亦未能控制本公司之董事會，故本集團能獨立於該等公司之業務運作，及基於各自利益來經營業務。

Substantial Shareholders (continued)

Notes:

1. The figure refers to the same holding of 3,674,079,379 shares held by SHK.
2. APE was the holding company of SHK and was therefore deemed to have interest in the shares.
3. APJ owned 100% interest in the issued share capital of APE and was therefore deemed to have interest in the shares.
4. APL owned 100% interest in the issued share capital of APJ and was therefore deemed to have interest in the shares.
5. AGL was the holding company of APL and was therefore deemed to have interest in the shares.

Directors' Interests in Competing Businesses

During the year and up to the date of this report, the following directors (not being the independent non-executive directors) are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

1. Mr. David Hui Yip Wing and Mr. Patrick Lee Seng Wei are directors of Sun Hung Kai & Co. Limited which, through certain subsidiaries, are partly engaged in the business of money lending.
2. Mr. Patrick Lee Seng Wei is a director of Allied Properties (H.K.) Limited which, through a subsidiary, is partly engaged in the business of money lending.
3. Mr. Edwin Lo King Yau is a director of Allied Group Limited which, through certain subsidiaries, is partly engaged in the business of money lending.

As the Board of Directors of the Company is independent from the boards of the abovementioned companies and none of the above directors can control the board of the Company, the Group is capable of carrying on its businesses independently of, and at arms length, from the businesses of such companies.

董事會報告書 (續)**DIRECTORS' REPORT (continued)****關連交易**

- 於二零零一年二月二十三日，本公司間接持有60%權益的附屬公司南京天都實業有限公司（「天都」）與東亞銀行上海分行（「東亞銀行」）訂立了一項貸款協議（「貸款協議」），東亞銀行同意由簽訂貸款協議之日起，給予天都貸款7,000萬港元（「貸款」），為期三年，為興建由天都擁有的項目（「項目」）提供資金。

該貸款附有之利率為東亞銀行報價的香港優惠利率加年息0.5%，並將項目按揭，作為償還保證。

該貸款由本公司按一般商務條款提供擔保（「貸款擔保」），確保完全償還本金和利息。

根據該貸款協議，本公司與持有天都其餘40%權益之股東（「其他股東」）出具一項完成及超支擔保（「完成及超支擔保」），共同及個別促使（其中包括）該項目的建設及完成，並對因建設及完成該項目而直接或間接引起的費用作出擔保。而出具完成及超支擔保乃本公司於物業發展項下一般業務運作。

就貸款協議向天都提供財務資助而作出的貸款擔保和完成及超支擔保，根據上市規則第14.25(2)(a)條均屬本公司的關連交易。

Connected Transactions

- On 23rd February, 2001, Nanjing Tiandu Industry Co., Ltd. ("Tiandu"), a 60% indirectly-owned subsidiary of the Company, entered into a loan agreement (the "Loan Agreement") with The Bank of East Asia, Limited, Shanghai Branch ("BEA") whereby BEA agreed to grant to Tiandu a loan facility of HK\$70 million (the "Loan Facility") for a period of 3 years from the date of the Loan Agreement to finance the construction of a property owned by Tiandu (the "Property").

The Loan Facility bore interest at 0.5% per annum over Hong Kong Prime Rate quoted by BEA and was secured by a mortgage on the Property.

The Loan Facility was guaranteed ("Loan Guarantee") by the Company for the full repayment of the principal and interests under normal commercial terms.

According to the Loan Agreement, the Company together with the other shareholders of Tiandu which hold the remaining 40% interests (the "Other Shareholders") issued a completion and funding guarantee (the "Completion and Funding Guarantee") on a joint and several basis to procure, inter alia, the construction and completion of the Property and guaranteed all direct and indirect expenses involved in the construction and completion of the Property. The issue of the Completion and Funding Guarantee is required in the normal course of the Company in property development.

The Loan Guarantee and the Completion and Funding Guarantee by the Company under the Loan Agreement for the purpose of granting financial assistance to Tiandu each constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

關連交易 (續)

2. 除以上所述外，天都與交通銀行南京分行分別於二零零二年二月五日、二零零二年三月二十八日、二零零二年五月十五日、二零零二年六月十九日、二零零二年六月二十八日、二零零二年八月二十六日、二零零二年九月二十三日、二零零二年十月二十九日、二零零二年十二月十七日及二零零二年十二月二十九日訂立十項貸款協議（「貸款協議」）。天都獲授合共人民幣29,930,000元（「貸款」），作為一般營運資金。該貸款分別附有年息5.6808%和6.2280%，並須於各項貸款協議簽訂日期起一年內償還。

該貸款乃由本公司之全資附屬公司天安（上海）投資有限公司（「天安上海」）與其他股東就貸款協議向天都提供財務資助，根據上市規則第14.25(2)(a)條均屬本公司的關連交易。

3. 於二零零一年七月二十六日，本公司宣佈本公司與本公司之主要股東新鴻基有限公司（「新鴻基」）及其全資附屬公司 *Texgulf Limited*（「Texgulf」）達成一項租務協議，以使本公司可租用兩個辦公室。根據上市規則之規定，該份租務協議的詳情現披露如下：

- (a) 本公司向新鴻基分租位於香港金鐘道八十八號太古廣場一期十二樓（「單位一」），佔地約1,140平方呎，租期由二零零一年六月一日至二零零五年三月三十一日止，月租為68,970.00港元。

Connected Transactions (continued)

2. In addition to the above, pursuant to ten loan agreements entered into between Tiandu and Bank of Communications, Nanjing Branch on 5th February, 2002, 28th March, 2002, 15th May, 2002, 19th June, 2002, 28th June, 2002, 26th August, 2002, 23rd September, 2002, 29th October, 2002, 17th December, 2002 and 29th December, 2002 (the “Loan Agreements”) whereby Tiandu had obtained loan facilities in aggregate of RMB29.93 million (the “Loan Facilities”) for the general working capital purposes. The Loan Facilities bore respective interest at 5.6808% and 6.2280% per annum and were repayable within one year from the date of the respective Loan Agreements.

The Loan Facilities were guaranteed by a wholly-owned subsidiary of the Company, Tian An (Shanghai) Investments Co., Ltd. (“Tian An Shanghai”), and the Other Shareholders under the Loan Agreements for the purpose of granting financial assistance to Tiandu each constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

3. On 26th July, 2001, the Company announced that a memorandum (the “Memorandum”) was entered into with Sun Hung Kai & Co. Limited (“SHK”), a substantial shareholder of the Company, and *Texgulf Limited* (“Texgulf”), a wholly-owned subsidiary of SHK, for the use of two office premises by the Company. Particulars of the rental agreements are disclosed herebelow in accordance with the requirements of the Listing Rules:

- (a) The Company had sub-leased approximately 1,140 sq.ft. located at Level 12, One Pacific Place, 88 Queensway, Hong Kong (“Premises 1”) from SHK at a rental of HK\$68,970.00 per month for the period from 1st June, 2001 to 31st March, 2005.

董事會報告書 (續)**DIRECTORS' REPORT (continued)****關連交易 (續)**

- (b) 本公司向Texgulf 租用位於香港夏慤道十八號海富中心二座十一樓(「單位二」)，佔地約985平方呎，租期由二零零一年五月一日至二零零五年三月三十一日止，月租為31,421.50港元。

上述租務乃根據當時之市場租金水平而釐定，而該租務協議並無延續租務安排之選擇權。本公司之董事(包括獨立非執行董事)認為該租務協議之條款皆屬公平合理及按一般商業條款而釐定。

於二零零二年度，單位一的分租面積修訂為約1,290平方米，月租為78,045.00港元；本公司亦於同年在不用賠償Texgulf之情況下退租單位二。

4. 於二零零一年十二月二十九日，本公司之一間非全資附屬公司常州天安城市發展有限公司(「常州天安」)與中國建設銀行(「建設銀行」)訂立了一項貸款協議(「第一項貸款協議」)，建設銀行同意由簽訂第一項貸款協議之日起，給予常州天安貸款人民幣1,000萬元(「第一項貸款」)，為期一年，年息6.435%。

Connected Transactions (continued)

- (b) The Company had leased approximately 985 sq.ft. located at 11/F., Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong ("Premises 2") from Texgulf at a rental of HK\$31,421.50 per month for the period from 1st May, 2001 to 31st March, 2005.

The above two leases were determined on the basis of the prevailing market rate. The agreement does not provide an option to further renew the rental agreement. The directors (including the independent non-executive directors) of the Company were of the view that the terms and conditions of the rental agreement were fair and reasonable and on normal commercial terms.

During the year of 2002, the sub-leased area for Premises 1 was revised to approximately 1,290 sq.ft. at a monthly rental of HK\$78,045.00. The Company also surrendered Premises 2 to Texgulf without payment of any compensation.

4. On 29th December, 2001, Changzhou Tian An City Development Co., Ltd. ("Changzhou Tian An"), a non-wholly owned subsidiary of the Company, entered into a loan agreement (the "First Loan Agreement") with The People's Construction Bank of China ("Construction Bank") whereby Construction Bank agreed to grant to Changzhou Tian An a loan facility of RMB10 million (the "First Loan Facility") for a period of one year from the date of the First Loan Agreement. The First Loan Facility bore interest at 6.435% per annum.

關連交易 (續)

於二零零二年六月七日，常州天安與中國工商銀行（「工商銀行」）訂立了另一項貸款協議（「第二項貸款協議」），工商銀行同意由簽訂第二項貸款協議之日起，給予常州天安貸款人民幣500萬元（「第二項貸款」），為期一年，年息6.1066%。

第一項貸款及第二項貸款乃由天安上海按一般商務條款提供擔保（「貸款擔保」），而天安上海則擁有常州天安90%權益。

鑑於常州長江經濟技術開發總公司持有常州天安10%權益，常州長江經濟技術開發總公司屬本公司關連人士（定義見上市規則）。根據上市規則第14.25(2)(a)條，天安上海就第一項貸款協議及第二項貸款協議而作出的貸款擔保，乃按照一般商務條款，屬本公司的關連交易。

5. 本公司之一間非全資附屬公司上海天洋房地產有限公司（「上海天洋」）分別於二零零一年四月三十日、二零零一年五月十八日、二零零一年五月二十三日、二零零一年十二月十五日、二零零二年五月十六日及二零零二年十一月十五日與招商銀行、中國農業銀行及交通銀行訂立六項貸款協議（「貸款協議」）。上海天洋獲授無抵押貸款合共人民幣1.08億元（「貸款」），作為一般營運資金。該貸款分別附有年息6.435%、6.039%和5.544%，並須於各項貸款協議簽訂日期起一年內償還。

Connected Transactions (continued)

On 7th June, 2002, Changzhou Tian An entered into another loan agreement (the “Second Loan Agreement”) with Industrial and Commercial Bank of China (“Industrial & Commercial Bank”) whereby Industrial & Commercial Bank agreed to grant to Changzhou Tian An a loan facility of RMB5 million (the “Second Loan Facility”) for a period of one year from the date of the Loan Agreement. The Second Loan Facility bore interest at 6.1066% per annum.

The First Loan Facility and the Second Loan Facility were both guaranteed (the “Loan Guarantees”) by Tian An Shanghai which holds 90% interests in Changzhou Tian An, under normal commercial terms.

By virtue only of its 10% holdings in Changzhou Tian An, 常州長江經濟技術開發總公司 is a connected person (as defined in the Listing Rules) of the Company. The Loan Guarantees by Tian An Shanghai under the First Loan Agreement and the Second Loan Agreement were provided upon normal commercial terms and each constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

5. Pursuant to six loan agreements entered into between Shanghai Tianyang Real Estate Co., Ltd. (“Shanghai Tianyang”), a non-wholly owned subsidiary of the Company, together with China Merchant Bank, Agricultural Bank of China and Bank of Communications on 30th April, 2001, 18th May, 2001, 23rd May, 2001, 15th December, 2001, 16th May, 2002 and 15th November, 2002 (the “Loan Agreements”), Shanghai Tianyang obtained unsecured loan facilities in aggregate of RMB108 million (the “Loan Facilities”) for the purpose of general working capital. The Loan Facilities bore respective interest of 6.435%, 6.039% and 5.544% per annum and were repayable within one year from the date of the respective Loan Agreements.

董事會報告書 (續)

DIRECTORS' REPORT (continued)

關連交易 (續)

四項於二零零一年獲授之貸款乃由天安上海作出擔保，而兩項於二零零二年獲授之貸款乃由天安上海與上海聯洋集團有限公司（「上海聯洋」）共同擔保，所有擔保乃按照一般商務條款提供。天安上海擁有上海天洋80%權益，而上海聯洋則持有上海天洋其餘20%權益，上海聯洋就其在上海天洋擁有股權而成為本公司關連人士（定義見上市規則）。根據上市規則第14.25(2)(a)條，天安上海就各項貸款協議而作出的貸款擔保，屬本公司的關連交易。

6. 上海聯合水泥有限公司（「上海水泥」）於二零零二年三月十四日修訂其合營企業合同和章程後即成為本公司之一間間接非全資擁有附屬公司。上海水泥分別於二零零二年一月二十一日、二零零二年五月三十一日、二零零二年六月十九日、二零零二年九月二十日及二零零二年十一月十三日與中國農業銀行及上海銀行訂立五項貸款協議（「貸款協議」）。上海水泥獲授無抵押貸款合共人民幣4,120萬元（「貸款」），作為一般營運資金。該貸款附有年息由5.31%至6.435%，並須於各項貸款協議簽訂日期起一年內償還。

該貸款乃由天安上海按照一般商務條款提供擔保（「貸款擔保」）。

鑑於上海水泥廠持有上海水泥40%權益，就其上海水泥擁有股權以及上文所提及彼修訂其合營企業合同和章程後而成為本公司關連人士（定義見上市規則）。根據上市規則第14.25(2)(a)條，天安上海就貸款協議而作出的貸款擔保，屬本公司的關連交易。

Connected Transactions (continued)

The four Loan Facilities granted in 2001 were guaranteed by Tian An Shanghai, while the two Loan Facilities granted in 2002 were guaranteed jointly by Tian An Shanghai and 上海聯洋集團有限公司（「上海聯洋」），all under normal commercial terms. Tian An Shanghai holds 80% interests in Shanghai Tianyang and 上海聯洋 holds the remaining 20% interests in Shanghai Tianyang. 上海聯洋 is a connected person (as defined in the Listing Rules) of the Company by virtue only of its shareholding in Shanghai Tianyang. The loan guarantees by Tian An Shanghai under the Loan Agreements each constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

6. After the amendment of its joint venture contract and articles on 14th March, 2002, Shanghai Allied Cement Co., Ltd. ("Shanghai SAC") became an indirect non-wholly owned subsidiary of the Company. Pursuant to five loan agreements entered into by Shanghai SAC with Agricultural Bank of China and Bank of Shanghai on 21st January, 2002, 31st May, 2002, 19th June, 2002, 20th September, 2002 and 13th November, 2002 (the "Loan Agreements"), Shanghai SAC obtained unsecured loan facilities in aggregate of RMB41.2 million (the "Loan Facilities") for the purpose of general working capital. The Loan Facilities bore interest at 5.31% to 6.435% per annum and were repayable within one year from the date of the respective Loan Agreements.

The Loan Facilities were guaranteed (the "Loan Guarantee") by Tian An Shanghai under normal commercial terms.

上海水泥廠，which holds 40% interests in Shanghai SAC, is a connected person (as defined in the Listing Rules) of the Company by virtue only of its shareholding in Shanghai SAC and the amendment of the joint venture contract and articles of Shanghai SAC as above-mentioned. The Loan Guarantee by Tian An Shanghai under the Loan Agreements constitutes a connected transaction of the Company pursuant to paragraph 14.25(2)(a) of the Listing Rules.

關連交易 (續)

此外，上海水泥與上海水泥廠於一九九五年十二月十六日訂立一份租約。根據該租約，上海水泥廠將若干器材及設施租予上海水泥使用（該「交易」）。由二零零二年三月十四日至二零零二年十二月三十一日期間之該交易總額達3,647,000港元。該交易亦屬本公司的關連交易。

7. 除以上所述外，於二零零二年七月八日，本公司與本公司持有54.77%股權的上海聯合水泥股份有限公司（「上聯水泥」）簽訂了一份互相擔保總協議（「總協議」）。根據該總協議，本公司與上聯水泥安排雙方在國內成立的附屬公司互相為對方的附屬公司在國內借貸時提供擔保。

該總協議的主要條款如下：

- (a) 由上聯水泥或本公司附屬公司分別作擔保的貸款本金總額在任何時間均不得超逾人民幣1億元；
- (b) 每年上聯水泥或本公司之附屬公司作擔保須各自向對方收取貸款本金總額的1%為擔保費。本公司或上聯水泥或各自的聯系人士就雙方附屬公司所提供的擔保不提供任何抵押；
- (c) 總協議有效期不超過3年，所有由本公司或上聯水泥之附屬公司提供擔保的有效期不可超逾總協議的有效期；及

Connected Transactions (continued)

Besides, a leasing agreement was entered into between Shanghai SAC and 上海水泥廠 on 16th December, 1995 under which certain equipment and facilities were leased from 上海水泥廠 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 Transaction also constitutes a connected transaction of the Company.

7. In addition to the above, on 8th July, 2002, the Company entered into a master agreement (the "Master Agreement") with Shanghai Allied Cement Limited ("SAC") in which the Company owns approximately 54.77% interest, under which the Company and SAC had a reciprocal arrangement to procure their respective subsidiaries established in the PRC to provide guarantees to secure the borrowings of each other's subsidiaries in the PRC.

The principal terms of the Master Agreement are as follows:

- (a) the aggregate principal amount of borrowings to be secured by the guarantees provided by the subsidiaries of the Company or SAC shall not at any time exceed RMB100 million respectively;
- (b) a guarantee fee at the rate of 1% per annum will be charged by their respective subsidiaries on the aggregate principal amount of borrowings to be secured by the guarantees provided by the subsidiaries of the Company or SAC and no security will be provided by the Company or SAC or their respective associates as security for the provision of guarantees by the subsidiaries of SAC or the Company;
- (c) the term of the Master Agreement is up to 3 years and no guarantees provided by the Company or SAC's subsidiaries shall have a validity beyond the term of the Master Agreement; and

董事會報告書 (續)**DIRECTORS' REPORT (continued)****關連交易 (續)**

- (d) 由本公司或上聯水泥附屬公司提供的擔保須按照一般商務條款及於有關公司的一般業務範圍內訂立。

根據上市規則第14.25(2)(a)條，本公司之附屬公司就總協議的規定而提供的擔保，屬本公司的關連交易。

購回、出售或贖回上市證券

本公司或其任何附屬公司概無於本年度內購回、出售或贖回本公司任何上市證券。

最佳應用守則

本公司於截至二零零二年十二月三十一日止年度內，均遵守上市規則附錄十四所載之最佳應用守則。

捐款

年內本集團捐款達463,150港元。

核數師

本公司截止二零零二年十二月三十一日止之財務報告表為德勤•關黃陳方會計師行審核。一項關於委任德勤•關黃陳方會計師行為本公司核數師之議案，將於即將舉行之股東週年大會上提呈。

代表董事會

董事總經理

許業榮

香港，二零零三年三月二十六日

Connected Transactions (continued)

- (d) the terms of the guarantees provided by the subsidiaries of the Company or SAC shall be on normal commercial terms and in the ordinary course of business of the companies concerned.

Pursuant to paragraph 14.25(2)(a) of the Listing Rules, whenever a guarantee is provided by the Company's subsidiaries under the Master Agreement, it will constitute a connected transaction of the Company.

Purchase, Sale or Redemption of Listed Securities

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

Compliance with Code of Best Practice

The Company has complied throughout the year ended 31st December, 2002 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

Donations

During the year, the Group made donations amounting to HK\$463,150.

Auditors

The financial statements for the year ended 31st December, 2002 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

David Hui Yip Wing

Managing Director

Hong Kong, 26th March, 2003