

Report of the Directors 董事會報告書

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

Principal Activities

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries and associates are set out in note 19 and note 20 to the financial statements, respectively. There were no 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 the Group at that date are set out in the financial statements on pages 45 to 114.

An interim dividend of HK2.0 cents (2003: HK1.5 cents) per share was paid on 29 October 2004. The directors recommend the payment of a final dividend of HK3.0 cents (2003: HK2.5 cents) per share in respect of the year to shareholders on the register of members on 6 June 2005. The recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

Summary of Financial Information

A summary of the published results of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 115. This summary is not part of the audited financial statements.

Fixed Assets and Investment Properties

Details of movements in the fixed assets and investment properties of the Company and the Group during the year are set out in note 14 and note 18 to the financial statements.

董事會欣然呈報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年報及經審核財務報表。

主要業務

本公司主要從事投資控股。其主要附屬公司及聯營公司之主要業務詳情分別載於財務報表附註19與附註20。於本年度內，本集團主要業務之性質並無任何變動。

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及本公司與本集團於當日之財務狀況載於財務報表第45至114頁。

本年度已於二零零四年十月二十九日派付中期股息每股2.0港仙（二零零三年：1.5港仙）。董事會建議於本年度向於二零零五年六月六日名列本公司股東名冊之股東派付末期股息每股3.0港仙（二零零三年：2.5港仙）。擬派之股息已載入財務報表內，作為資產負債表項內股本及儲備中之保留溢利分配。

財務資料摘要

本集團過去五個財政年度之已公佈業績及資產與負債摘要乃摘錄自經審核財務報表，並作適當之重新分類，載於第115頁。該摘要並非經審核財務報表之一部份。

固定資產及投資物業

年內本公司及本集團之固定資產及投資物業之變動詳情載於財務報表附註14及18。

Principal Subsidiaries

Particulars of the Company's principal subsidiaries are set out in note 19 to the financial statements.

主要附屬公司

本公司主要附屬公司之詳情載於財務報表附註19。

Principal Associates

Particulars of the Company's and the Group's interests in its principal associates are set out in note 20 to the financial statements.

主要聯營公司

本公司及本集團於主要聯營公司之權益詳情載於財務報表附註20。

Bank Loans

Details of the bank loans of the Company and of the Group are set out in note 28 to the financial statements.

銀行貸款

本公司及本集團之銀行貸款之詳情載於財務報表附註28。

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year, together with the reasons thereof, are set out in note 31 and note 32 to the financial statements.

股本及購股權

於本年度內，本公司股本及購股權之變動詳情連同引致變動之原因，一併載於財務報表附註31及32。

Purchases, Sale or Redemption of the Company's Securities

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

購買、出售或贖回本公司之證券

於本年度內，本公司或其附屬公司概無購買或贖回或出售本公司任何上市證券。

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 33 to the financial statements.

儲備

於本年度內，本公司及本集團之儲備變動詳情載於財務報表附註33。

Distributable Reserves

At 31 December 2004, the Company's reserves available for distribution, calculated in accordance with the provisions of Section 79B of the Hong Kong Companies Ordinance, amounted to HK\$745,662,000, of which HK\$74,472,000 has been proposed as a final dividend for the year.

可供分派儲備

於二零零四年十二月三十一日，依照香港公司條例第79B條之規定計算，本公司之可供分派儲備達745,662,000港元，當中74,472,000港元已作為末期股息。

Major Customers and Suppliers

In the year under review, both the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's sales and purchases respectively.

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 of the Group's five largest customers or five largest suppliers.

Directors

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

Executive directors:

Mr. Hu Aimin	
Mr. Zhang Yijun	(appointed on 12 November 2004)
Mr. Liu Jianhua	(appointed on 12 March 2004)
Ms. Zhao Mingfeng	(appointed on 12 March 2004)
Mr. Liang Kaiping	(appointed on 12 March 2004)
Mr. Xu Ruxin	
Mr. Zhu Huoyang	
Mr. Zhu Qiyi	(resigned on 12 March 2004)
Mr. Yang Yefang	(resigned on 12 March 2004)
Mr. Zhang Luzheng	(retired on 3 June 2004)
Mr. Liu Zixian	(resigned on 12 November 2004)

Non-executive directors:

Mr. Lee Yip Wah, Peter	(re-designated on 27 September 2004)
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Independent non-executive directors:

Mr. Wong Po Yan	
Mr. Wu Wai Chung, Michael	
Mr. Li Wai Keung	(appointed on 27 September 2004)

In accordance with Articles 92 and 101 of the Company's Articles of Association, Mr. Zhang Yijun, Mr. Li Wai Keung, Mr. Xu Ruxin, Mr. Lee Yip Wah, Peter and Mr. Wu Wai Chung, Michael will retire, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

主要客戶及供應商

於回顧年度內，本集團五大客戶應佔之銷售總額及本集團五大供應商應佔之採購總額分別少於本集團之銷售額及採購額30%。

本公司董事或其任何聯繫人士或股東（據董事所深知擁有本公司5%或以上已發行股本之股東）概無擁有本集團五大客戶或五大供應商任何實益權益。

董事

本公司於本年度內及截至本報告日期之董事如下：

執行董事：

胡愛民先生	
張宜均先生	(於二零零四年十一月十二日獲委任)
劉建華先生	(於二零零四年三月十二日獲委任)
趙明豐女士	(於二零零四年三月十二日獲委任)
梁開平先生	(於二零零四年三月十二日獲委任)
徐汝心先生	
朱火養先生	
朱其懿先生	(於二零零四年三月十二日辭任)
楊業方先生	(於二零零四年三月十二日辭任)
張路正先生	(於二零零四年六月三日退任)
劉子先先生	(於二零零四年十一月十二日辭任)

非執行董事：

李業華先生	(於二零零四年九月二十七日調任職位)
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獨立非執行董事：

黃保欣先生	
吳偉聰先生	
李偉強先生	(於二零零四年九月二十七日獲委任)

根據本公司之公司組織章程細則第92條及101條，張宜均先生、李偉強先生、徐汝心先生、李業華先生及吳偉聰先生將於應屆之股東週年大會上告退，合資格並願意膺選連任。

The terms of office of the non-executive directors are subject to retirement as required by the Company's Articles of Association.

根據本公司之公司組織章程細則各非執行董事之任期至其依章告退為止。

Directors' and Senior Management's Biographies

董事及高級行政人員簡介

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 26 to 33 of the annual report.

本公司董事及本集團高級行政人員之履歷詳情載於本年報第26頁至33頁。

Emoluments of Directors and the Five Highest Paid Individuals

董事及五名最高薪人士之酬金

Details of the directors' emoluments and of the five highest paid individuals in the Group are set out in notes 8 and 9 to the financial statements respectively.

董事酬金及本集團五名最高薪人士之詳情分別載於財務報表附註8及9。

Interest Capitalised

撥充資本之利息

Interest of approximately HK\$29,557,000 was capitalised during the year in respect of the Group's property development projects.

於本年度內，本集團就物業發展項目撥充資本之利息約29,557,000港元。

Directors' Service Contracts

董事之服務合約

No directors 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.

於應屆股東週年大會上膺選連任之董事概無與本公司訂立本公司可於一年內終止而毋須支付賠償（法定賠償除外）之服務合約。

Directors' Interests in Contracts

董事於合約之權益

No directors had a material interest in any contracts of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

於本年度內，本公司、其控股公司、其任何附屬公司或其同系附屬公司概無訂立任何董事擁有重大權益兼對本集團業務有重大影響之合約。

Directors' Interests in Shares

As at 31 December 2004, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under 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 Companies were as follows:—

Long positions in the shares and underlying shares of the Company:

Name of director	Capacity	Nature of interests	Number of shares	Underlying shares pursuant to share options (Note)	Aggregate interests	Percentage of issued share Capital
董事姓名	身份	權益性質	股份數目	根據購股權之相關股份數目 (附註)	權益總數	佔已發行股本之百分比
LIU Zixian 劉子先	Beneficial owner 實益擁有人	Beneficial interest 實益權益	—	2,400,000	2,400,000	0.10
LIU Jianhua 劉建華	Beneficial owner 實益擁有人	Beneficial interest 實益權益	—	2,000,000	2,000,000	0.08
XU Ruxin 徐汝心	Beneficial owner 實益擁有人	Beneficial interest 實益權益	—	2,000,000	2,000,000	0.08
ZHU Huoyang 朱火養	Beneficial owner 實益擁有人	Beneficial interest 實益權益	—	2,000,000	2,000,000	0.08
WONG Po Yan 黃保欣	Beneficial owner 實益擁有人	Beneficial interest 實益權益	—	2,000,000	2,000,000	0.08
LEE Yip Wah, Peter 李業華	Beneficial owner 實益擁有人	Beneficial interest 實益權益	—	2,000,000	2,000,000	0.08
WU Wai Chung, Michael 吳偉聰	Beneficial owner 實益擁有人	Beneficial interest 實益權益	—	1,200,000	1,200,000	0.05
LI Wai Keung 李偉強	Beneficial owner 實益擁有人	Beneficial interest 實益權益	4,628,000	—	4,628,000	0.19

Note: The underlying shares represent options granted to the Directors under the Share Option Scheme to acquire for shares of the Company, further details of which are set out in note to the financial statements under the heading "Share Option Scheme".

董事之股份權益

根據遵照證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所載,或根據遵照上市公司董事進行證券交易標準守則告知本公司和香港聯合交易所有限公司(「聯交所」)之資料所示,於二零零四年十二月三十一日,本公司之董事及最高行政人員擁有下列本公司及任何相聯法團(定義見證券及期貨條例第XV部)股份、相關股份及債券之權益及淡倉:

本公司股份及相關股份之好倉:

附註: 相關股份乃指董事根據購股權計劃獲授之可認購本公司股份之購股權,有關詳情載於財務報表附註「購股權計劃」一節。

Long positions in the underlying shares of the associated corporation – Road King Infrastructure Limited (“Road King”):

相聯法團相關股份之好倉 – 路勁基建有限公司（「路勁」）：

Name of director	Capacity	Nature of interests	Underlying shares pursuant to share options (Note)	Percentage of issued share Capital
董事姓名	身份	權益性質	根據購股權之相關股份 (附註)	佔已發行股本之百分比
HU Aimin 胡愛民	Beneficial owner 實益擁有人	Beneficial interest 實益權益	250,000	0.01

Note: The underlying shares represent options granted to the Directors under the share option scheme of Road King to acquire the shares of Road King.

附註：相關股份乃指董事根據路勁購股權計劃獲授之可認購路勁股份之購股權。

Other than as disclosed above, none of the directors and chief executive of the Company had any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under 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 Companies.

除上文所披露者外，根據本公司遵照證券及期貨條例第352條存置之登記冊所載，或根據上市公司董事進行證券交易標準守則告知本公司和聯交所之資料所示，概無本公司董事及最高行政人員擁有本公司或其任何相聯法團之任何股份及相關股份或債券之權益及淡倉。

Directors' Right to Acquire Shares

Apart from as disclosed under the heading “Directors' interests in shares” and in the share option scheme disclosures in note 32 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in, or debts securities (including debentures) of, the Company or its associated corporations granted to any director, or their spouse or children under the age of 18, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

董事購買股份之權利

除「董事之股份權益」一項及財務報表附註32所述購股權計劃內所披露者外，於年內任何時間，概無任何董事、彼等之配偶或其十八歲以下子女獲授可藉購入本公司或其相聯法團之股份或債務證券(包括債券)而獲益之權利，彼等亦無行使任何該等權利；本公司、其控股公司或其任何附屬公司亦概無參與任何安排，令董事可在任何其他法團購入該等權利。

Substantial Shareholders

As at 31 December 2004, the interests and short positions of the shareholders, other than a director or chief executive of the Company in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares of the Company:

Name	Capacity	Nature of interest	Number of shares	Percentage of issued share capital
名稱	身份	權益性質	股份數目	佔已發行股本之百分比
Shum Yip Holdings Company Limited 深業(集團)有限公司	Beneficial owner 實益擁有人	Beneficial interest 實益權益	1,388,741,966	55.94

Save as disclosed above, the register which was required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares or underlying shares of the Company as at 31 December 2004.

Saved as disclosed above, no person, other than the directors of the Company, whose interest are set out in the section "Directors' interest in shares" above, had registered an interest in the share capital of the Company that were required to be recorded.

主要股東

於二零零四年十二月三十一日，股東（本公司董事或最高行政人員除外）於本公司股份及相關股份中擁有須記錄於本公司根據證券及期貨條例第336條予以存置之登記冊之權益及淡倉如下：

本公司股份之好倉：

Name	Capacity	Nature of interest	Number of shares	Percentage of issued share capital
名稱	身份	權益性質	股份數目	佔已發行股本之百分比
Shum Yip Holdings Company Limited 深業(集團)有限公司	Beneficial owner 實益擁有人	Beneficial interest 實益權益	1,388,741,966	55.94

除上文所披露者外，於二零零四年十二月三十一日，根據證券及期貨條例第336條予以存置之登記冊中並無載列本公司獲知之本公司股份或相關股份之任何權益或淡倉。

除上文所披露者外，概無本公司董事以外之人士（其權益載於上文「董事之股份權益」一節）於本公司股本中註冊須予記錄之權益。

Connected Transactions

Details of the connected transactions for the year are set out in note 38 to the financial statements.

Save as disclosed above, there were no other transactions, which need to be disclosed as, connected transactions in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Confirmation of Independence

The Company has received annual confirmation from each of the independent non-executive directors as regards to their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

Code of Best Practice

In the opinion of the directors, the Company complied with the Code of Best Practice as was then set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited ("Code of Best Practice"), throughout the accounting period covered by the annual report, except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code of Best Practice, but are subject to retirement by rotation in accordance with the Company's Articles of Association.

Model Code

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code.

關連交易

本年度之關連交易詳情載於財務報表附註38。

除上文所披露者外，概無其他交易須依據聯交所證券上市規則（「上市規則」）之規定披露作關連交易。

獨立性的確認

本公司已取得各獨立非執行董事每年確認其獨立地位的確認函。本公司亦認為每位獨立非執行董事就本公司而言，其地位是獨立的。

最佳應用守則

董事認為，本公司於年報涵蓋之整個會計期間，一直遵守香港聯合交易所有限公司證券上市規則附錄14當時所載之最佳應用守則（「最佳應用守則」），惟非執行董事並非根據最佳應用守則第7段以特定任期獲委任，而須根據公司組織章程細則輪席告退。

標準守則

本公司已採納上市規則附錄10所訂之標準守則作為有關董事進行證券交易的守則。在經向所有董事進行作出特定查詢之後，本公司確認所有董事均有遵守該標準守則所訂的準則。

Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this annual report, there is sufficient public float, as not less than 25% of the Company's issued shares are held by the public.

Audit Committee

The Company has an audit committee which was established in accordance with the requirements of the Code of Best Practice for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee currently comprises Mr. Wong Po Yan, Mr. Wu Wai Chung, Michael and Mr. Li Wai Keung, independent non-executive directors and Mr. Lee Yip Wah, Peter, non-executive director. The Audit Committee has reviewed the Group's results for the year in a meeting held on 12 April 2005.

Auditors

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

On behalf of the Board

HU Aimin

Chairman

Hong Kong, 15 April 2005

公眾持股量

在本年度報告刊發之日，根據本公司取得的公開資料及就董事所知悉，於本公司的公眾持股量是足夠的，此乃因為公眾持股量並不少於本公司已發行股份的25%。

審核委員會

本公司遵守最佳應用守則之規定成立審核委員會，審閱及提供指導予本集團之財務報告過程及內部控制。審核委員會現時由獨立非執行董事黃保欣先生、吳偉聰先生及李偉強先生及非執行董事李業華先生組成。審核委員會已於二零零五年四月十二日舉行之會議上審閱本集團於本年度之業績。

核數師

安永會計師事務所任滿告退，有關續聘安永會計師事務所為本公司核數師之決議案將於應屆股東週年大會上予以提呈。

承董事會命

主席

胡愛民

香港，二零零五年四月十五日