

The directors of the Company (the "Directors" or the "Board") present to the shareholders their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2006 (the "Year").

PRINCIPAL ACTIVITIES

During the Year, the Company acted as an investment holding company and its subsidiaries were principally engaged in property investment and development, brokerage, securities investment and money lending.

SEGMENT INFORMATION

The Group's turnover and contribution to profit from operations analysed by principal activities are set out in notes 6 and 7 to the financial statements.

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITY

Particulars of the Company's principal subsidiaries, associates and jointly controlled entity as at 31st December, 2006 are set out in notes 53, 54 and 55 to the financial statements respectively.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31st December, 2006 are set out in the Consolidated Income Statement on page 55.

The Directors had declared an interim dividend of HK12 cents (2005: HK9 cents) per share. The Board resolved to recommend the payment of a final dividend of HK18 cents for the year ended 31st December, 2006 (2005: HK12 cents).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five years is set out on pages 150 and 151.

本公司董事（「董事」或「董事會」）謹此向股東提呈董事會報告書連同本公司及其附屬公司（「本集團」）截至二零零六年十二月三十一日止年度（「本年度」）之經審核財務報表。

主要業務

於本年度內，本公司為一間投資控股公司，其附屬公司主要從事物業投資及發展、經紀服務、證券投資及放債。

分類資料

本集團以主要業務劃分之營業額及經營溢利貢獻分析載於財務報表附註6及7。

附屬公司、聯營公司及共同控制機構

本公司於二零零六年十二月三十一日之主要附屬公司、聯營公司及共同控制機構之詳情，分別載於財務報表附註53、54及55。

業績及分配

本集團截至二零零六年十二月三十一日止年度之業績載於第55頁之綜合收益表內。

董事已派付中期股息每股12港仙（二零零五年：9港仙）。董事會議決建議派付截至二零零六年十二月三十一日止年度之末期股息每股18港仙（二零零五年：12港仙）。

財務概要

本集團過去五年之業績、資產及負債概要載於第150及第151頁。

INVESTMENT PROPERTIES

During the Year, the Group acquired certain leasehold properties in Hong Kong for a total consideration of approximately HK\$869,796,000 (2005: HK\$73,611,000). Investment properties with an aggregate net book value of approximately HK\$73,524,000 (2005: HK\$346,439,000) were disposed of during the Year.

Details of these and other movements in investment properties during the Year are set out in note 20 to the financial statements.

PROPERTY AND OTHER FIXED ASSETS

Movements in property and other fixed assets during the Year are set out in note 21 to the financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group as at 31st December, 2006 are set out on pages 152 to 168.

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in note 45 to the financial statements.

RESERVES

Movements in the reserves of the Group during the Year are set out on pages 58 and 59.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist at law in Bermuda, being the jurisdiction in which the Company is incorporated.

投資物業

於本年度內，本集團以總代價約869,796,000港元（二零零五年：73,611,000港元）購入若干位於香港之租賃物業。本年度內亦出售總賬面淨值約73,524,000港元（二零零五年：346,439,000港元）之投資物業。

於本年度內上述及其他投資物業之變動詳情載於財務報表附註20。

物業及其他固定資產

物業及其他固定資產於本年度內之變動情況載於財務報表附註21。

主要物業

本集團於二零零六年十二月三十一日之主要物業詳情載於第152至第168頁內。

股本

本公司股本於本年度內之變動情況載於財務報表附註45。

儲備

本集團之儲備於本年度內之變動情況載於第58及第59頁內。

優先購買權

本公司於百慕達註冊成立，該司法轄區之法律並無優先購買權存在。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company purchased a total of 17,648,000 ordinary shares of HK\$0.10 each on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK\$163,430,000. All of the purchased shares were cancelled.

購買、出售或贖回上市證券

本年度內，本公司於香港聯合交易所有限公司（「聯交所」）按每股0.10港元購回合共17,648,000股普通股，總代價為163,430,000港元。所有被購回股份已被註銷。

Month of the purchases 進行購回之月份	Total number of the ordinary shares purchased 所購回普通股總數	Highest price paid per share 已付每股最高價 HK\$ 港元	Lowest price paid per share 已付每股最低價 HK\$ 港元	Aggregate consideration 總代價 HK\$'000 千港元
January 2006 二零零六年一月	3,360,000	8.100	7.600	26,236
August 2006 二零零六年八月	762,000	8.710	8.450	6,584
September 2006 二零零六年九月	2,402,000	9.460	9.210	22,399
October 2006 二零零六年十月	8,934,000	10.160	9.310	86,523
November 2006 二零零六年十一月	2,190,000	9.960	9.330	21,688
	17,648,000			163,430

The Directors considered that the aforesaid shares were purchased at a discount to the net asset value per share and resulted in an increase in the net asset value per share then in issue.

董事認為上述股份乃按每股資產淨值之折讓價購回，以致當時已發行股份之每股資產淨值增加。

Save as disclosed herein, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

除本報告所披露者外，本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

CHARITABLE DONATIONS

Charitable donations made by the Group during the Year amounted to HK\$390,000 (2005: HK\$299,000).

慈善捐款

本集團於本年度內之慈善捐款額為390,000港元（二零零五年：299,000港元）。

DIRECTORS

The Directors of the Company during the Year and up to the date of this report were:

Mr. Joseph Lau, Luen-hung (*Chairman and Chief Executive Officer*)
Mr. Lau, Ming-wai (appointed on 15th December, 2006)
Ms. Amy Lau, Yuk-wai
Mr. Chan, Kwok-wai*
Mr. Cheng, Kwee*
Ms. Phillis Loh, Lai-ping*
Mr. Thomas Lau, Luen-hung (*Chairman*)
(resigned on 15th December, 2006)

董事

於本年度內及直至本報告日期止，本公司之董事為：

劉鑾雄先生（主席及行政總裁）
劉鳴煒先生（於二零零六年十二月十五日獲委任）
劉玉慧女士
陳國偉先生*
鍾貴先生*
羅麗萍女士*
劉鑾鴻先生（主席）
（於二零零六年十二月十五日辭任）

* Independent Non-executive Director

* 獨立非執行董事

DIRECTORS (cont'd)

Mr. Lau, Ming-wai and Mr. Cheng, Kwee will retire from office at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election in accordance with Bye-laws 94 and 111 of the Bye-laws of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2006, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:—

I The Company

本公司

Name of Directors 董事姓名		Number of Shares (ordinary share) 股份數目 (普通股)	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Joseph Lau, Luen-hung ("Mr. Joseph Lau")	劉鑾雄 ("劉鑾雄先生")	224,831,709	(1)	Founder of trust 信託創立人	47.07%
		838,947,030	(2)	Founder of trust 信託創立人	
		<u>1,063,778,739</u>			
Lau, Ming-wai ("Mr. MW Lau")	劉鳴煒 ("劉鳴煒先生")	224,831,709	(1)	Beneficiary of trust 信託受益人	47.07%
		838,947,030	(2)	Beneficiary of trust 信託受益人	
		4,000	(3)	Other interests 其他權益	
		<u>1,063,782,739</u>			

董事 (續)

根據本公司之公司細則第94條及第111條，劉鳴煒先生及鍾貴先生將在即將舉行之股東週年大會上告退，並願意膺選連任。

董事及最高行政人員於本公司及相聯法團之證券權益

於二零零六年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有之權益及淡倉，按本公司根據證券及期貨條例第352條存置之登記冊所載或根據聯交所證券上市規則（「上市規則」）所載之上市公司董事進行證券交易的標準守則知會本公司及聯交所者如下：

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (cont'd)

Notes:

- (1) These shares were indirectly owned by a discretionary trust of which Mr. Joseph Lau was the founder. Mr. Joseph Lau, Mr. MW Lau and certain other family members of Mr. Joseph Lau were eligible beneficiaries of that trust.
- (2) These shares were held by a unit trust of which Mr. Joseph Lau was one of the unit holders. The rest of the units in the unit trust were held by a discretionary trust of which Mr. Joseph Lau was the founder. Mr. MW Lau and certain other family members of Mr. Joseph Lau were eligible beneficiaries.
- (3) These shares were held under the estate of Ms. Theresa Po, Wing-kam, the late mother of Mr. MW Lau, of which Mr. MW Lau is the executor.

II Associated Corporations of the Company

本公司之相聯法團

1. Chi Cheung Investment Company, Limited ("Chi Cheung")

至祥置業有限公司(「至祥」)

董事及最高行政人員於本公司及相聯法團之證券權益(續)

附註:

- (1) 該等股份由一項酌情信託間接擁有。劉鑾雄先生為該信託之創立人。劉鑾雄先生、劉鳴煒先生及劉鑾雄先生之若干其他家族成員則為該信託之合資格受益人。
- (2) 該等股份由一項單位信託基金持有。劉鑾雄先生為該基金其中一名單位持有人。該單位信託基金之餘下單位由一項酌情信託擁有。劉鑾雄先生為該信託之創立人。劉鳴煒先生及劉鑾雄先生之若干其他家族成員則為該信託之合資格受益人。
- (3) 該等股份乃屬寶詠琴女士(劉鳴煒先生先慈)之遺產。劉鳴煒先生為該遺產之執行人。

Name of Director 董事姓名		Number of Shares (ordinary share) 股份數目(普通股)	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Joseph Lau, Luen-hung ("Mr. Joseph Lau")	劉鑾雄 ("劉鑾雄先生")	209,931,186	(i)	Interest in controlled corporation 於受控制公司 之權益	61.96%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (cont'd)

董事及最高行政人員於本公司及相聯法團之證券權益(續)

2. G-Prop (Holdings) Limited ("G-Prop")

金匡企業有限公司(「金匡」)

Name of Director 董事姓名		Number of Shares (ordinary share) 股份數目(普通股)	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Joseph Lau, Luen-hung ("Mr. Joseph Lau")	劉鑾雄 ("劉鑾雄先生")	397,858,761	(ii)	Interest in controlled corporation 於受控制公司 之權益	50.10%

Notes:

- (i) Mr. Joseph Lau by virtue of his 47.07% interests in the issued share capital of the Company as disclosed in paragraph 1 above, was deemed to be interested in 209,931,186 shares of Chi Cheung held directly by Billion Up Limited, a wholly-owned subsidiary of Lucky Years Ltd. which in turn was the wholly-owned subsidiary of the Company.
- (ii) Mr. Joseph Lau by virtue of his 47.07% interests in the issued share capital of the Company as disclosed in paragraph 1 above, was deemed to be interested in 397,858,761 shares of G-Prop under the provisions of the SFO. The Company was interested in 397,858,761 shares of G-Prop of which 170,000,000 shares, 113,818,911 shares, 37,162,165 shares and 76,877,685 shares were issued shares respectively held by Million Point Limited ("Million Point"), Paul Y. Holdings Company Limited ("Paul Y."), Great Empire International Ltd. ("Great Empire") and Luckpoint Investment Limited ("Luckpoint").

The Company was deemed to be interested in the 170,000,000 shares of G-Prop by virtue of the SFO as the Company owned the entire issued share capital of Chinese Estates, Limited, which owned the entire issued share capital of Cosmos Success Limited which in turn owned the entire issued share capital of Million Point.

附註:

- (i) 正如上文第1段所披露，劉鑾雄先生因擁有本公司已發行股本中47.07%之權益，故被視為於本公司之全資附屬公司 Lucky Years Ltd. 之全資附屬公司 Billion Up Limited 直接持有之 209,931,186 股至祥股份中擁有權益。
- (ii) 正如上文第1段所披露，劉鑾雄先生因擁有本公司已發行股本中47.07%之權益，根據證券及期貨條例被視為於 397,858,761 股金匡股份中擁有權益。本公司擁有之 397,858,761 股金匡股份中，170,000,000 股、113,818,911 股、37,162,165 股及 76,877,685 股分別由 Million Point Limited (「Million Point」)、Paul Y. Holdings Company Limited (「Paul Y.」)、Great Empire International Ltd. (「Great Empire」) 及樂邦投資有限公司(「樂邦」) 持有。

由於本公司擁有華人置業有限公司之全部已發行股本，而華人置業有限公司擁有 Cosmos Success Limited 之全部已發行股本，後者則擁有 Million Point 之全部已發行股本，故本公司根據證券及期貨條例被視為擁有上述 170,000,000 股金匡股份之權益。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (cont'd)

The Company was also deemed to be interested in the 113,818,911 shares of G-Prop by virtue of the SFO as the Company owned the entire issued share capital of Paul Y.

The Company was also deemed to be interested in the 37,162,165 shares of G-Prop by virtue of the SFO as the Company owned the entire issued share capital of Paul Y., which owned the entire issued share capital of Goldstance Group Limited, which in turn owned the entire issued share capital of Great Empire.

The Company was also deemed to be interested in the 76,877,685 shares of G-Prop by virtue of the SFO as the Company owned the entire issued share capital of China Entertainment and Land Investment Company, Limited, which in turn owned the entire issued share capital of Luckpoint.

All the interests stated above represent long positions. The percentage shown was the number of shares the relevant Directors of the Company were interested in expressed as a percentage of the number of issued shares as at 31st December, 2006.

Save as disclosed above, none of the other Directors and chief executives of the Company had or were deemed under the SFO to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31st December, 2006.

During the Year, none of the Directors and chief executives of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

董事及最高行政人員於本公司及相聯法團之證券權益(續)

由於本公司擁有Paul Y.之全部已發行股本，故本公司根據證券及期貨條例亦被視為擁有上述113,818,911股金匡股份之權益。

由於本公司擁有Paul Y.之全部已發行股本，而Paul Y.擁有Goldstance Group Limited之全部已發行股本，後者則擁有Great Empire之全部已發行股本，故本公司根據證券及期貨條例亦被視為擁有上述37,162,165股金匡股份之權益。

由於本公司擁有中華娛樂置業有限公司之全部已發行股本，而中華娛樂置業有限公司擁有樂邦之全部已發行股本，故本公司根據證券及期貨條例亦被視為擁有上述76,877,685股金匡股份之權益。

上述所有權益均為好倉。所顯示的百分比為本公司有關董事於二零零六年十二月三十一日所擁有之股份數目佔已發行股份數目之百分比。

除上文所披露者外，於二零零六年十二月三十一日，本公司其他董事及最高行政人員概無擁有或根據證券及期貨條例被視為擁有本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券之任何權益或淡倉。

於本年度內，本公司董事及最高行政人員或彼等之配偶或十八歲以下之子女概無獲授或行使任何可認購本公司或其任何相聯法團之任何證券之權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

主要股東於本公司之證券權益

As at 31st December, 2006, so far as are known to the Directors, the following parties (other than a Director or a chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

據董事所知悉，於二零零六年十二月三十一日，本公司根據證券及期貨條例第336條須置存之登記冊所載錄，直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益之人士（本公司之董事或最高行政人員除外）如下：

Name of Substantial Shareholders 主要股東名稱	Number of Shares (ordinary share) 股份數目(普通股)	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
GZ Trust Corporation	1,063,778,739 (notes 1 & 2) (附註1及2)	Trustee, beneficiary of a trust and interest in controlled corporation 信託人、一項信託之 受益人及於受控制 公司之權益	47.07%
Global King Ltd.	838,947,030 (note 1) (附註1)	Trustee 信託人	37.12%
Joseph Lau Luen Hung Investments Limited	224,831,709 (note 2) (附註2)	Beneficial owner 實益擁有人	9.95%
The Children's Investment Fund Management (UK) LLP	177,965,187 (note 3) (附註3)	Investment manager 投資經理	7.88%
The Children's Investment Master Fund	177,965,187 (note 3) (附註3)	Beneficial owner 實益擁有人	7.88%
Favor Gain Limited ("Favor Gain")	150,036,697 (note 4) (附註4)	Beneficial owner 實益擁有人	6.64%
Thomas Lau, Luen-hung ("Mr. Thomas Lau") 劉鑾鴻(「劉鑾鴻先生」)	150,036,697 (note 4) (附註4)	Interest in controlled corporation 於受控制公司之權益	6.64%

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd)

Notes:

1. GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King Ltd. was the trustee and therefore was regarded as interested in the same parcel of shares held by Global King Ltd. These shares were the same parcel of 838,947,030 shares of the Company referred to in "Founder of trust" and "Beneficiary of trust" of Mr. Joseph Lau and Mr. MW Lau under "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations" as disclosed in paragraph 1 above.
2. GZ Trust Corporation as trustee of another discretionary trust held the entire issued share capital of Joseph Lau Luen Hung Investments Limited and therefore was regarded as interested in the same parcel of shares held by Joseph Lau Luen Hung Investments Limited. These shares were the same parcel of 224,831,709 shares of the Company referred to in "Founder of trust" and "Beneficiary of trust" of Mr. Joseph Lau and Mr. MW Lau under "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations" as disclosed in paragraph 1 above.
3. The Children's Investment Fund Management (UK) LLP as investment manager of The Children's Investment Master Fund ("TCI") held the 177,965,187 shares of the Company for the benefit of TCI.
4. Mr. Thomas Lau was deemed to be interested in the 150,036,697 shares of the Company by virtue of the SFO as he owned the entire issued share capital of Favor Gain.

All the interests stated above represent long positions. As at 31st December, 2006, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

主要股東於本公司之證券權益 (續)

附註:

1. GZ Trust Corporation (作為一項酌情信託之信託人) 持有一項以 Global King Ltd. 為信託人之單位信託基金之單位, 故被視為擁有 Global King Ltd. 所持有之同一批股份之權益。上述股份為上文第1段所披露「董事及最高行政人員於本公司及相聯法團之證券權益」項下劉鑾雄先生及劉鳴煒先生之「信託創立人」及「信託受益人」中所指之同一批 838,947,030 股本公司股份。
2. GZ Trust Corporation (作為另一項酌情信託之信託人) 持有 Joseph Lau Luen Hung Investments Limited 之全部已發行股本, 故被視為擁有 Joseph Lau Luen Hung Investments Limited 所持有之同一批股份之權益。上述股份為上文第1段所披露「董事及最高行政人員於本公司及相聯法團之證券權益」項下劉鑾雄先生及劉鳴煒先生之「信託創立人」及「信託受益人」中所指之同一批 224,831,709 股本公司股份。
3. The Children's Investment Fund Management (UK) LLP 作為 The Children's Investment Master Fund (「TCI」) 之投資經理就 TCI 之利益持有 177,965,187 股本公司股份。
4. 劉鑾鴻先生因擁有 Favor Gain 之全部已發行股本, 故根據證券及期貨條例, 彼被視為擁有上述 150,036,697 股本公司股份之權益。

上述所有權益均為好倉。於二零零六年十二月三十一日, 根據本公司按證券及期貨條例第 336 條置存之登記冊所載概無任何淡倉。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

董事於競爭性業務之權益

During the Year and as at 31st December, 2006, the following Directors of the Company declared their interests in the following companies with businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group:

於本年度內及於二零零六年十二月三十一日，以下本公司董事申報於下列與本集團業務直接或間接構成競爭或可能構成競爭之業務之公司中擁有權益：

Name of Directors 董事姓名	Name of companies 公司名稱	Nature of business considered to compete or likely to compete with the businesses of the Group 被認為與本集團業務 構成競爭或可能構成 競爭之業務性質	Nature of interest of the Directors in the companies 董事於該等公司之 權益性質
Mr. Joseph Lau, Luen-hung 劉鑾雄先生	* Chi Cheung and its subsidiaries * 至祥及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Chi Cheung 董事及被視為擁有至祥 若干權益
	* G-Prop and its subsidiaries * 金匡及其附屬公司	Property investment 物業投資	Having certain deemed interests in G-Prop 被視為擁有金匡若干權益
Mr. Lau, Ming-wai 劉鳴煒先生	* Chi Cheung and its subsidiaries * 至祥及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Chi Cheung 董事及被視為擁有至祥 若干權益
	* G-Prop and its subsidiaries * 金匡及其附屬公司	Property investment 物業投資	Having certain deemed interests in G-Prop 被視為擁有金匡 若干權益
Mr. Thomas Lau, Luen-hung 劉鑾鴻先生	* Chi Cheung and its subsidiaries * 至祥及其附屬公司	Property investment and development 物業投資及發展	Director 董事

* non wholly-owned listed subsidiary of the Company

* 本公司之非全資上市附屬公司

Mr. Joseph Lau, Luen-hung, Mr. Thomas Lau, Luen-hung and Mr. Lau, Ming-wai (collectively "the Lau's Family") had personal interests in private companies engaged in businesses consisting of property development and investment in Hong Kong, securities investment and money lending. As such, they were regarded as being interested in such businesses, which competed or might compete with the Group. However, when compared with the dominance and size of operations of the Group, such competing businesses were immaterial.

劉鑾雄先生、劉鑾鴻先生及劉鳴煒先生（統稱「劉氏家族」），於經營有關香港物業發展及投資、證券投資及放債業務之私人公司中擁有個人權益。因此，彼等被視為於與本集團構成競爭或可能構成競爭之業務中擁有權益。然而，上述競爭性業務與本集團之優勢及業務規模相比乃微不足道。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (cont'd)

Other than the businesses of the private companies of the Lau's Family, the above-mentioned businesses were managed by separate publicly listed companies with independent management and administration. In this respect, coupled with the diligence of its Independent Non-executive Directors (whose views carry significant weight in the Board's decisions) and the independent Audit Committee, the Group was capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above companies. In addition, Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung resigned as directors of Chi Cheung in March 2006.

For better delineation of property investment business, the Company, will give Chi Cheung, the non wholly-owned listed subsidiary, the priority over the future property investment project with the value of less than or equal to 50% of the net asset value of Chi Cheung with reference to the latest published accounts and subject to the financial resources of Chi Cheung from time to time.

The Company, through its subsidiary, has a 50% interest in Power Jade Limited ("Power Jade") which holds 100% interest in The Kwong Sang Hong International Limited ("Kwong Sang Hong"). The other shareholder of the 50% interest in Power Jade is Solar Chain Limited ("Solar Chain"). In order to have equal control over the board, both the Group and Solar Chain have nominated equal number of representatives to set up the board.

The Directors are aware of their fiduciary duties and will act honestly and in good faith in the interests of the Company and will avoid any potential conflicts of interest and duty. Three Independent Non-executive Directors are present on the Board and the Audit Committee of the Company, so that the interest of its shareholders can be adequately represented.

Other than as disclosed above, none of the Directors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the Company's business.

董事於競爭性業務之權益 (續)

除劉氏家族之私人公司之業務外，上述業務乃由獨立上市公司管理，該等獨立上市公司擁有獨立管理及行政程序。就此而言，結合其對董事會決策有重大影響力之獨立非執行董事及獨立審核委員會之努力，本集團能獨立並按公平磋商原則從事其業務。再者，劉鑾雄先生及劉鑾鴻先生已於二零零六年三月辭任至祥董事。

為了更清晰地劃分物業投資業務，本公司將參考最近期公布之賬目及因應本公司之非全資上市附屬公司至祥不時具備之財政資源，將價值少於或相當於至祥資產淨值50%之未來物業投資項目優先給予至祥考慮。

本公司透過其附屬公司擁有Power Jade Limited (「Power Jade」) 50%權益，後者則持有The Kwong Sang Hong International Limited (「廣生行」) 100%權益。擁有Power Jade其餘50%權益之股東為Solar Chain Limited (「Solar Chain」)。為了在董事會擁有同等比重之控制權，本集團及Solar Chain 委派相同數目之代表組成董事會。

董事知悉其誠信責任，將會秉誠行事以符合本公司之利益，並避免任何潛在利益及責任衝突。本公司之董事會及審核委員會均有三名獨立非執行董事為成員，足以代表其股東之利益。

除上文所披露者外，概無董事在本公司業務以外於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Apart from the agreement disclosed under the heading "Connected Transaction" below, there were no other contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no other arrangements to which the Company or any of the Company's subsidiaries was a party to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate during the Year.

CONNECTED TRANSACTION

On 25th November, 2005, a sale and purchase agreement was entered into between Upgrade Assets Limited ("Upgrade Assets") as the vendor and First Dragon Enterprises Limited as the purchaser in respect of 1,000 shares in the capital of JadeField Limited ("JadeField"), representing the entire issued share capital of JadeField at a consideration of not more than HK\$390 million at the date of completion. Upgrade Assets is a wholly-owned subsidiary of Power Jade. Power Jade is owned as to 50% by Gold Castle Ltd., a wholly-owned subsidiary of the Company, and as to 50% by Solar Chain Limited. Power Jade through its wholly-owned subsidiary is indirectly interested in 25% of Dollar Union Limited, a non wholly-owned subsidiary of the Company. Accordingly, Power Jade and Upgrade Assets are associates of a substantial shareholder of a non wholly-owned subsidiary of the Company and hence are connected persons of the Company. Hence, the acquisition of the entire issued share capital of JadeField constitutes a connected transaction for the Company. The acquisition was formally completed on 13th March, 2006.

董事及控權股東於合約之權益

除下文「關連交易」所述之協議外，於年結時或本年度內任何時間本公司或本公司之任何附屬公司所訂立與本公司業務有關之重大合約中，董事概無直接或間接擁有重大權益；此外，本公司或本公司之任何附屬公司亦無與控權股東或其任何附屬公司訂立與本公司業務有關之其他重大合約。

購買股份或債券之安排

本公司或本公司任何附屬公司概無於本年度內作出其他安排，以使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

關連交易

於二零零五年十一月二十五日，Upgrade Assets Limited（「Upgrade Assets」）（作為賣方）與 First Dragon Enterprises Limited（作為買方）訂立買賣協議，於完成日期，以代價不超過 390,000,000 港元買賣 JadeField Limited（「JadeField」）股本中之 1,000 股（即 JadeField 所有已發行股份）。Upgrade Assets 為 Power Jade 之全資附屬公司。Power Jade 分別由本公司全資附屬公司 Gold Castle Ltd. 及 Solar Chain Limited 各自擁有 50% 權益。Power Jade 透過其全資附屬公司間接擁有本公司之非全資附屬公司金怡彩有限公司之 25% 權益。因此，Power Jade 及 Upgrade Assets 為本公司一間非全資附屬公司之主要股東之聯繫人士，故此為本公司之關連人士，而收購 JadeField 全數已發行股本構成本公司關連交易。該收購已於二零零六年三月十三日正式完成。

CONNECTED TRANSACTION (cont'd)

Save as aforesaid, there was no discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules during the Year.

In note 52 concerning "Related Party Transactions" to the financial statements for the year ended 31st December, 2006, the consideration paid to an associate for acquisition of a subsidiary in the sum of HK\$388,591,000 was referred to the aforesaid connected transaction.

Save as aforesaid, none of the "Related Party Transactions" as disclosed in note 52 to the financial statements for the year ended 31st December, 2006 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing rules.

To the extent of the above "Related Party Transactions" constituted connected transaction as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

SERVICE CONTRACTS OF DIRECTORS

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

GROUP BORROWINGS AND INTEREST CAPITALISED

Details of bank loans and other loans repayable within one year or on demand are shown in the Consolidated Balance Sheet. Details of long-term secured and unsecured bank loans and other loans are shown in note 40 to the financial statements.

Interest capitalised during the Year by the Group amounted to HK\$148,342,000 (2005: HK\$23,800,000).

RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

- (1) the provident fund scheme as defined in the Occupational Retirement Schemes Ordinance, Chapter 426 of the laws of Hong Kong, (the "ORSO Scheme"); and

關連交易 (續)

除上文所述外，根據上市規則，年內並無不獲豁免關連交易或不獲豁免持續關連交易須作出披露。

於截至二零零六年十二月三十一日止年度財務報表內之附註52有關「關連人士交易」，就收購附屬公司而支付聯營公司之代價388,591,000港元乃指上述關連交易。

除上文所述外，根據上市規則，截至二零零六年十二月三十一日止年度財務報表內附註52所披露之「關連人士交易」並無構成須予披露的不獲豁免關連交易或不獲豁免持續關連交易。

就上述「關連人士交易」根據上市規則構成關連交易，本公司已於年內遵守上市規則第14A章的有關規定。

董事服務合約

本公司或其任何附屬公司並無與董事簽訂任何一年內若由僱主終止合約時須作出賠償（法定賠償除外）之服務合約。

集團借貸及撥充資本之利息

須於一年內或按通知償還之銀行貸款及其他貸款之詳情載於綜合資產負債表。有抵押及無抵押長期銀行貸款及其他貸款之詳情載於財務報表附註40。

本集團於本年度撥充資本之利息為148,342,000港元（二零零五年：23,800,000港元）。

退休金計劃

本集團推行兩項退休金計劃：

- (1) 香港法例第426章職業退休計劃條例所界定之公積金計劃（「公積金計劃」）；及

RETIREMENT BENEFIT SCHEMES (cont'd)

- (2) the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme").

Both the ORSO Scheme and the MPF Scheme were defined contribution schemes and the assets of both schemes were managed by their respective trustees accordingly.

The ORSO Scheme was available to the Group's full-time permanent staff employed in Hong Kong before 1st December, 2000. Contributions to the ORSO Scheme were made by the Group at 5%, 7.5% or 10% based on the staff's basic salary depending on the length of service. Staff members were entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or were entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The ORSO Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the ORSO Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The MPF Scheme was available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$20,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits were required by law to be preserved until the retirement age of 65.

In order to provide similar benefits to those who joined the MPF Scheme and the ORSO Scheme, the Group provided an additional portion (the "Top-up Portion") for those who joined the MPF Scheme. The purpose of the Top-up Portion is to match up the benefits of the MPF Scheme with that of the ORSO Scheme by providing those staff under the MPF Scheme with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Portion were made by the Group at 5%, 7.5% or 10% of the staff's basic salary less the Group's mandatory contribution under the MPF as mentioned above.

The Group's cost for the schemes charged to income statement for the year ended 31st December, 2006 amounted to approximately HK\$3,990,000 (2005: HK\$4,255,000). In addition, an amount of forfeited employer's contributions for the ORSO Scheme amounted to approximately HK\$473,000 (2005: HK\$374,000) was utilised towards reducing the Group's contributions during the Year.

退休金計劃(續)

- (2) 香港法例第485章強制性公積金計劃條例所界定之公積金計劃(「強積金計劃」)。

公積金計劃及強積金計劃均為定額供款計劃，該等計劃之資產乃由各自之受託人管理。

公積金計劃可供於二零零零年十二月一日前在香港受僱之本集團全職長期僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出5%、7.5%或10%之供款。僱員於服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。公積金計劃容許本集團將任何已沒收供款(即本集團就任何可獲得全部供款前退出公積金計劃之僱員而作出之供款)用以抵銷本集團現有之供款水平。

強積金計劃可供所有18至64歲受僱於香港最少60日之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言，有關入息上限為每月20,000港元。不論其於本集團之服務年期，僱員均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。

為了向參加強積金計劃及公積金計劃之僱員提供相近之福利，本集團為參加強積金計劃之僱員提供額外部分(「補足部分」)。補足部分之目的是向基本月薪逾20,000港元及/或服務年期逾5年之僱員提供與公積金計劃相近之福利。本集團將根據僱員基本薪金之5%、7.5%或10%減本集團根據上述強積金計劃作出之強制性供款而作出補足部分之供款。

本集團於截至二零零六年十二月三十一日止年度就該等計劃於收益表扣除之費用約為3,990,000港元(二零零五年:4,255,000港元)。此外，就公積金計劃之已沒收僱主供款約473,000港元(二零零五年:374,000港元)已於本年度內用作削減本集團之供款。

MAJOR SUPPLIERS AND CUSTOMERS

The five largest customers and suppliers of the Group amounted to less than 30% of the total turnover and purchases to the Group during the Year.

At no time during the Year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed amount of public float during the Year and up to the date of this report as required under the Listing Rules.

AUDITORS

The financial statements for the Year were audited by Messrs. HLB Hodgson Impey Cheng ("HLB") who would retire at the conclusion of the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

Messrs. Deloitte Touche Tohmatsu resigned as auditors of the Company on 15th November, 2006. HLB was appointed as auditors of the Company on the same day to fill the casual vacancy.

Save as disclosed above, there have been no other changes of auditors in the past three years. A resolution will be proposed to the shareholders at the forthcoming annual general meeting to re-appoint HLB as auditors of the Company.

On behalf of the Board

Joseph Lau, Luen-hung

Chairman

Hong Kong, 14th March, 2007

主要供應商及客戶

年內本集團五大客戶及供應商佔本集團之營業及購貨總額分別少於30%。

董事、董事之聯繫人士或本公司股東（據董事所知擁有本公司股本超過5%者）概無於年內任何時候於本集團五大供應商之中擁有權益。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告日期已按上市規則規定維持規定之公眾持股量。

核數師

本年度之財務報表由國衛會計師事務所（「國衛」）審核。該會計師行將於即將舉行之股東週年大會結束時任滿告退，並願意膺聘連任。

德勤•關黃陳方會計師行已於二零零六年十一月十五日辭任本公司核數師。國衛乃於同日獲委任為本公司之核數師，以填補臨時空缺。

除上述者外，本公司過去三年間並無更換核數師。於即將舉行之股東週年大會上，將就續聘國衛為本公司核數師向股東提呈一項決議案。

代表董事會

主席

劉鑾雄

香港，二零零七年三月十四日