

## Directors' Report 董事局報告

The directors of Lifestyle International Holdings Limited (the "Company") present their first annual report and the audited financial statements for the year ended 31st December, 2004.

### Corporate reorganisation

The Company was incorporated with limited liability in the Cayman Islands on 29th December, 2003.

Pursuant to a reorganisation to rationalise the structure of the Company and its subsidiaries (collectively as the "Group") in preparation for the public listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 26th March, 2004.

Details of the reorganisation are set out in note 23 to the financial statements.

The shares of the Company were listed on the Main Board of the Stock Exchange on 15th April, 2004.

### Principal activities

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 32 to the financial statements.

### Results and appropriations

The results of the Group for the year ended 31st December, 2004 are set out in the consolidated income statement on page 13.

An interim dividend of HK cents 3.9 together with a special dividend of HK cents 2.7 in cash per share were paid during the year. The directors now recommend the payment of a final dividend of HK cents 12.1 together with a special dividend of HK cents 8.6 in cash per share, to the shareholders on the register of members on 27th April, 2005, amounting to a total of HK cents 27.3 per share in cash for the year. All the dividends are paid out from the share premium account and the profit for the year amounting to HK\$441,298,000 will be credited against the accumulated losses.

利福國際集團有限公司(「本公司」)之董事謹此提呈其首份年報及截至二零零四年十二月三十一日止年度之經審核財務報表。

### 公司重組

本公司於二零零三年十二月二十九日在開曼群島註冊成立為有限公司。

根據為籌備本公司股份於香港聯合交易所有限公司(「聯交所」)上市所進行重組本公司及其附屬公司(統稱「本集團」)架構之重組,本公司於二零零四年三月二十六日成為現組成本集團各公司之控股公司。

有關重組之詳情載於財務報表附註23。

本公司股份自二零零四年四月十五日起在聯交所主板上市。

### 主要業務

本公司為投資控股公司,其主要附屬公司之業務載於財務報表附註32。

### 業績及分配

本集團截至二零零四年十二月三十一日止年度之業績載於第13頁綜合收益表。

於年內,本公司派付現金中期股息每股3.9港仙及現金特別股息每股2.7港仙。董事現建議向於二零零五年四月二十七日名列股東名冊之股東,就本年度派付現金末期股息每股12.1港仙連同現金特別股息每股8.6港仙,合共為現金每股27.3港仙。股息全數自股份溢價賬撥付,而本年度溢利441,298,000港元將計入累計虧損。

### Fixed assets

During the year, the Group revalued all of its investment properties at the year end date. The net surplus arising from the revaluation amounted to HK\$6,818,000 and HK\$2,882,000 respectively has been credited directly to the income statement and investment properties revaluation reserve.

The Group expended HK\$57,390,000 on new leasehold improvements during the year.

Details of these and other movements during the year in the fixed assets of the Group and the Company are set out in notes 11 and 12 to the financial statements.

### Revalued assets

In its prospectus dated 31st March, 2004, the Group included a valuation of its properties at approximately HK\$4,853 million (including investment properties of approximately HK\$62 million), which valuation has not been incorporated in the financial statements for the year ended 31st December, 2004. These properties have been included in the consolidated balance sheet at 31st December, 2004 at approximately HK\$1,941 million (including investment property of approximately HK\$10 million), being their historical cost less accumulated depreciation and accumulated impairment losses, if any. Had the properties been stated at their revalued amount in the financial statements, additional depreciation of approximately HK\$36 million would have been charged against the income statement.

### Share capital

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29th December, 2003 under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. A total of 540,000,000 shares were issued pursuant to a reorganisation to rationalise the structure of the Group. Pursuant to the placing and public offering of the Company conducted in 2004, the Company issued an additional 207,000,000 shares in April 2004. After the placing and public offering, a total of 747,000,000 shares were issued.

Details of movements during the year in the share capital of the Company are set out in note 23 to the financial statements. During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

### 固定資產

於年內，本集團於年結日重估其所有投資物業。直接計入收益表之重估所產生盈餘淨額及投資物業重估儲備分別為6,818,000港元及2,882,000港元。

本集團於年內就新物業裝修耗用57,390,000港元。

有關本集團及本公司固定資產於年內之該等及其他變動詳情載於財務報表附註11及12。

### 重估資產

本集團日期為二零零四年三月三十一日之售股章程載有其約4,853,000,000港元之物業估值（包括投資物業約62,000,000港元），有關估值並無計入截至二零零四年十二月三十一日止年度之財務報表。該等物業已按約1,941,000,000港元（包括投資物業約10,000,000港元）計入於二零零四年十二月三十一日之綜合資產負債表，有關數額為其過往成本減累計折舊及累計減值虧損（如有）。倘該等物業按其重估金額於財務報表列賬，則額外折舊約36,000,000港元將於收益表扣除。

### 股本

本公司於二零零三年十二月二十九日根據開曼群島法例第22章公司法（一九六一年第三冊，經統一及修訂）在開曼群島註冊成立為獲豁免有限公司。本公司根據重組精簡本集團架構而發行合共540,000,000股股份。根據本公司於二零零四年進行配售及公開發售，本公司於二零零四年四月再次發行207,000,000股股份。於進行配售及公開發售後，本公司合共發行747,000,000股股份。

本公司股本於年內之變動詳情載於財務報表附註23。於年內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司股份。

## Directors' Report 董事局報告

### Directors

The directors of the Company from 29th December, 2003 (date of incorporation) and up to the date of this report were:

#### Executive directors:

Mr. Lau Luen-hung, Thomas (Managing Director)	(appointed on 5th January, 2004)
Mr. Doo Wai-hoi, William	(to be appointed on 2nd March, 2005)
Dr. Tong Yuk-lun, Paul	(appointed on 5th March, 2004 and to resign on 2nd March, 2005)
Mr. Lam Kwong-wai	(appointed on 5th January, 2004 and resigned on 25th March, 2004)

#### Non-executive directors:

Dató Dr. Cheng Yu-tung (Chairman)	(appointed on 5th March, 2004)
Mr. Cheng Kar-shun, Henry	(appointed on 5th March, 2004)
Mr. Lau Luen-hung, Joseph	(appointed on 5th March, 2004)
Ms. Lau Yuk-wai, Amy	(appointed on 5th March, 2004)

#### Independent non-executive directors:

Mr. Lam Siu-lun, Simon	(appointed on 5th March, 2004)
Mr. Cheung Yuet-man, Raymond	(appointed on 5th March, 2004)
Mr. Chung Kwok-cheong	(appointed on 5th March, 2004)
The Hon. Shek Lai-him, Abraham	(appointed on 5th March, 2004)
Mr. Robert Charles Nicholson	(appointed on 5th March, 2004 and resigned on 25th March, 2004)

In accordance with the provisions of the Company's Articles of Association, Dató Dr. Cheng Yu-tung, Mr. Lau Luen-hung, Thomas, Mr. Doo Wai-hoi, William, Mr. Cheng Kar-shun, Henry, Mr. Lau Luen-hung, Joseph, Ms. Lau Yuk-wai, Amy, Mr. Lam Siu-lun, Simon, Mr. Cheung Yuet-man, Raymond and Mr. Shek Lai-him, Abraham shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mr. Chung Kwok-cheong will retire at the forthcoming Annual General Meeting pursuant to the Company's Articles of Association and not offer himself for re-election.

### 董事

自二零零三年十二月二十九日(註冊成立日期)至截至本報告日期期間,本公司董事如下:

#### 執行董事:

劉鑾鴻先生 (董事總經理)	(於二零零四年一月五日獲委任)
杜惠愷先生	(將於二零零五年三月二日獲委任)
唐玉麟博士	(於二零零四年三月五日獲委任及 將於二零零五年三月二日辭任)
林光蔚先生	(於二零零四年一月五日獲委任及 於二零零四年三月二十五日辭任)

#### 非執行董事:

拿督鄭裕彤博士 (主席)	(於二零零四年三月五日獲委任)
鄭家純先生	(於二零零四年三月五日獲委任)
劉鑾雄先生	(於二零零四年三月五日獲委任)
劉玉慧女士	(於二零零四年三月五日獲委任)

#### 獨立非執行董事:

林兆麟先生	(於二零零四年三月五日獲委任)
張悅文先生	(於二零零四年三月五日獲委任)
鍾國昌先生	(於二零零四年三月五日獲委任)
石禮謙議員	(於二零零四年三月五日獲委任)
Robert Charles Nicholson先生	(於二零零四年三月五日獲委任及 於二零零四年三月二十五日 辭任)

根據本公司之公司組織章程細則規定,拿督鄭裕彤博士、劉鑾鴻先生、杜惠愷先生、鄭家純先生、劉鑾雄先生、劉玉慧女士、林兆麟先生、張悅文先生及石禮謙先生須於應屆股東週年大會輪值告退,惟合資格並願意膺選連任。根據本公司之公司組織章程細則,鍾國昌先生將於應屆股東週年大會輪值告退,惟並不膺選連任。

### Directors (continued)

The term of office of each non-executive director and independent non-executive director is the period up to his/her retirement by rotation in accordance with the Company's Articles of Association.

Mr. Lau Luen-hung, Thomas has entered into a service contract with the Company for a fixed term of three years commencing from 1st April, 2004. Mr. Doo Wai-hoi, William will enter into a service contract with the Company for a fixed term of three years commencing from 2nd March, 2005. There is no specific clause in both service contracts providing for the amount of compensation in case of early termination.

Other than as disclosed above, no director proposed for re-election at the forthcoming Annual General Meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### Directors and chief executives interest in shares and underlying shares

As at 31st December, 2004, the interests of the directors and chief executive in the shares of the Company, underlying shares in respect of equity derivatives and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

#### (1) Long positions in the shares of the Company

Name of director 董事姓名	Nature of interest and capacity 權益性質及身分	Total number of ordinary shares 普通股總數	Approximate percentage of interest 概約權益百分比
Mr. Lau Luen-hung, Thomas 劉鑾鴻先生	Corporate (Note) 公司 (附註)	540,000,000	72.29%

Note: United Goal Resources Limited ("Untied Goal Resources"), which has 50% interest in Real Reward Limited ("Real Reward"), is ultimately owned by Mr. Lau Luen-hung, Thomas, ("Mr. Thomas Lau") and a discretionary trust with certain family members of Mr. Lau Luen-hung, Joseph ("Mr. Joseph Lau") as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in 540,000,000 shares of the Company held by Real Reward.

### 董事 (續)

各非執行董事及獨立非執行董事之任期直至彼根據本公司之公司組織章程細則輪值告退之日為止。

劉鑾鴻先生已與本公司訂立服務合約，自二零零四年四月一日起計，固定年期為三年。杜惠愷先生將與本公司訂立服務合約，自二零零五年三月二日起計，固定年期為三年。該等服務合約並無載有規定提早終止補償金額之條款。

除上文披露者外，概無擬於應屆股東週年大會膺選連任之董事訂有本集團不作賠償(法定賠償除外)則不可於一年內終止之服務合約。

### 董事及行政總裁於股份及相關股份之權益

於二零零四年十二月三十一日，董事及行政總裁於本公司股份、本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股本衍生工具之相關股份及債券中，擁有須根據證券及期貨條例第XV部第7及8分部之規定已知會本公司及聯交所的權益(包括彼等根據證券及期貨條例該等條文被當作或視為擁有的權益及／或淡倉)；或根據證券及期貨條例第352條之規定載入該條所述登記冊之權益；或根據聯交所證券上市規則(「上市規則」)所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益載列如下：

#### (1) 本公司股份之好倉

附註：擁有Real Reward Limited(「Real Reward」)50%權益之United Goal Resources Limited(「United Goal Resources」)由劉鑾鴻先生(「劉鑾鴻先生」)及合資格受益人為劉鑾雄先生(「劉鑾雄先生」)若干家屬之全權信託最終擁有，故根據證券及期貨條例，劉鑾鴻先生被視作於Real Reward所持540,000,000股本公司股份中擁有權益。

## Directors' Report 董事局報告

### Directors and chief executives interest in shares and underlying shares (continued)

#### (2) Interests in the shares of associated corporation

Name of director 董事姓名	Name of associated corporation 相聯法團名稱	Nature of interest and capacity 權益性質及身分	Total number of shares held 所持股份總數	Approximate percentage of interest 概約權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Real Reward	Corporate (Note 1) 公司(附註1)	1	50%
	World First Holdings Limited	Corporate (Note 2) 公司(附註2)	2	100%
	Crystal Key Investment Limited	Corporate (Note 2) 公司(附註2)	1	100%
	Grandville Venture Corp.	Corporate (Note 2) 公司(附註2)	50,000	100%
	Global Centre Investments Limited	Corporate (Note 2) 公司(附註2)	1	100%

Note 1: United Goal Resources, which has 50% interest in Real Reward, is ultimately owned by Mr. Thomas Lau and a discretionary trust with certain family members of Mr. Joseph Lau as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in 1 share in Real Reward.

Note 2: United Goal Resources, which has 50% interest in Real Reward, is ultimately owned by Mr. Thomas Lau and a discretionary trust with certain family members of Mr. Joseph Lau as eligible beneficiaries. World First Holdings Limited, Crystal Key Investment Limited, Grandville Venture Corp. and Global Centre Investments Limited are, either direct or indirect, wholly owned subsidiaries of Real Reward. By virtue of SFO, Mr. Thomas Lau is deemed to be interested in the shares held by Real Reward directly or indirectly in World First Holdings Limited, Crystal Key Investment Limited, Grandville Venture Corp. and Global Centre Investments Limited.

All the interests stated above represented long positions. As at 31st December, 2004, the directors and chief executive had no short positions recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### Share option scheme

Details of the Company's share option scheme (the "Scheme") are set out in note 24 to the financial statements. No option has been granted under the Scheme since its adoption.

### Arrangements to purchase shares or debentures

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### 董事及行政總裁於股份及相關股份之權益 (續)

#### (2) 相聯法團股份之權益

附註1：擁有Real Reward 50%權益之United Goal Resources由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家屬之全權信託最終擁有，故根據證券及期貨條例，劉鑾鴻先生被視作於Real Reward 所持1 股股份中擁有權益。

附註2：擁有Real Reward 50%權益之United Goal Resources 由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家屬之全權信託最終擁有。World First Holdings Limited、Crystal Key Investment Limited、Grandville Venture Corp. 及Global Centre Investments Limited為Real Reward直接或間接全資附屬公司，故根據證券及期貨條例，劉鑾鴻先生被視作於Real Reward 於World First Holdings Limited、Crystal Key Investment Limited、Grandville Venture Corp. 及Global Centre Investments Limited直接或間接持有股份中擁有權益。

上述全部權益均為好倉。於二零零四年十二月三十一日，本公司根據證券及期貨條例第336條規定存置之登記冊並無記錄董事及行政總裁擁有任何淡倉。

### 購股權計劃

本公司購股權計劃(「該計劃」)詳情載於財務報表附註24。自採納日期以來，概無根據該計劃授出任何購股權。

### 購買股份或債券之安排

於年內任何時間，本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排，致使本公司董事藉收購本公司或任何其他法人團體股份或債券而獲益。

## Directors' interests in contracts of significance

Other than as disclosed under the section "Connected Transactions" below, no contracts of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## Connected transactions

1. Sogo Hong Kong Company Limited ("Sogo HK"), an indirect wholly owned subsidiary of the Company, and Chow Tai Fook Jewellery Company Limited ("CTF Jewellery") entered into a dealership agreement (the "Dealership Agreement"), whereby Sogo HK agreed to make available the area of about 1,107.40 sq.ft. floor space at Shops 1-28 and 1-29 on the First Floor of the Sogo Store to CTF Jewellery for exhibiting and selling fine jewellery, 999.9 gold and accessories and platinum jewellery, for an annual minimum commission of not less than HK\$3,986,640. During the year ended 31st December, 2004, a total of HK\$6,436,000 commission has been received.

Real Reward, the controlling shareholder of the Company, is a company jointly owned by United Goal Resources and Go Create Limited ("Go Create") in equal shares. Go Create is a company wholly owned by Chow Tai Fook Enterprises Limited ("CTF"). Being an associate of CTF, CTF Jewellery is a connected person of the Company under the Listing Rules.

2. Pursuant to two tenancy agreements dated 14th August, 1996 and 10th November, 1997 (the "Tenancy Agreements") respectively between Public Might Limited ("Public Might"), an indirect wholly owned subsidiary of the Group, as tenant and Sunny Ocean Limited and Viewide Properties Limited ("Chinese Estates Related Companies"), indirect wholly owned subsidiaries of Chinese Estates Holdings Limited, as landlord, in respect of certain premises at Excelsior Plaza, the Group is responsible to pay rental as well as service charges to Chinese Estates Related Companies. During the year ended 31st December, 2004, an amount of HK\$43,374,000 of rental and service charges has been paid.

Real Reward, the controlling shareholder of the Company, is a company jointly owned by United Goal Resources and Go Create in equal shares. United Goal Resources is ultimately owned by Mr. Thomas Lau and a discretionary trust with certain family members of Mr. Joseph Lau as eligible beneficiaries. Mr. Joseph Lau and Mr. Thomas Lau are respectively interested or deemed to be interested in about 62.81% and 9.81% of the entire issued share capital in Chinese Estates Holdings Limited as at 31st December, 2004. Therefore, Chinese Estates Related Companies are connected persons of the Company under the Listing Rules.

The above constituted continuing connected transactions under Chapter 14A of the Listing Rules and a waiver from strict compliance with the disclosure and/or shareholders' approval requirements under Rule 14A of the Listing Rules have been granted by the Stock Exchange.

## 董事之重大合約權益

除下文「關連交易」一節披露者外，本公司董事概無於本公司、其控股公司、附屬公司或同系附屬公司所訂立，且於本年度年結日或年內任何時間仍然生效之重大合約中，直接或間接擁有重大權益。

## 關連交易

1. 本公司間接全資附屬公司崇光(香港)百貨有限公司(「崇光香港」)與周大福珠寶金行有限公司(「周大福珠寶」)訂立專櫃經營協議(「專櫃經營協議」)。據此，崇光香港同意向周大福珠寶提供崇光百貨一樓1-28及1-29號舖約1,107.40平方呎樓面面積作陳列及銷售珠寶首飾、999.9金及飾物及白金首飾等，每年最低佣金不少於3,986,640港元。截至二零零四年十二月三十一日止年度，崇光香港已收取合共6,436,000港元。

本公司控股股東Real Reward為由United Goal Resources及Go Create Limited(「Go Create」)共同擁有相同數量股份之公司。Go Create為由周大福企業有限公司(「周大福」)全資擁有之公司。就上市規則而言，作為周大福之聯繫人士，周大福珠寶為本公司之關連人士。

2. 根據兩份由本集團間接全資附屬公司群量有限公司(「群量」)作為租戶與華人置業集團間接全資附屬公司Sunny Ocean Limited及Viewide Properties Limited(「華人置業關連公司」)作為業主就怡東商場若干物業所訂立日期分別為一九九六年八月十四日及一九九七年十一月十日之租賃協議(「該等租賃協議」)，本集團須向華人置業關連公司支付租金及服務費。截至二零零四年十二月三十一日止年度，本集團已支付租金及服務費合共43,374,000港元。

本公司控股股東Real Reward為由United Goal Resources及Go Create共同擁有相同數量股份之公司。United Goal Resources由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家屬之全權信託最終擁有。於二零零四年十二月三十一日，劉鑾雄先生及劉鑾鴻先生分別持有或被視為持有華人置業集團全部已發行股本約62.81%及9.81%權益。因此，根據上市規則而言，華人置業關連公司為本公司之關連人士。

根據上市規則第14A章，上述交易構成持續關連交易，聯交所已授出豁免毋須嚴格遵守上市規則第14A條之披露及／或獲股東批准規定。

## Directors' Report 董事局報告

### Connected transactions (continued)

The independent non-executive directors of the Company have reviewed and confirmed that the annual cap of HK\$10,000,000 and HK\$47,700,000 respectively in respect of transactions (1) and (2) above has not been exceeded for the year ended 31st December, 2004.

The independent non-executive directors have also confirmed that the above transactions have been entered into by the Company in the ordinary course of its business and are fair and reasonable and in the interests of the shareholders of the Company as a whole; and on normal commercial terms and in accordance with the terms of the respective agreements governing such transactions.

The auditors of the Company have confirmed that the above transactions have been approved by the board of directors and did not exceed the respective caps stated in the Company's prospectus dated 31st March, 2004.

### Substantial shareholders

As at 31st December, 2004, as far as known to the directors, the following persons (other than the directors or chief executive of the Company) who had 5% or more interests in the shares or underlying shares in respect of equity derivatives of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

### Long position in the shares of the Company

Name of shareholder 股東名稱	Nature of interest and capacity 權益性質及身分	Approximate Total number of shares held 所持股份總數	percentage of interest 概約權益百分比
Real Reward	Beneficial owner 實益擁有人	540,000,000	72.29%
United Goal Resources	Corporate (Note 1) 公司(附註1)	540,000,000	72.29%
Asia Prime Assets Limited ("Asia Prime Assets")	Corporate (Note 1) 公司(附註1)	540,000,000	72.29%
Go Create	Corporate (Note 2) 公司(附註2)	540,000,000	72.29%
CTF 周大福	Corporate (Note 2) 公司(附註2)	540,000,000	72.29%
JPMorgan Chase & Co.	Investment Manager/ Custodian 投資經理/託管人	45,277,500	6.06%

### 關連交易 (續)

本公司獨立非執行董事已審閱及確認，截至二零零四年十二月三十一日止年度，並無超過上述(1)及(2)項交易之年度上限分別為10,000,000港元及47,700,000港元。

獨立非執行董事亦已確認上述交易乃由本公司於日常業務中按一般商業條款及根據監管該等交易之有關協議條款訂立，屬公平合理，且符合本公司股東整體利益。

本公司核數師確認，上述交易已獲董事局批准，且不過本公司日期為二零零四年三月三十一日之售股章程所載各有關上限。

### 主要股東

於二零零四年十二月三十一日，據董事所知，按本公司根據證券及期貨條例第336條存置的登記冊所記錄，除本公司董事或行政總裁外，下列人士於本公司股份或股本衍生工具相關股份中擁有5%或以上權益，而該等權益須根據證券及期貨條例第XV部第2及3分部之規定向本公司披露如下：

### 本公司股份之好倉

### Substantial shareholders (continued)

Note 1: Asia Prime Assets which is wholly owned by Mr. Thomas Lau, holds more than one-third of the entire issued share capital of United Goal Resources, a 50% shareholder of Real Reward. By virtue of the SFO, Asia Prime Assets and United Goal Resources are deemed to be interested in the shares held by Real Reward.

Note 2: Go Create, a company wholly owned by CTF of which family members of Dató Dr. Cheng Yu-tung have controlling interests, has 50% interest in Real Reward. By virtue of the SFO, CTF and Go Create are deemed to be interested in the shares held by Real Reward.

All the interests stated above represented long positions. As at 31st December, 2004, the substantial shareholders of the Company had no short positions recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### Corporate governance

In the opinion of the directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules since 15th April, 2004 (being the listing date of the Company) until 31st December, 2004, except that the non-executive directors and independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement and re-election at each Annual General Meeting of the Company in accordance with the Articles of Association of the Company.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). The directors have complied with the required standard set out in the Model Code since 15th April, 2004 until 31st December, 2004 and considers all of the independent non-executive directors are independent.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

### Competing business interests of directors

CTF, of which family members of Dató Dr. Cheng Yu-tung (including Dató Dr. Cheng Yu-tung himself and Mr. Cheng Kar-shun, Henry, directors of the Company) have controlling interests, owned about 35% of the issued share capital of New World Development Company Limited ("NWD"). NWD is the holding company of New World Department Stores Limited ("NWDS"), which was founded in 1993 and currently operates department store business selling merchandise, from direct purchase and through concessionaire counters. NWDS operates 17 department stores with an aggregate gross floor area of about 458,000 sq.m. in Hong Kong and ten cities in the PRC, namely Wuhan, Shenyang, Wuxi, Harbin, Tianjin, Ningbo, Beijing, Shanghai, Dalian and Kunming, including a store of gross floor area of about 13,000 sq.m. in Tsimshatsui, Hong Kong and four stores of about 64,000 sq.m. in aggregate in Shanghai. As such, the business of NWDS may compete directly or indirectly with the business of the Group in Hong Kong and Shanghai.

### 主要股東 (續)

附註1：由劉鑾鴻先生全資擁有的Asia Prime Assets持有Real Reward 50%權益股東United Goal Resources全部已發行股本三分之一以上，故根據證券及期貨條例，Asia Prime Assets及United Goal Resources被視作於Real Reward所持股份中擁有權益。

附註2：Go Create擁有Real Reward 50%權益，且為拿督鄭裕彤博士家屬擁有控股權的周大福全資擁有，故根據證券及期貨條例，周大福及Go Create被視作於Real Reward所持股份中擁有權益。

上述全部權益均為好倉。於二零零四年十二月三十一日，本公司根據證券及期貨條例第336條規定存置之登記冊並無記錄本公司主要股東擁有任何淡倉。

### 企業管治

董事認為，於本公司上市日期二零零四年四月十五日及二零零四年十二月三十一日期間，本公司一直遵守上市規則附錄14所載最佳應用守則，惟本公司非執行董事及獨立非執行董事並無指定任期，但須根據本公司之公司組織章程細則於每屆股東週年大會輪值告退及膺選連任。

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。於二零零四年四月十五日及二零零四年十二月三十一日期間，董事一直遵守標準守則所規定準則，並認為全體獨立非執行董事均為獨立人士。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認。本公司認為，全體獨立非執行董事均為獨立人士。

### 董事於競爭業務之權益

拿督鄭裕彤博士之家屬（包括本公司董事拿督鄭裕彤博士本人及鄭家純先生）擁有控股權益之周大福擁有新世界發展有限公司（「新世界發展」）已發行股本約35%。新世界發展為新世界百貨有限公司（「新世界百貨」）之控股公司。新世界百貨於一九九三年創立，現透過直接採購及特許經營專櫃售賣貨品經營百貨公司業務。新世界百貨在香港及中國十個城市（分別為武漢、瀋陽、無錫、哈爾濱、天津、寧波、北京、上海、大連及昆明）經營17間百貨公司，總樓面面積約為458,000平方米，包括位於香港尖沙咀一間樓面面積約13,000平方米之百貨公司及上海四間合共約64,000平方米之百貨公司。因此，新世界百貨之業務或會與本集團在香港及上海之業務直接或間接構成競爭。

## Directors' Report 董事局報告

### Competing business interests of directors (continued)

The senior management of NWDS is currently led by Mr. Philip Cheung, the managing director. Dató Dr. Cheng Yu-tung is not a director of, and is not involved in the daily operations of, NWDS. Although Mr. Cheng Kar-shun, Henry is the chairman of NWDS, he only assumes a non-executive role and is not involved in the day-to-day operations of NWDS which are supervised and run by the aforesaid managing director, Mr. Philip Cheung. The management of NWDS and the management of the Group are separate and distinct. There has never been any exchange of information nor communication between the two management. The management of NWDS only participates in the management and operations of NWDS but not that of the Company. In relation to NWD, two of its directors, Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, are also the non-executive directors of the Company. Since the completion of the acquisition of Sogo HK in May 2001, neither CTF nor any of these two directors has participated in the daily operations and management of the Group. As non-executive directors, it is not intended that they will participate in the daily operations and management of the Group.

Save as disclosed herein, none of the directors and their respective associates had any interest in a business which competes or may compete with the business of the Group.

### Purchase, sale or redemption of shares

There was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries during the year.

### Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under the laws in the Cayman Islands.

### Employees

As at 31st December, 2004, the total number of employees of the Group was about 850. The Group ensures that the pay levels of its employees are competitive according to market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

4,500,000 shares of the Company were subscribed by the Group's employees on a preferential basis at HK\$8.30 per share on the listing of the Company in April 2004.

### Major customers and suppliers

The Group is principally involved in retail business. During the year, the aggregate amount of purchases and turnover attributable to the Group's five largest suppliers and customers represented less than 30% of the Group's total turnover and purchases respectively.

### 董事於競爭業務之權益 (續)

新世界百貨之高級管理層現由董事總經理Philip Cheung先生領導。拿督鄭裕彤博士並非新世界百貨之董事，亦無參與新世界百貨之日常業務。雖然鄭家純先生為新世界百貨之主席，鄭先生之職務只為非執行性質，並無參與新世界百貨之日常業務。新世界百貨乃由上述董事總經理Philip Cheung先生監督及領導。新世界百貨及本集團乃獨立分開管理。兩間公司之管理層之間從來沒有交換任何資料或任何通訊聯繫。新世界百貨之管理層只參與新世界百貨之管理及營運，而不會涉足本公司之管理及營運。關於新世界發展方面，其兩名董事拿督鄭裕彤博士及鄭家純先生亦為本公司之非執行董事。自二零零一年五月完成收購崇光香港後，周大福或上述兩名董事並無參與本集團之日常業務及管理。彼等作為非執行董事，無意參與本集團之日常業務及管理。

除本文披露者外，概無董事或彼等各自之聯繫人士於任何與可能與本集團業務構成競爭之業務中擁有任何權益。

### 購買、出售或贖回股份

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股份。

### 優先購買權

儘管開曼群島法例並無有關優先購買權之限制，惟本公司之公司組織章程細則並無有關權利之條文。

### 僱員

於二零零四年十二月三十一日，本集團僱員人數合共約有850名。本集團確保其僱員薪酬水平符合市場水平，且為競爭價格，而其僱員可按其表現在本集團薪金及花紅體制之一般架構內獲取報酬。

於二零零四年四月本公司上市時，本集團僱員按優先基準以每股8.30港元之價格認購合共4,500,000股本公司股份。

### 主要客戶及供應商

本集團主要從事零售業務。於年內，本集團五大供應商及客戶應佔總採購額及營業額分別佔本集團總營業額及採購額不足30%。

### Sufficiency of public float

The Company has maintained a sufficient public float throughout the period from the date of listing of shares to 31st December, 2004.

### Charitable donations

During the year, the Group made charitable and other donations amounting to HK\$2,215,000.

### Post balance sheet events

Details of significant events occurring after the balance sheet date are set out in note 31 to the financial statements.

### Auditors

During the year, Messrs. Deloitte Touche Tohmatsu have been appointed as auditors of the Company. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**Lau Luen-hung, Thomas**

*Managing Director*

1st March, 2005

### 足夠公眾持股量

本公司於股份上市日期至二零零四年十二月三十一日期間一直維持足夠公眾持股量。

### 慈善捐款

於年內，本集團作出慈善及其他捐款2,215,000港元。

### 結算日後事項

有關於結算日後發生之重大事項詳情載於財務報表附註 31。

### 核數師

於年內，德勤·關黃陳方會計師行獲委任為本公司核數師。本公司將於股東週年大會提呈續聘德勤·關黃陳方會計師行為本公司核數師之決議案。

代表董事局

*董事總經理*

**劉鑾鴻**

二零零五年三月一日