

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2004.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at an extraordinary general meeting of the Company held on 1 December 2004 and as approved by the Registrars of Companies of the Cayman Islands and Hong Kong, the name of the Company was changed from China Everbright Technology Limited to China Haidian Holdings Limited 中國海澱集團有限公司.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 14 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2004 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 37 to 116.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2004 (2003: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 117 and 118. This summary does not form part of the audited financial statements.

董事提呈董事會報告以及本公司及本集團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。

更改公司名稱

根據於二零零四年十二月一日舉行之本公司股東特別大會通過之特別決議案，並經開曼群島及香港公司註冊處處長批准，本公司名稱由 China Everbright Technology Limited 更改為 China Haidian Holdings Limited 中國海澱集團有限公司。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於財務報表附註14。本集團之主要業務性質於年內並無重大變動。

業績及股息

本集團截至二零零四年十二月三十一日止年度之溢利以及本公司和本集團於當日的財務狀況載於財務報表第37至116頁。

董事並不建議派付截至二零零四年十二月三十一日止年度末期股息（二零零三年：零）。

財務資料概要

本集團過去五個財政年度已刊發業績及資產、負債與少數股東權益概要載於第117頁及第118頁，乃摘錄自經審核財務報表。該概要並非經審核財務報表一部分。

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Company and of the Group during the year are set out in note 12 to the financial statements. Further details of the Group's investment properties are set out on page 119 of the annual report.

PROPERTIES UNDER DEVELOPMENT

Details of the Group's properties under development are set out in note 18 to the financial statements and on page 120 of the annual report.

SHARE CAPITAL

There was no movement in either the Company's authorised or issued share capital during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 31(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

固定資產及投資物業

本公司及本集團固定資產及投資物業於年內的變動詳情載於財務報表附註12內。本集團投資物業之進一步詳情載於年報第119頁。

發展中物業

本集團發展中物業詳情載於財務報表附註18及年報第120頁。

股本

本公司法定或已發行股本於年內概無任何變動。

優先購買權

本公司之公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團儲備於年內的變動詳情分別載於財務報表附註31(b)及綜合股權變動報表內。

DISTRIBUTABLE RESERVES

At 31 December 2004, the Company had no reserves available for cash distribution and/or distribution in specie, except that under the provisions of the Companies Law of the Cayman Islands, the Company's share premium account in the amount of HK\$677,882,000 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 17% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 39% of the total purchases for the year and purchase from the largest supplier included therein amounted to 22%.

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

可供分派儲備

於二零零四年十二月三十一日，除開曼群島公司法條文規定者外，本公司並無任何可供作現金及／或實物分派的儲備，另本公司的股份溢價賬中677,882,000港元可以繳足紅股方式分派。

主要客戶與供應商

於回顧年內，本集團五大客戶的銷售額佔年內總銷售額不足17%。本集團五大供應商的購貨額佔年內總購貨額39%，而本集團最大供應商的購貨額則佔其中22%。

本公司董事或彼等任何聯繫人士或就董事所深知任何擁有本公司已發行股本5%以上的股東，概無擁有本集團五大客戶或五大供應商任何實益權益。

DIRECTORS

The directors of the Company during the year were:

Executive directors:

- Mr. Hon Kwok Lung, *Chairman*
(appointed on 8 April 2004)
- Mr. Wang Shaolan, *Vice Chairman*
- Mr. Shang Jianguang, *Chief Executive Officer*
(appointed on 18 November 2004)
- Mr. Shi Tao
(appointed on 8 April 2004)
- Mr. Lam Toi Man
(appointed on 8 April 2004)
- Mr. Wang Mingquan
(resigned on 14 May 2004)
- Mr. Zang Qiutao
(resigned on 14 May 2004)

Non-executive director:

- Ms. Sit Lai Hei
(appointed on 18 November 2004)

Independent non-executive directors:

- Mr. Fung Tze Wa
(appointed on 8 April 2004)
- Dr. Kwong Chun Wai, Michael
(appointed on 8 April 2004)
- Mr. Li Qiang
(appointed on 18 November 2004)
- Mr. Werner Max Michael Makowski
(resigned on 14 May 2004)
- Mr. Yang Zheng Qing
(resigned on 14 May 2004)

In accordance with article 116 of the Company's articles of association, Mr. Wang Shaolan and Mr. Lam Toi Man will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

董事

以下為本公司本年度在任之董事：

執行董事：

- 韓國龍先生（主席）
(於二零零四年四月八日獲委任)
- 王少蘭先生（副主席）
- 商建光先生（行政總裁）
(於二零零四年十一月十八日獲委任)
- 石濤先生
(於二零零四年四月八日獲委任)
- 林代文先生
(於二零零四年四月八日獲委任)
- 王明權先生
(於二零零四年五月十四日辭任)
- 臧秋濤先生
(於二零零四年五月十四日辭任)

非執行董事：

- 薛黎曦女士
(於二零零四年十一月十八日獲委任)

獨立非執行董事：

- 馮子華先生
(於二零零四年四月八日獲委任)
- 鄺俊偉博士
(於二零零四年四月八日獲委任)
- 李強先生
(於二零零四年十一月十八日獲委任)
- 麥高祺先生
(於二零零四年五月十四日辭任)
- 楊正清先生
(於二零零四年五月十四日辭任)

根據本公司組織章程細則第116條之規定，王少蘭先生及林代文先生將於應屆股東週年大會依章輪值告退，並願且符合資格膺選連任。

DIRECTORS (continued)

In accordance with article 99 of the Company's articles of association, Mr. Shang Jianguang, Ms. Sit Lai Hei and Mr. Li Qiang will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Company has received annual confirmation of independence from each of the three remaining independent non-executive directors, Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang that they have met all the factors concerning their independence as set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and that there are no other factors which may affect their independence. The board of directors (the "Board") still considers these independent non-executive directors to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 4 to 8 of the annual report.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' SERVICE CONTRACTS

Mr. Wang Shaolan, an executive director and the Vice Chairman of the Company, has a service contract with the Company for a term of three years commencing from 5 July 2004. If the Company terminates the service contract with Mr. Wang prior to the expiry of the contract term, the Company shall compensate Mr. Wang twelve months' salary.

董事 (續)

根據本公司組織章程細則第99條之規定，商建光先生、薛黎曦女士及李強先生將於應屆股東週年大會上退任，並願且符合資格膺選連任。

本公司已獲取其餘三名獨立非執行董事馮子華先生、鄺俊偉博士及李強先生各自發出之年度獨立確認書，表示彼等已符合香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條有關彼等獨立性的因素，以及並無其他可能會影響彼等獨立性的因素。董事會（「董事會」）仍認為，該三名獨立非執行董事均為獨立人士。

董事及高級管理層之履歷

本公司董事及本集團高級管理層之履歷詳情載於年報第4至第8頁。

董事於合約中之權益

年內，各董事概無於本公司或其任何附屬公司參與訂立而對本集團業務屬重大之任何合約中直接或間接擁有任何重大權益。

董事服務合約

本公司執行董事兼副主席王少蘭先生與本公司訂有服務合約，任期由二零零四年七月五日起為期三年。倘本公司於合約期限屆滿前終止與王先生訂立之服務合約，本公司須向王先生作出相當於十二個月薪金之補償。

DIRECTORS' SERVICE CONTRACTS (continued)

Mr. Shang Jian Guang, an executive director and the chief executive officer of the Company, has a service contract with the Company for a term of two years commencing from 18 November 2004 and is subject to termination by either party by giving not less than three months' written notice.

Mr. Hon Kwok Lung, the Chairman of the Company, Mr. Shi Tao and Mr. Lam Toi Man, executive directors of the Company, have service contracts with the Company for an initial term of two years commencing from 1 July 2004 and is subject to termination by either party by giving not less than two months' written notice. On their initial expiry, these service contracts will each continue for successive terms of one year unless terminated by not less than two months' written notice served by either party to the other.

Mr. Fung Tze Wa and Dr. Kwong Chun Wai, Michael, independent non-executive directors of the Company, have service contracts with the Company for an initial term of two years commencing from 3 May 2004. On their initial expiry, these service contracts will each continue for successive terms of one year unless terminated by not less than one month's written notice served by either party to the other.

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 of compensation, other than statutory compensation.

董事服務合約 (續)

本公司執行董事兼行政總裁商建光先生與本公司訂有服務合約，任期由二零零四年十一月十八日起為期兩年，惟任何一方可向另一方發出不少於三個月書面通知終止該服務合約。

本公司主席韓國龍先生、本公司執行董事石濤先生及林代文先生與本公司訂有服務合約，任期由二零零四年七月一日起為期兩年，惟任何一方可向另一方發出不少於兩個月書面通知予以終止。除非任何一方向另一方發出不少於兩個月書面通知予以終止，初步任期屆滿後，此等服務合約將繼續有效，並續期一年。

本公司獨立非執行董事馮子華先生及鄭俊偉博士均與本公司訂有服務合約，初步任期由二零零四年五月三日起為期兩年。除非任何一方向另一方發出不少於一個月書面通知予以終止，初步任期屆滿後，此等服務合約將繼續有效，並續期一年。

概無建議於應屆股東週年大會膺選連任之董事與本公司訂有任何本公司不可在一年內毋須支付賠償（法定賠償除外）而終止之服務合約。

DIRECTORS' REMUNERATION

The directors' fees can be fixed by the directors of the Company subject to shareholders' authorisation at general meetings. Other emoluments are determined by the Board with reference to the duties, responsibilities and performance of the directors and the results of the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2004, the interests or short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of Listing Rules, were as follows:

Long positions in ordinary shares of the Company:

Name of director 董事姓名		Capacity and nature of interest 身分及 權益性質	Number of ordinary shares held 所持普通股 數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
Hon Kwok Lung	韓國龍	Through a controlled corporation 透過受控制公司	625,393,515 (note) (附註)	40.48
Lam Suk Ying	林淑英	Through a controlled corporation 透過受控制公司	625,393,515 (note) (附註)	40.48

董事酬金

董事袍金可由本公司董事會釐定，惟須獲股東於股東大會授權。其他薪酬由董事會參考董事之職務、責任及表現以及本集團業績釐定。

董事及主要行政人員於股份及相關股份之權益及淡倉

於二零零四年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定存置之登記冊所記錄，董事及主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股本及相關股份中擁有或已根據上市規則項下上市發行人董事進行證券交易的標準守則（「標準守則」）知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

本公司普通股之好倉：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

Note:

Mr. Hon Kwok Lung holds 50% and his wife, Ms. Lam Suk Ying holds 20% interests in Sincere View International Limited ("Sincere View") which is the controlling shareholder of the Company holding 625,393,515 shares of the Company.

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of shares of 625,393,515 held by Sincere View.

Save as disclosed above, as at 31 December 2004, no person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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 minor children, 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 to acquire such rights in any other body corporate.

董事及主要行政人員於股份及相關股份之權益及淡倉(續)

附註:

韓國龍先生及彼之妻子林淑英女士分別持有信景國際有限公司(「信景」)50%及20%權益,而該公司為本公司控股股東,持有本公司625,393,515股股份。

韓國龍先生及林淑英女士被視作於信景所持同一批625,393,515股股份中擁有權益。

除上文披露者外,於二零零四年十二月三十一日,概無任何人士於本公司或其任何相聯法團之股份及相關股份中擁有須根據證券及期貨條例第352條記錄之任何權益或淡倉,或須根據標準守則知會本公司及聯交所之任何權益或淡倉。

董事購買股份或債券之權利

於年內任何時間,董事或彼等各自的配偶或未成年子女概無獲授或行使可藉購買本公司股份或債券獲益的權利,而本公司或其任何附屬公司亦無參與任何安排,致使董事可於任何其他法團獲取該等權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2004, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long position:

Name of shareholder 股東名稱	Capacity and nature of interest 身分及 權益性質	Number of ordinary shares held 所持普通股 數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
Sincere View 信景	Beneficially owned 實益擁有	625,393,515	40.48

Save as disclosed above, as at 31 December 2004, no person, other than the directors and chief executive of the Company whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CONNECTED TRANSACTIONS

Details of the significant connected transaction of the Group under the Listing Rules are set out below and in note 36 to the financial statements.

主要股東於股份及相關股份之權益

於二零零四年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之權益登記冊所記錄，下列人士持有本公司已發行股本5%或以上權益：

好倉：

Capacity and nature of interest 身分及 權益性質	Number of ordinary shares held 所持普通股 數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
Beneficially owned 實益擁有	625,393,515	40.48

除上文披露者外，於二零零四年十二月三十一日，除其權益載於上文「董事及主要行政人員於股份及相關股份中之權益及淡倉」一節之本公司董事及主要行政人員外，概無任何人士於本公司股份及相關股份中登記擁有須根據證券及期貨條例第336條予以記錄之權益或淡倉。

關連交易

根據上市規則屬於本集團重大關連交易之詳情載於下文及財務報表附註36。

CONNECTED TRANSACTIONS (continued)

During the period from 1 January 2004 to 25 March 2004, being the date China Everbright Holdings Company Limited (“CEH”) ceased to be the substantial shareholder of the Company, the Group paid interest expenses to China Everbright Bank Company Limited, a subsidiary of CEH, of HK\$436,000.

DIRECTORS’ INTERESTS IN A COMPETING BUSINESS

During the year, no director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules, other than those businesses to which the directors were appointed as directors to represent the interest of the Company and/or the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of the annual report, the Company’s shares which are in the hands of the public exceeded 25% of the Company’s total issued share capital as at the date of this report.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 37 to the financial statements.

關連交易 (續)

於二零零四年一月一日至中國光大集團有限公司(「光大集團」)終止為本公司主要股東之日二零零四年三月二十五日止期間,本集團向光大集團之附屬公司中國光大銀行有限公司支付利息開支436,000港元。

董事於競爭業務之權益

年內,除董事因代表本公司及/或本集團權益而獲委聘為董事之該等業務外,根據上市規則,概無董事被視為在直接或間接與本集團業務構成競爭或可能構成競爭之業務中擁有權益。

足夠公眾持股量

按本公司可公開獲取之資料及據董事所知悉,截至本年報日期,公眾人士所持本公司股份數目超過本公司於本報告日期之全部已發行股本25%。

結算日後事項

本集團於結算日後之重大事項詳情載於財務報表附註37。

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 throughout the accounting period covered by the annual report, except that Mr. Werner Max Michael Makowski, Mr. Yang Zheng Qing, Mr. Li Qiang and Ms. Sit Lai Hei were not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Having made specific enquiry with all the Company's directors, the Company has ascertained that all of its directors have complied with the required standards set out in the Model Code throughout the accounting period covered by the annual report.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three existing independent non-executive directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial matters including the review of the audited financial statements for the year ended 31 December 2004.

最佳應用守則

除麥高祺先生、楊正清先生、李強先生及薛黎曦女士並無根據上市規則附錄14所載最佳應用守則（「守則」）第7段所規定訂明委任年期，而須根據本公司之公司組織章程細則輪值告退外，董事認為，本公司於本年報所涵蓋整個會計期間一直遵守守則。

證券交易的標準守則

董事會已採納標準守則作為董事買賣本公司證券之操守準則。在向本公司董事作出特定查詢後，本公司確定所有董事於本年報所涵蓋整個會計期間一直遵守標準守則所載之規定。

審核委員會

本公司已根據上市規則第3.21條之規定成立審核委員會，以審閱及監督本集團的財務申報過程及內部監控制度。審核委員會由本公司現時三名獨立非執行董事組成。審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論審計、內部監控及財務事宜，包括審閱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。

AUDITORS

During the year 2003, KPMG resigned as auditors of the Company and Ernst & Young were appointed by the directors to fill the causal vacancy so arising. There have been no other changes of auditors in the past three years. A resolution for the reappointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Hon Kwok Lung

Chairman

Hong Kong

22 April 2005

核數師

於二零零三年度，畢馬威會計師事務所辭任本公司核數師，安永會計師事務所獲董事委聘以填補所產生之臨時空缺。核數師於過去三年並無其他變動。本公司將於應屆股東週年大會提呈有關續聘安永會計師事務所為本公司核數師之決議案。

代表董事會

韓國龍

主席

香港

二零零五年四月二十二日