

The directors present their report together with the audited financial statements of the Company and the Group for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group during the year consisted of undertaking building facade projects. These projects involve the design, manufacture and installation of fabricated aluminium and stainless steel products for buildings, such as curtain wall and cladding systems, windows, doors, skylights and other related products. The Group is also engaged in the generation and sale of electric and steam power in the regional industrial areas of Hangzhou in the People's Republic of China (the "PRC") through its 70% owned subsidiary, Hangzhou Sealand Electric Power Company Limited. During the year, the Group also holds interests in the net income of a jointly-controlled operation of the ultimate holding company in relation to the business of helicopter development, manufacturing and distribution. Details of this new business activity are set out in note 15 to the financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2002 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 32 to 117 of the Annual Report.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2002.

董事會謹此呈報董事會報告，連同本公司及本集團截至二零零二年十二月三十一日止年度之經審核財務報告。

主要業務

本公司之主要業務為投資控股。本年度內，本集團之主要業務包括承接大廈外牆裝飾工程，該等工程包括設計、製造及安裝主要用於大廈之鋁製及不銹鋼產品，例如玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品。本集團亦透過擁有70%權益之附屬公司杭州海聯熱電有限公司在中華人民共和國（「中國」）杭州市工業區從事生產及銷售電力及蒸汽。年內，本集團亦於最終控權公司共同控制有關直升機開發，製造及分銷業務的淨收入擁有權益。該新業務之詳情載於財務報告附註15。

業績及股息

本集團截至二零零二年十二月三十一日止年度之溢利及本公司與本集團於該日之財政狀況載於本年報第32至117頁之財務報告。

董事會並不建議派付截至二零零二年十二月三十一日止年度之任何股息。

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 118 of this Annual Report. This summary does not form part of the audited financial statements.

INVESTMENT PROPERTIES AND FIXED ASSETS

Details of movements in the investment properties and fixed assets of the Group and the Company during the year are set out in notes 13 and 14 to the financial statements, respectively.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in notes 28 and 29 to the financial statements.

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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

財務資料概要

有關本集團已公佈之最近五個財政年度之業績以及資產及負債之概要(摘錄自經審核財務報告並適當地重新分類)載於本年報第118頁,該概要並非構成經審核財務報告之一部份。

投資物業及固定資產

本公司及本集團於本年度內有關投資物業及固定資產變動之詳情分別載於財務報告附註13及14。

股本及購股權

本公司於本年度內之股本及購股權之變動詳情載於財務報告附註28及29。

優先購買權

本公司之公司細則或百慕達法律並無優先購買權之規定,規定本公司必須按現時股東所佔股份比例而對其發售新股。

買賣或贖回本公司上市證券

年內,本公司及其任何附屬公司概無買賣或贖回本公司任何上市證券。

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements and in the consolidated summary statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2002, the Company had no reserves available for distribution to shareholders as computed in accordance with the Companies Act 1981 of Bermuda (as amended). The Company's share premium of HK\$273,184,163 as at 31 December 2002 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and turnover attributable to major suppliers and customers are as follows:

Percentage of purchases:	採購額百分率：
From the largest supplier	來自最大供應商
From the five largest suppliers	來自五大供應商
Percentage of turnover:	營業額百分率：
From the largest customer	來自最大客戶
From the five largest customers	來自五大客戶

儲備

本公司及本集團於年內之儲備變動詳情載於財務報告附註30及綜合權益變動摘要表。

可供分派儲備

按百慕達一九八一年公司法(修訂本)之規定計算，於二零零二年十二月三十一日，本公司並無任何儲備可供分派予股東。本公司於二零零二年十二月三十一日之股份溢價273,184,163港元可按繳足股款紅股形式予以分派。

主要客戶及供應商

以下為主要供應商及客戶佔本集團採購額及營業額之百分率：

	2002 二零零二年 %	2001 二零零一年 %
Percentage of purchases:		
From the largest supplier	7	10
From the five largest suppliers	24	35
Percentage of turnover:		
From the largest customer	12	22
From the five largest customers	52	71

Far East Aluminium Works Company Limited, the Company's principal operating subsidiary, was the nominated subcontractor for a number of property development projects of certain subsidiaries of Cheung Kong (Holdings) Limited which collectively are the Group's second largest customer for 2002. As far as the executive directors are aware, Beauty Queen Limited, a wholly-owned subsidiary of Cheung Kong (Holdings) Limited, owns more than 5% of the issued share capital of the Company. Apart from the above, none of the directors, their associates nor any shareholders who, to the knowledge of the directors, own more than 5% of the Company's issued share capital had any interests in the five major suppliers and customers.

DIRECTORS

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

Yang Chunshu
Wang Xinyan
Ji Guirong
Yu Li
Ren Haifeng
Cui Wei
Ip Tak Chuen, Edmond*
Li Ka Cheung, Eric**
Chu Yu Lin, David**

* *Non-executive director*

** *Independent non-executive directors*

本公司之主要營運附屬公司遠東鋁質工程有限公司為本集團二零零二年度之第二大客戶長江實業(集團)有限公司旗下若干附屬公司之多個物業發展項目之指定分判商。就執行董事所知，長江實業(集團)有限公司之全資附屬公司Beauty Queen Limited擁有本公司已發行股本5%以上。除上述者外，就董事所知，擁有本公司已發行股本5%以上之各董事、彼等聯繫人士或任何股東概無擁有五大供應商及客戶之任何權益。

董事

本公司於年內及截至本年報日期之董事如下：

楊春澍
汪鑫炎
季貴榮
于莉
任海峰
崔衛
葉德銓*
李家祥**
朱幼麟**

* *非執行董事*

** *獨立非執行董事*

Pursuant to the bye-laws of the Company, Messrs. Ip Tak Chuen, Edmond, Li Ka Cheung, Eric and Chu Yu Lin, David will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

The non-executive director and independent non-executive directors are not appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 16 to 21 of this Annual Report.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31 December 2002, the interests of the directors in the shares of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

Name of director
董事名稱

Ren Haifeng
任海峰

根據本公司細則，葉德銓先生、李家祥先生及朱幼麟先生將於即將舉行之股東週年大會上輪值告退，但符合資格並願膺選連任。

董事之服務合約

根據本公司細則，非執行董事及獨立非執行董事並無指定任期，惟須在股東週年大會輪值告退，並膺選連任。

本公司並無與在即將舉行之股東週年大會上提名連任之董事訂立本公司若不支付賠償金(法定賠償除外)則不可於一年內終止之服務合約。

董事及高級管理人員之履歷

本公司董事及本集團高級管理人員之履歷詳情載於本年報第16至21頁。

董事所擁有之股本權益

於二零零二年十二月三十一日，根據本公司遵照證券(披露權益)條例(「披露權益條例」)第29條存置之登記名冊所載，董事所擁有本公司或其任何聯營公司(定義見披露權益條例)之股本權益如下：

**Number of shares held and
nature of interest**
持股數目及權益性質

Personal
個人權益
4,400,000

The interests of the directors in the share options of the Company are separately disclosed in note 29 to the financial statements.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Directors' interests in share capital" above and in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

Due to the adoption during the year of the Statement of Standard Accounting Practice No. 34 "Employee benefits", most of the detailed disclosures relating to the Company's share option schemes have been moved to note 29 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

No director during the year had a beneficial interest, either direct or indirect, in any significant contract to which the Company or any of its holding companies and subsidiaries was a party at the balance sheet date or at any time during the year.

董事所擁有本公司購股權之權益於本財務報告附註29另行披露。

除上文所披露者外，各董事或彼等聯繫人士概無於本公司或其任何聯營公司(定義見披露權益條例)之股本或債務證券中擁有任何個人、家族、公司或其他權益。

董事所擁有認購股份或債券之權力

除上文「董事所擁有之股本權益」一段與本財務報告附註29所披露之詳情外，於年內任何時間，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出權力，可藉購買本公司股份或債券而獲益，彼等亦無行使任何該等權力；本公司或其任何附屬公司亦概無參與任何安排可使任何董事或彼等各自之配偶或未滿18歲子女於任何其他法人團體中取得該等權力。

購股權計劃

由於年內採納了會計實務準則第34號「僱員福利」，有關披露本公司購股權計劃之大部分詳情已移至本財務報告附註29。

董事於合約之權益

年內，各董事於結算日或年內任何時間與本公司或其任何控股公司及附屬公司所訂立之任何重大合約中概無直接或間接擁有實益權益。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2002, the following interests of every person in 10% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance were as follows:

Shareholder	股東	Number of shares held issued 持股數目	Percentage of the Company's share capital 佔本公司已發行股本之百分比
Tacko International Limited ("Tacko")	Tacko International Limited (「Tacko」)	1,265,767,000 (Note 1) (附註1)	34.44
CATIC (H.K.) Limited ("CATIC (H.K.)")	中國航空技術進出口(香港)有限公司 (「中航技術(香港)」)	1,265,767,000 (Note 1) (附註1)	34.44
Speed Profit Enterprises Limited ("Speed Profit")	凱得利國際有限公司(「凱得利」)	508,616,000 (Note 2) (附註2)	13.84
Catic International Finance Limited ("Catic Finance")	凱迪克國際財務有限公司 (「凱迪克國際財務」)	508,616,000 (Note 2) (附註2)	13.84
China National Aero-Technology Import & Export Corporation ("CATIC")	中國航空技術進出口總公司 (「中航技總公司」)	1,774,383,000 (Note 3) (附註3)	48.27
China Aviation Industries Corporation I ("AVIC I")	中國航空工業第一集團公司 (「中航工業I」)	1,774,383,000 (Note 3) (附註3)	48.27
China Aviation Industries Corporation II ("AVIC II")	中國航空工業第二集團公司 (「中航工業II」)	1,774,383,000 (Note 3) (附註3)	48.27

Notes:

- (1) Tacko is a wholly-owned subsidiary of CATIC (H.K.), which is in turn a wholly-owned subsidiary of CATIC. Under the SDI Ordinance, both CATIC (H.K.) and CATIC are deemed to be interested in the 1,265,767,000 shares held by Tacko.
- (2) Speed Profit is a wholly-owned subsidiary of Catic Finance, which is in turn a wholly-owned subsidiary of CATIC. Under the SDI Ordinance, both Catic Finance and CATIC are deemed to be interested in the 508,616,000 shares held by Speed Profit.
- (3) CATIC is owned as to 50% by AVIC I and as to 50% by AVIC II. Each of CATIC, AVIC I and AVIC II is deemed under the SDI Ordinance to be interested in the aggregate of the shares stated in (1) and (2) above (i.e. an aggregate of 1,774,383,000 shares held by Tacko and Speed Profit).

主要股東

於二零零二年十二月三十一日，本公司根據披露權益條例第16(1)條設置之登記名冊所載，擁有本公司已發行股本10%或以上權益之人士如下：

Shareholder	股東	Number of shares held issued 持股數目	Percentage of the Company's share capital 佔本公司已發行股本之百分比
Tacko International Limited ("Tacko")	Tacko International Limited (「Tacko」)	1,265,767,000 (Note 1) (附註1)	34.44
CATIC (H.K.) Limited ("CATIC (H.K.)")	中國航空技術進出口(香港)有限公司 (「中航技術(香港)」)	1,265,767,000 (Note 1) (附註1)	34.44
Speed Profit Enterprises Limited ("Speed Profit")	凱得利國際有限公司(「凱得利」)	508,616,000 (Note 2) (附註2)	13.84
Catic International Finance Limited ("Catic Finance")	凱迪克國際財務有限公司 (「凱迪克國際財務」)	508,616,000 (Note 2) (附註2)	13.84
China National Aero-Technology Import & Export Corporation ("CATIC")	中國航空技術進出口總公司 (「中航技總公司」)	1,774,383,000 (Note 3) (附註3)	48.27
China Aviation Industries Corporation I ("AVIC I")	中國航空工業第一集團公司 (「中航工業I」)	1,774,383,000 (Note 3) (附註3)	48.27
China Aviation Industries Corporation II ("AVIC II")	中國航空工業第二集團公司 (「中航工業II」)	1,774,383,000 (Note 3) (附註3)	48.27

附註：

- (1) Tacko為中航技術(香港)之全資附屬公司，而中航技術(香港)則為中航技總公司之全資附屬公司。根據披露權益條例，中航技術(香港)及中航技總公司均被視作擁有由Tacko持有之1,265,767,000股股份之權益。
- (2) 凱得利為凱迪克國際財務之全資附屬公司，而凱迪克國際財務則為中航技總公司之全資附屬公司。根據披露權益條例，凱迪克國際財務及中航技總公司均被視作擁有由凱得利持有之508,616,000股股份之權益。
- (3) 中航工業I及中航工業II分別擁有中航技總公司50%。根據披露權益條例，中航技總公司、中航工業I及中航工業II均被視作擁有上文(1)及(2)之股份(即由Tacko及凱得利持有合共1,774,383,000股股份)之權益。

Save for the interests referred to above, as at 31 December 2002, no other person or corporation had any interest in the shares of the Company as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance.

CONNECTED TRANSACTIONS

During the year, the Group had certain transactions with related parties, details of which are set out in note 34 to the financial statements.

COMPLIANCE WITH CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the accounting year covered by the Annual Report, except that the non-executive director and independent non-executive directors are not appointed for a specific term as required by paragraph 7 of the Code, but are subject to retirement by rotation at the annual general meeting of the Company in accordance with the bye-laws of the Company.

AUDIT COMMITTEE

The Company has an audit committee, which was established in accordance with the requirements of the Code of Best Practice, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the two independent non-executive directors of the Company.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 35 to the financial statements.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Yang Chunshu
Chairman

Hong Kong
28 March 2003

除上述權益外，根據披露權益條例第16(1)條設置之登記名冊所載，於二零零二年十二月三十一日並無任何人士或公司擁有本公司任何股份權益。

關連交易

年內，本集團與關連人士進行若干交易，詳情載於財務報告附註34。

遵守最佳應用守則

董事會認為本公司於本報告所述之會計年度內一直遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則（「守則」），惟本公司之非執行董事及獨立非執行董事並無按守則第七段要求指定任期，惟須依據本公司細則於本公司股東週年大會上輪流告退。

審核委員會

本公司根據最佳應用守則之規定成立審核委員會，以審核及監督本集團財務申報過程及內部監控。審核委員會由本公司兩名獨立非執行董事組成。

結算日後事項

有關本集團重大結算日後事項之詳情載於財務報告附註35。

核數師

安永會計師事務所任滿告退，而即將舉行之股東週年大會上將提呈決議案續聘該會計師事務所為本公司核數師。

代表董事會

主席
楊春澍

香港，二零零三年三月二十八日