

Report of the Directors

董事會報告

The Directors are pleased to present their annual report together with the audited accounts of Hopson Development Holdings Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries, associates and jointly controlled entity are principally engaged in investment holding and property development, property investment and property management.

An analysis of the Group's turnover and their respective contributions to operating profit for the year ended 31st December 2002 by business segment is as follows:

		Turnover	Contribution to operating profit
		營業額	經營溢利 貢獻
		HK\$'000	HK\$'000
		千港元	千港元
Property development	物業發展	2,073,847	414,541
Property investment	物業投資	18,414	16,573
Property management	物業管理	34,528	1,209
		2,126,789	432,323
Other revenue	其他收入		2,632
			434,955

No analysis of the Group's turnover and contributions to operating profit by geographical location is presented as substantially all of the Group's turnover and profit for the year ended 31st December 2002 were derived from activities carried out in mainland China.

董事會欣然提呈合生創展集團有限公司(「本公司」)及其附屬公司(以下統稱「本集團」)截至二零零二年十二月三十一日止年度的年報連同經審核賬目。

主要業務

本公司為一間投資控股公司，旗下各附屬公司、聯營公司及共同控制實體主要從事投資控股、物業發展、物業投資及物業管理業務。

本集團截至二零零二年十二月三十一日止年度按業務劃分的營業額及其各自對經營溢利的貢獻分析如下：

由於大部份本集團截至二零零二年十二月三十一日止年度的營業額及溢利均來自於中國大陸經營的業務，因此並無呈列本集團按地區劃分的營業額及對經營溢利的貢獻分析。

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31st December 2002, the five largest customers of the Group accounted for approximately 1% of the Group's turnover while the five largest suppliers of the Group accounted for 72% of the Group's purchases. In addition, the largest customer of the Group accounted for approximately 0.3% of the Group's turnover while the largest supplier of the Group accounted for 43% of the Group's purchases.

Save for the association with certain related companies as set out in Note 3 to the accompanying audited accounts, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) has a beneficial interest in the Group's five largest customers or five largest suppliers.

RESULTS AND APPROPRIATIONS

Details of the Group's results for the year ended 31st December 2002 are set out in the consolidated profit and loss account on page 46 of this annual report.

An interim dividend of HK\$0.02 per share, totalling HK\$20,040,000, was declared and paid during the year. The Directors recommend the payment of a final dividend of HK\$0.02 per share, which will bring the total dividends for the year ended 31st December 2002 to HK\$40,080,000.

SHARE CAPITAL

Details of movements in share capital of the Company are set out in Note 35 to the accounts.

主要顧客及供應商

於截至二零零二年十二月三十一日止年度期間，本集團五名最大客戶約佔本集團營業額的1%，而本集團五名最大供應商則約佔本集團採購額的72%。此外，本集團的最大客戶約佔本集團營業額的0.3%，而本集團的最大供應商則約佔本集團採購額的43%。

除於隨附的經審核賬目附註3所載與若干關連公司有聯繫外，概無董事、彼等的聯繫人等或任何股東（據董事所知擁有本公司股本超過5%者）於本集團五名最大客戶或五名最大供應商中擁有實質權益。

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的業績詳情載於本年報第46頁的綜合損益表內。

中期股息每股0.02港元，合共20,040,000港元，已於本年度內宣派及支付。董事會建議派發末期股息每股0.02港元；故此，截至二零零二年十二月三十一日止年度股息總額將為40,080,000港元。

股本

本公司的股本變動詳情載於賬目附註35。

RESERVES

Movements in reserves of the Group and of the Company during the year are set out in Note 37 to the accounts.

Distributable reserves of the Company as at 31st December 2002, calculated under the Companies Act of Bermuda, amounted to HK\$6,608,000 (2001: HK\$2,728,000).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31st December 2002.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws and there is no restriction against such rights under the laws of Bermuda.

PROPERTIES AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in properties and equipment and investment properties of the Group during the year are set out in Notes 14 and 15 to the accounts respectively.

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates are set out in Notes 19 and 20 to the accounts respectively.

儲備

本集團及本公司於本年度的儲備變動載於賬目附註37。

於二零零二年十二月三十一日，根據百慕達公司法計算，本公司的可供分派儲備為6,608,000港元(二零零一年：2,728,000港元)。

購入、出售或贖回證券

本年度本公司並無贖回任何本身股份，本公司或其任何附屬公司概無於截至二零零二年十二月三十一日止年度內購入或出售本公司任何股份。

優先購買權

本公司細則並無優先購買權條文，而百慕達法例亦無限制該等權利。

物業及設備和投資物業

本集團於本年度的物業及設備和投資物業變動詳情分別載於賬目附註14及附註15。

附屬公司及聯營公司

本公司的附屬公司及聯營公司詳情分別載於賬目附註19及附註20。

BANK LOANS

Particulars of bank loans as at 31st December 2002 are set out in Notes 30 and 31 to the accounts.

PENSION SCHEMES

Details of the pension schemes are set out in Note 42 to the accounts.

FIVE YEAR 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 pages 125 to 128.

CONNECTED TRANSACTIONS

The Stock Exchange of Hong Kong Limited ("the Stock Exchange") has granted a waiver to the Company from strict compliance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules") on the following recurring connected transactions for each of the three years ended 31st December 2002. Pursuant to the waiver, the Company is not required to disclose details of such connected transactions by press notice and/or circular and/or to obtain prior independent shareholders' approval. Details of such connected transactions are as follows:

- (i) During the year ended 31st December 2002, the Group appointed Guangdong Zhujiang Construction Co. Ltd. ("GZ Construction") as its main contractor in respect of construction works to be carried out for the property development projects of the Group. The appointment of GZ Construction as the Group's main contractor will be on normal commercial terms which are fair and reasonable so far as the shareholders of the Company are concerned. Further, individual construction contracts will only be awarded to GZ Construction if the terms offered by it are

銀行貸款

於二零零二年十二月三十一日的銀行貸款詳情載於賬目附註30及附註31。

退休金計劃

退休金計劃詳情載於賬目附註42。

五年財務摘要

本集團於過去五年的業績及資產與負債摘要載於第125至128頁。

關連交易

香港聯合交易所有限公司(「聯交所」)已就下列各項經常性關連交易，批准本公司至二零零二年十二月三十一日止三個年度內，豁免嚴格遵守聯交所證券上市規則(「上市規則」)的規定。根據該項豁免，本公司毋須以刊發報章公告及／或通函方式披露該等關連交易詳情，及／或事先獲取獨立股東批准。該等關連交易詳情如下：

- (i) 截至二零零二年十二月三十一日止年度，本集團委聘廣東珠江工程總承包有限公司(「珠江總承包」)為本集團將進行建築工程的物業發展項目的主要承建商。本集團將按照對本公司股東屬公平合理的一般商業條款，委聘珠江總承包為本集團的主要承建商。此外，只有當珠江總承包所開出的條款並不遜於其他承建商，個別建築合約才會批予珠江總承包。根據上市規則第14章，由於珠江總承包為廣東珠江投資有限公司(「廣東珠江」)

not less favourable than those offered by other contractors. GZ Construction is a connected person of the Company under Chapter 14 of the Listing Rules because it is a 60%-owned subsidiary of Guangdong Zhujiang Investment Limited ("GD Zhujiang"), a minority shareholder of certain subsidiaries of the Company. During the year ended 31st December 2002, construction fees paid/payable to GZ Construction amounted to approximately HK\$1,969,000,000 (2001: HK\$950,000,000).

- (ii) During the year ended 31st December 2002, certain subsidiaries of the Company entered into agreements with Guangdong Esteem Property Services Limited ("Esteem") whereby Esteem agreed to manage the unsold units of the Group's properties in return for management fees equal to 50% of those charged to owners of individual units of the sold properties. Esteem is a connected person of the Company under Chapter 14 of the Listing Rules because 10% equity interest of Esteem is held by Guangdong Zhujiang Property Management Company, a wholly-owned subsidiary of GD Zhujiang. During the year ended 31st December 2002, management fees paid/payable to Esteem amounted to approximately HK\$2,250,000 (2001: HK\$1,490,000).

The Independent Non-executive Directors have reviewed the above transactions and confirmed that:

- (i) a. the above transactions have been conducted at arm's length between the parties on normal commercial terms and in the ordinary and usual course of the business of the Group, and are fair and reasonable so far as the shareholders of the Company are concerned;
- b. the above transactions have been carried out on terms no less favourable than terms available from independent third parties;

(本公司若干附屬公司的少數股東)持有60%權益的附屬公司，故珠江總承包乃本公司的關連人士。於截至二零零二年十二月三十一日止年度已付／應付珠江總承包的建築費用約為1,969,000,000港元(二零零一年：950,000,000港元)。

- (ii) 於截至二零零二年十二月三十一日止年度，本公司若干附屬公司與廣東康景物業服務有限公司(「康景」)訂立協議。據此，康景同意管理本集團未出售的物業單位，並按照向已出售物業單位業主徵收的管理費的50%收取管理費。根據上市規則第14章，由於廣東珠江物業管理公司(廣東珠江的全資附屬公司)持有康景10%權益，故康景乃本公司的關連人士。於截至二零零二年十二月三十一日止年度已付／應付康景的管理費約為2,250,000港元(二零零一年：1,490,000港元)。

獨立非執行董事已審閱上述交易，並確認：

- (i) a. 上述交易已由訂約各方按公平磋商原則、並以一般商業條款，及於本集團日常業務範圍內進行，對本公司股東而言乃屬公平合理；
- b. 上述交易乃按不遜於獨立第三方可提供的條款進行；

- c. the disclosure provided herein in respect of the details of the above transactions is in compliance with Rule 14.25 (1)(A) to (D) of the Listing Rules;
- (ii) during the year ended 31st December 2002, construction fees paid/payable to GZ Construction amounted to approximately HK\$1,969,000,000 (2001: HK\$950,000,000), which has not exceeded the annual construction fees payable to GZ Construction in respect of the year concerned as permitted under the said waiver from the Stock Exchange; and
- (iii) during the year ended 31st December 2002, management fees paid/payable to Esteem amounted to approximately HK\$2,250,000 (2001: HK\$1,490,000), which has not exceeded the annual management fees payable to Esteem in respect of the year concerned as permitted under the said waiver from the Stock Exchange.

The auditors of the Company have reviewed the above transactions and confirmed that the transactions:

- (1) have received approval from the board of Directors;
- (2) are in accordance with the pricing policies of the Company; and
- (3) the above transactions have been carried out on terms no less favourable than terms available from independent third parties.

Save as disclosed in Note 3 to the accounts, no other contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries, associates, jointly controlled entity or holding company was a party and in which any of the Company's Directors had a material interest, subsisted at the end of the year or at any time during the year.

- c. 本文就上述交易細節所提供的披露，乃根據上市規則第14.25(1)(A)至(D)條而作出；
- (ii) 於截至二零零二年十二月三十一日止年度內已付／應付珠江總承包的建築費用約1,969,000,000港元(二零零一年：950,000,000港元)，並未超過根據聯交所授予的上述豁免所批准於有關年度須向珠江總承包支付的全年建築費用限額；及
- (iii) 於截至二零零二年十二月三十一日止年度內，已付／應付康景的管理費約為2,250,000港元(二零零一年：1,490,000港元)，並未超過根據聯交所授予的上述豁免所批准於有關年度須向康景支付的全年管理費限額。

本公司核數師已審閱上述交易，並確認該等交易：

- (1) 已獲董事會批准；
- (2) 乃符合本公司之定價政策；及
- (3) 乃按不遜於獨立第三方可提供之條款進行。

除賬目附註3所披露外，本公司的董事概無於本年度年終或年內任何時間，在本公司或其任何附屬公司、聯營公司、共同控制實體或控股公司所訂立任何與本公司業務有關的其他重大合約中持有重大權益。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

Mr. Chu Mang Yee (*Chairman*)
Mr. Tse Sai Tung, Stones (*Managing Director and CEO*)
Mr. Au Yeung Fu, Anthony (*Deputy Chairman*)
Mr. Xiang Bin (*Deputy Chairman*)
Mr. Au Wai Kin
Mr. Cheung Fong Wing
Ms. Xiao Yan Xia

Independent Non-executive Directors

Mr. Yuen Pak Yiu, Philip
Mr. Lee Tsung Hei, David
Mr. Wong Shing Kay, Oliver

All Directors except Mr. Chu Mang Yee and Mr. Tse Sai Tung, Stones are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's bye-laws. In accordance with the Company's bye-laws, Mr. Au Yeung Fu, Anthony, Mr. Yuen Pak Yiu, Philip, Mr. Lee Tsung Hei, David and Mr. Wong Shing Kay, Oliver retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

None of the Directors have a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

董事及董事服務合約

本年度內及直至本報告刊發日期在任的董事如下：

執行董事

朱孟依先生 (主席)
謝世東先生 (董事總經理兼總裁)
歐陽富先生 (副主席)
項斌先生 (副主席)
歐偉建先生
張芳榮先生
蕭燕霞女士

獨立非執行董事

阮北耀先生
李頌熹先生
黃承基先生

全體董事 (朱孟依先生及謝世東先生除外) 須根據本公司的公司細則於本公司股東週年大會上輪值退任。根據本公司的公司細則，歐陽富先生、阮北耀先生、李頌熹先生及黃承基先生須輪值退任，惟彼等合資格且願意於應屆股東週年大會上膺選連任。

所有董事概無與本公司或其任何附屬公司訂立於一年內不作賠償 (法定賠償除外) 即不可終止的服務合同。

DIRECTORS' INTERESTS IN SHARES AND DEBT SECURITIES

董事的股份及債務證券權益

As at 31st December 2002, the interests of Directors and their respective associates in the shares of the Company as recorded in the register maintained under Section 352 of the Securities and Futures Ordinance or as required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

按照本公司根據證券及期貨條例第352條置存在本公司的登記冊所載或根據上市公司董事進行證券交易的標準守則而須通知本公司及聯交所的資料，於二零零二年十二月三十一日，董事及彼等各自的聯繫人等擁有本公司的股份權益如下：

Name of directors	董事姓名	Number of shares of the Company				Total	Percentage of shares outstanding
		Personal interests	Family interests	Corporate interests	Other interests		
		個人權益	家屬權益	公司權益	其他權益	合計	佔已發行股份百分比
Mr. Chu Mang Yee (a)	朱孟依先生(a)	-	-	637,500,000	-	637,500,000	63.62%
Mr. Au Wai Kin (b)	歐偉建先生(b)	-	-	37,500,000	-	37,500,000	3.74%
Mr. Cheung Fong Wing (c)	張芳榮先生(c)	-	-	38,000,000	-	38,000,000	3.79%
Ms. Xiao Yan Xia	蕭燕霞女士	100,000	-	-	-	100,000	0.01%

Notes –

附註一

- Mr. Chu Mang Yee held 637,500,000 shares of the Company through Sounda Properties Limited, a company wholly-owned by him, and HKSCC Nominees Limited.
- Mr. Au Wai Kin held 37,500,000 shares of the Company through a company wholly owned and controlled by him.
- Mr. Cheung Fong Wing held 38,000,000 shares of the Company through a company 60% owned by him and 20% owned by his spouse.

- 朱孟依先生透過其全資擁有的新達置業有限公司及香港中央結算(代理人)有限公司持有本公司637,500,000股股份。
- 歐偉建先生透過其全資擁有及控制的公司持有本公司37,500,000股股份。
- 張芳榮先生透過其擁有60%權益及其配偶擁有20%權益的一間公司持有本公司38,000,000股股份。

Other than disclosed herein, as at 31st December 2002, neither the directors nor their associates had any interests in any shares of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance) which were required to be notified to the Company pursuant to section 341 of the Securities and Futures Ordinance (including interests which they were deemed or taken to have under section 344 of the Securities and Futures Ordinance) or which were required to be recorded under section 352 of the Securities and Futures Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company has a share option scheme, under which it may grant options to employees (including Executive Directors) of the Group to subscribe for shares in the Company. As at 31st December 2002, Mr. Tse Sai Tung, Stones and Mr. Xiang Bin, Executive Directors of the Company, have personal interests in share options to subscribe for shares of the Company. The following table discloses movements in the company's share options outstanding at the beginning and end of the year:

Date of grant	授出日期	Exercise price per share 每股行使價	Number of share options 購股權數目			
			Beginning of year 年初	Granted during the year 年內授出	Exercised during the year 年內行使	End of year 年終
Mr. Tse Sai Tung, Stones	謝世東先生					
14th July 1998	一九九八年七月十四日	HK\$1.49港元	2,000,000	-	-	2,000,000
14th July 1999	一九九九年七月十四日	HK\$1.00港元	1,000,000	-	-	1,000,000
18th September 2002	二零零二年九月十八日	HK\$1.16港元 ⁽¹⁾	-	1,000,000	-	1,000,000
			3,000,000	1,000,000	-	4,000,000
Mr. Xiang Bin	項斌先生					
30th April 2002	二零零二年四月三十日	HK\$1.17港元 ⁽²⁾	-	1,000,000	-	1,000,000
			3,000,000	2,000,000	-	5,000,000

除本文所披露外，於二零零二年十二月三十一日，董事及其聯繫人等於本公司及其相聯法團（按證券及期貨條例涵義）的任何股份中概無擁有任何根據證券及期貨條例第341條（包括根據證券及期貨條例第344條視作或當作彼等擁有之權益）須知會本公司的權益，或根據證券及期貨條例第352條須予記錄的權益。

董事購買股份或債券的權利

本公司設有購股權計劃，據此，本集團的僱員（包括執行董事）可獲授購股權以認購本公司的股份。於二零零二年十二月三十一日，本公司的執行董事謝世東先生及項斌先生擁有認購本公司股份的購股權個人權益。下表披露本公司購股權於年內之變動以及尚未行使之購股權於年初及年終之數量：

(1) The closing price of the Company's shares immediately before the date of grant of the share options was HK\$1.40.

(2) The closing price of the Company's shares immediately before the date of grant of the share options was HK\$1.45.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, associates, jointly controlled entity or holding company 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.

SUBSTANTIAL SHAREHOLDERS

As at 31st December 2002, according to the register of substantial shareholders maintained under Section 33b of the Securities and Futures Ordinance, the Company had been notified of the following interests, being 5% or more of the issued share capital of the Company:

Name of shareholders	股東名稱	Number of issued shares 已發行股份數目	Percentage holding 持股百分比
Sounda Properties Limited	新達置業有限公司	637,500,000	63.62%

Save as disclosed above, the Company had no notice of any interests to be recorded under Section 33b of the Securities and Futures Ordinance as at 31st December 2002.

INFORMATION ON SHARE OPTION SCHEMES

At the special general meeting held on 4th November 2002, the Company adopted a new Share Option Scheme ("the New Scheme") and, at the same time, terminated the Share Option Scheme adopted on 4th April 1998 ("the Old Scheme").

(1) 本公司股份於緊接授出購股權日期前的收市價為1.40港元。

(2) 本公司股份於緊接授出購股權日期前的收市價為1.45港元。

除上文所披露者外，本公司或其任何附屬公司、聯營公司、共同控制實體或控股公司於本年內概無參與任何安排，致使本公司的董事藉收購本公司或任何其他法人團體的股份或債務證券(包括債券)而獲益。

主要股東

根據本公司按證券及期貨條例第33b條置存的主要股東登記冊所載，本公司得悉下列人士於二零零二年十二月三十一日在本公司已發行股本中持有5%或以上權益：

除上文所披露者外，於二零零二年十二月三十一日，本公司並無獲悉任何其他根據證券及期貨條例第33b條須予記錄的權益。

購股權計劃的資料

於二零零二年十一月四日的股東特別大會上，本公司採納一項新購股權計劃(「新計劃」)，亦同時終止於一九九八年四月四日採納的購股權計劃(「舊計劃」)。

For the year ended 31st December 2002, 2,000,000 number of share options was granted under the Old Scheme. The Directors do not consider it appropriate to disclose a theoretical value of the share options granted during the year because in the absence of a readily available market value of the share options on the ordinary shares of the Company, any calculation of the value of options ascertained on various theoretical bases and subjective assumptions will not be meaningful and may be misleading to shareholders in the circumstances.

The following is a summary of the New Scheme disclosed in accordance with the Listing Rules:

- | | |
|--|---|
| 1. Purpose of the New Scheme | As recognition of the contribution of the participants by granting options to them as incentives or rewards |
| 2. Participants of the New Scheme | Any executive, employee, director (including executive director and independent non-executive director), consultant, adviser and/ agent of the company or any of its subsidiaries |
| 3. Total number of shares available for issue under the New Scheme and percentage of issued share capital as at 31st December 2002 | 100,200,000 shares unless shareholders' approval has been obtained pursuant to the terms of the New Scheme (10% of issued share capital) |

截至二零零二年十二月三十一日止年度，於舊計劃下已授出2,000,000份購股權。由於涉及本公司普通股的購股權並無可供參考的市值，根據多項理論性基準及主觀假設計算的購股權價值將無意義及可能誤導股東，故此，董事認為披露於年內所授出購股權的理論價值並不恰當。

根據上市規則就新計劃所作披露概述如下：

- | | |
|--|---|
| 1. 新計劃目的 | 向參與者授予購股權以表揚彼等之貢獻，並以此激勵並回饋彼等之努力 |
| 2. 新計劃的參與者 | 本公司或其任何附屬公司的行政人員、僱員、董事(包括執行董事及獨立非執行董事)、顧問及/或代理人 |
| 3. 根據新計劃可發行股份總數及於二零零二年十二月三十一日佔已發行股本百分比 | 除非已依照新計劃條款取得股東批准，否則為100,200,000股(佔已發行股本的10%) |

- | | | | |
|---|---|-----------------------|--|
| 4. Maximum entitlement of each participant under the New Scheme | The total number of shares issued and to be issued upon the exercise of the share options already granted or to be granted to each participant (including both exercised and outstanding share options) in the 12-month period up to and including the date of grant shall not exceed 1% of the issued share capital as at the date of grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the New Scheme | 4. 每位參與者根據新計劃可認購的最高數額 | 授予及將授予每名計劃參與者之購股權(包括已行使及尚未行使之購股權)獲行使而於任何十二個月期間(直至及包括授出日期)所發行及將發行之股份總數目不得超逾於授出日期已發行股本1%。再授予任何超逾此限額的購股權均須受新計劃規則內訂明的若干規定所規限 |
| 5. The period within which the shares must be taken up under an option | Commencing on the date of grant of an option and expiring at 5:00 p.m. on the earlier of the business day preceding the fifth anniversary thereof and the business day preceding the tenth anniversary of the date on which the New Scheme was adopted | 5. 根據購股權須認購股份的期限 | 自購股權授出日期起至該授出日期的五週年的前一個營業日或至採納新計劃日期的十週年的前一個營業日(以較早者為準)下午五時正屆滿 |
| 6. The minimum period for which an option must be held before it can be exercised | Completion of half year's full-time services with the Company or a subsidiary | 6. 須於行使前持有購股權的最短期限 | 於本公司或一間附屬公司完成半年全職服務 |

- | | | | |
|--|---|---|---|
| 7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid | Nil | 7. 申請或接納購股權的應付金額以及付款或通知付款的期限或償還申請購股權貸款的期限 | 無 |
| 8. The basis of determining the exercise price | The exercise price is determined by the board of Directors and shall at least be the highest of: | 8. 釐定行使價的基準 | 行使價由董事會釐定，最低須為以下的最高者： |
| | a. the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options; | | a. 於有關購股權授出日期本公司股份於聯交所每日報價表的收市價； |
| | b. the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant options; and | | b. 於緊接有關購股權授出日期前五個營業日本公司股份於聯交所每日報價表的平均收市價；及 |
| | c. the nominal value of the Company's shares | | c. 本公司股份面值 |

9. The remaining life of the New Scheme
- The New Scheme was adopted on 4th November 2002 and will expire at 5:00 p.m. on the business day immediately preceding the tenth anniversary thereof

MANAGEMENT CONTRACT

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

CODE OF BEST PRACTICE

Throughout the year, the Company was in compliance with the Code of Best Practice ("the Code") as set out in Appendix 14 of the Listing Rules, except that the Independent Non-executive Directors of the Company are not appointed for specific terms. However, all Directors except for the Chairman and Managing Director are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's bye-laws. In the opinion of the Directors, this meets the objective of the Code.

AUDIT COMMITTEE

The Company has set up an audit committee which comprises Mr. Yuen Pak Yiu, Philip, Mr. Lee Tsung Hei, David and Mr. Wong Shing Kay, Oliver, all of whom are Independent Non-executive Directors of the Company. The primary duties of the audit committee are to review and supervise the internal control system and financial reporting process of the Group. The audit committee met with management and auditors of the Company to discuss the Group's internal control procedures and financial reporting matters during the year ended 31st December 2002.

9. 新計劃的剩餘期限
- 新計劃於二零零二年十一月四日採納，至緊接十週年的一個營業日下午五時正終止

管理合約

年內，就本公司整體或任何重要環節業務方面並無訂立或存在管理及行政合約。

最佳應用守則

除並無設定本公司獨立非執行董事的特定任期外，本公司於年內一直遵守上市規則第14章所載最佳應用守則（「守則」）。然而，除主席及董事總經理外，其餘董事須根據本公司的公司細則於本公司股東週年大會上輪值退任。董事認為此安排符合守則的目標。

審核委員會

本公司已成立審核委員會，成員包括阮北耀先生、李頌熹先生及黃承基先生，彼等均為本公司獨立非執行董事。審核委員會的主要職責為審議及監督本集團之內部監控制度及財務報告程序。審核委員會已與本公司管理層及核數師商討本集團截至二零零二年十二月三十一日止年度的內部監控程序及財務報告事宜。

SUBSEQUENT EVENTS

The Directors consider it beneficial to the Group to strengthen its property investment and development business in Shanghai. On 20th February 2003, the Group entered into agreements to acquire the entire interest in a property development project in Shanghai, mainland China. The aggregate consideration for the acquisitions together with certain payments and capital contribution to be payable by the Group in connection with such investment amounted to approximately HK\$402,752,000.

AUDITORS

Arthur Andersen & Co audited the Company's accounts for the years ended 31st December 2000 and 2001 and resigned as the Company's auditors with effect from 5th July 2002. The Company, at a special general meeting held on 4th November 2002, has appointed PricewaterhouseCoopers as its auditors. The accounts were audited by PricewaterhouseCoopers who retire and, being eligible offer themselves for re-appointment.

On behalf of the board of directors,

CHU MANG YEE

Chairman

Hong Kong, 14th April 2003

結算日後事項

董事認為，加強其於上海之物業投資及發展業務，乃對本集團有利。於二零零三年二月二十日，本集團訂立協議收購於中國上海一物業發展項目的全部權益。收購代價連同本集團就此項投資的若干付款及應付的資本貢獻合共約402,752,000港元。

核數師

安達信公司審核本公司截至二零零零年及二零零一年十二月三十一日止年度的賬目，並已辭任本公司核數師，於二零零二年七月五日起生效。本公司於二零零二年十一月四日的股東特別大會上，已委任羅兵咸永道會計師事務所為本公司核數師。賬目已由羅兵咸永道會計師事務所審核，其將任滿告退並願意接受續聘。

代表董事會

主席

朱孟依

香港，二零零三年四月十四日