

## DIRECTORS' REPORT 董事會報告書

The directors submit their annual report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the eighteen months from 1 January 2004 to 30 June 2005 (the "Period").

董事會同寅謹將二零零四年一月一日至二零零五年六月三十日止共十八個月(「本期間」)本公司及其附屬公司(「本集團」)的報告及經審核後財務報表送呈各股東覽閱。

### CHANGE OF FINANCIAL YEAR END DATE

On 3 December 2004, the Board of Directors (the "Directors") passed an ordinary resolution to change the financial year end date of the Company from 31 December to 30 June commencing from the year 2004. The reason for the change is to align the financial year end date of the Company with that of its ultimate holding company, Hong Leong Company (Malaysia) Berhad ("HLCM"). As a result, the current financial period of the Company under review covers the Period.

### 更改財政年結日

二零零四年十二月三日，本公司董事會通過一般決議，把本公司之財政年度結算日自二零零四年之財政年度起由十二月三十一日改為六月三十日。更改本公司之財政年結之原因乃為配合其最終控股公司 Hong Leong Company (Malaysia) Berhad ("HLCM")之財政年結。因此，本財政年度覆蓋本期間。

### PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of the subsidiaries are set out on pages 137 to 145.

### 主要業務

本公司為一間投資控股公司，其附屬公司的主要業務詳列於第137頁至第145頁。

### SUBSIDIARIES

Details of the Company's subsidiaries are set out on pages 137 to 145.

### 附屬公司

本公司附屬公司的資料詳列於第137頁至第145頁。

### FINANCIAL STATEMENTS

The profit of the Group for the Period, the state of affairs of the Company and of the Group as at 30 June 2005 and the Group's cash flows and statement of changes in equity for the Period then ended are set out in the financial statements on pages 58 to 145.

### 財務報表

本集團截至二零零五年六月三十日止年度的溢利，本公司及本集團於該日的財務狀況及本集團截至該日止年度的現金流量及權益變動表均詳列於第58頁至第145頁的財務報表內。

### CHARITABLE DONATIONS

There were no charitable donations made by the Group during the Period (2003: HK\$500,000).

### 捐款

本集團於本期間內並無慈善捐款(二零零三年：港幣500,000元)。

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**FINAL DIVIDEND**

The Directors will recommend to the shareholders for approval at the forthcoming annual general meeting a final dividend of HK\$0.07 per share. This, together with the (first interim dividend: nil) second interim dividend of HK\$0.06 per share paid on 7 March 2005, will amount to a total of HK\$0.13 per share for the Period (2003 final dividend: HK\$0.06 per share). Subject to shareholders approval, the final dividend will be payable on 15 September 2005 to the shareholders whose name appeared on the register of members on 14 September 2005.

**CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 8 September 2005 to 14 September 2005 both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the final dividend, all transfers documents, accompanied by the relevant share certificates must be lodged with the Company's Share Registrars and Transfer Office not later than 4:00 p.m. on 7 September 2005.

**SHARE CAPITAL**

Movements in share capital during the Period are set out in Note 26 to the financial statements.

**RESERVES**

Movements in reserves during the Period are set out in Note 27 to the financial statements.

**FIXED ASSETS**

Movements in fixed assets during the Period are set out in Note 13 to the financial statements.

**末期股息**

董事於即將舉行之股東週年常會上向股東建議，批准派發末期股息每股港幣0.07元。此項股息(第一次中期息：無)連同於二零零五年三月七日支付之第二次中期股息每股港幣0.06元，本期間共派發股息總額將為每股港幣0.13元(二零零三年末期股息：每股港幣0.06元)。待股東批准後，末期股息將於二零零五年九月十五日支付予於二零零五年九月十四日名列股東名冊之股東。

**暫停辦理股份過戶登記手續**

本公司將由二零零五年九月八日至二零零五年九月十四日(首尾兩天包括在內)期間，暫停辦理股份過戶登記手續。

如欲合符資格獲派末期股息，所有股份過戶文件連同有關之股票必須於二零零五年九月七日下午四時前送達本公司之股份過戶及轉讓登記處。

**股本**

本期間股本的變動詳列於財務報表附註26。

**儲備**

本期間儲備的變動詳列於財務報表附註27。

**固定資產**

本期間固定資產的變動詳列於財務報表附註13。

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**DIRECTORS**

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

WHANG Tar Choung, *Chairman*  
 NG Ping Kin, Peter, *Vice Chairman*<sup>#</sup>  
 TSAO Chen, James, *Group Managing Director*  
 – resigned on 11 July 2005  
 LEUNG Wai Fung  
 – resigned on 16 March 2004  
 – re-appointed on 11 July 2005  
 WHANG Sun Tze  
 LO Kwong Chi, Clement<sup>#</sup>  
 KWEK Leng Hai  
 TAN Lim Heng  
 James ENG, Jr.  
 TSANG Cho Tai  
 HO King Cheung  
 TAKAGI, Shigeyoshi<sup>#</sup>  
 DING Wai Chuen<sup>#</sup>  
 – appointed on 27 September 2004  
 YONG Weng Chye  
 – alternate director to WHANG Tar Choung  
 IKEDA Hiromi  
 – alternate director to TAKAGI Shigeyoshi

<sup>#</sup> *Independent non-executive director*

In accordance with the provisions of articles 78 and 79 of the Company's articles of association, all the directors shall retire and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

The Company received confirmation of independence in respect of the Period from each of the independent non-executive directors pursuant to Rule 3.13 of the Listing Rules. Up to and as at the date of this report, the Company still considers the independent non-executive directors to be independent.

**DIRECTORS' SERVICE CONTRACTS**

No directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries, within one year without payment of compensation (other than statutory compensation).

**董事**

本期間及直至本報告書日期止之董事如下：

黃大椿，*主席*  
 伍秉堅，*副主席*<sup>#</sup>  
 曹宸綱(曹震)，*集團董事總經理*  
 – 於二零零五年七月十一日離任  
 梁偉峰  
 – 於二零零四年三月十六日離任  
 – 於二零零五年七月十一日獲重新委任  
 黃上哲  
 羅廣志<sup>#</sup>  
 郭令海  
 陳林興  
 英正生  
 曾祖泰  
 何景祥  
 高木茂佳<sup>#</sup>  
 丁偉銓<sup>#</sup>  
 – 於二零零四年九月二十七日獲委任  
 楊榮財  
 – 黃大椿之代行董事  
 池田浩巳  
 – 高木茂佳之代行董事

<sup>#</sup> *獨立非執行董事*

根據本公司組織細則第七十八及第七十九條規定，全體董事任期屆滿並可於即將舉行之股東週年常會上膺選連任。

在本期間，本公司獲得各獨立非執行董事確立其獨立的身份。此獨立身份均根據上市規則第3.13條之要求。截至本期間及直至本報告書日期止，本公司認同獨立非執行董事之獨立性。

**董事的服務合約**

擬於應屆股東週年常會上膺選連任之董事概無與本公司或其任何附屬公司訂立不可由本公司或其附屬公司於一年內終止而毋須作賠償(法定賠償除外)之服務合約。

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**DIRECTORS' INTERESTS IN CONTRACTS**

No contract of significance in relation to the Group's business to which the Company or any of its subsidiaries, holding company or fellow subsidiaries was a party and in which a director of the Company had a material interest subsisted at the end of the Period or at any time during the Period.

**CONNECTED TRANSACTIONS**

On 27 June 2003, the Company entered into a service agreement (the "Services Agreement") with GIMC Limited ("GIMC") in June 2003 for the provision of certain services by GIMC to the Company and its subsidiaries and associated companies from time to time (the "Group"). The services agreed to be provided under the Services Agreement include the overview of the Group's strategies and planning, oversight of investment and financial management disciplines, treasury and risk management, human resources management and development, development of quality and productivity programmes, guidance in respect of operating practices and procedures, and overview of planning and development of management information systems. The consideration for the services provided was fixed at HK\$50,000 per month (or such other amount as may be agreed from time to time between GIMC and the Company) and an annual fee equal to 3 per cent of the annual consolidated profits before tax of the Company for each financial year. The Service Agreement is for a term of half year from 1 July 2003 to 31 December 2003 and thereafter shall be automatically renewable, on the same terms, for additional, consecutive terms of one year each, unless either party provides the other with prior written notice of at least six months.

GIMC is an indirect wholly-owned subsidiary of HLCM, the ultimate holding company of the Company.

The Company applied for and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granted a conditional waiver from strict compliance with the disclosure requirements of connected transactions pursuant to the Listing Rules applying prior to 31 March 2004.

**董事在合約的權益**

在本期間，本公司或各附屬公司、控股公司或其附屬公司於本集團業務中並無訂立任何令本公司董事享有重大權益的重要合約。

**關連交易**

於二零零三年六月二十七日，本公司與 GIMC Limited (「GIMC」) 訂立服務協議，由 GIMC 為本公司及其不時之附屬公司及聯營公司(「本集團」) 提供若干服務。根據協議內容，所提供的服務包括為本集團制訂及計劃經營策略、監察投資及財務管理紀律、財政及風險管理服務、人力資源管理及發展、生產及品質管理計劃之發展、有關經營慣例及程序之指引及資訊管理之計劃及發展。根據服務協議，本公司須每月支付 GIMC 港幣 50,000 元(或本公司與 GIMC 不時協定的其他款額) 及年費相等於本公司在有關財政年度除稅前綜合溢利之 3% (「該年費」) 為代價。倘若本集團於任何財政年度錄得經審核後之除稅前綜合虧損，本公司將無需繳付任何年費。服務協議為期半年，由二零零三年七月一日至二零零三年十二月三十一日止，並於每年到期時按相同條款自動續約一年，惟任何一方需給予另一方最少六個月的書面通知則除外。

GIMC 乃 HLCM 間接擁有之全資附屬公司，HLCM 為本公司之最終控股公司。

本公司獲香港聯合交易所有限公司(「聯交所」) 豁免其在二零零四年三月三十一日前所實施之上市規則要求，不需對本公司之關連交易作持續性披露。

**DIRECTORS' REPORT** (continued) 董事會報告書 (續)**CONNECTED TRANSACTIONS** (continued)

The independent non-executive directors of the Company reviewed the GIMC connected transaction during the year and confirm that:

- (1) The Transaction under the Service Agreement were:
- (a) entered into by the Company in the ordinary and usual course of its business;
  - (b) conducted on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
  - (c) entered into in accordance with the terms of the Service Agreement governing such Transaction.
- (2) The aggregate amount of the fees payable under the Service Agreement was HK\$4,538,162 for the Period and did not exceed the cap amount of the higher of HK\$10,000,000 or 3% of the book value of the audited consolidated net tangible assets of the Company and its subsidiaries of HK\$28,352,000 as at 30 June 2005 pursuant to the Listing Rules applying prior to 31 March 2004.

**MANAGEMENT CONTRACTS**

Except the Services Agreement disclosed in the section of "Connected Transactions" above, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the Period.

**關連交易** (續)

各獨立非執行董事均審閱與GIMC的關連交易並確認：

- (1) 服務協議之交易：
- (a) 按本公司日常及一般業務過程中訂立；
  - (b) 條款是按公平原則基礎達成及就本公司股東而言實屬按公平合理之基準釐定；及
  - (c) 根據服務協議之條款來規範交易。
- (2) 截止二零零五年六月三十日，本期間之服務費用為港幣4,538,162元，少於上限10,000,000港元或本公司及其附屬公司截至二零零五年六月三十日止之綜合有形資產淨值之3%，為港幣28,352,000元。此乃根據在二零零四年三月三十一日前所應用之上市規則。

**管理合約**

本期間內，除了上述於關連交易一欄中披露之服務協議外，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES****董事於股份、相關股份及債券之權益**

As at 30 June 2005, the directors have the following interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO") 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 ("Model Code"):

於二零零五年六月三十日，各董事於本公司或其任何相聯法團(定義見證券及期貨條例)擁有須根據證券及期貨條例第352條規定而設之登記名冊中所載之股份，有關股本中之淡倉股份，相關股份及債權證之權益及根據上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益如下：

**(A) The Company****(A) 本公司**

Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份/ 相關股份數目	Notes 附註	Total 總計	Approximate percentage of total issued share capital of the Company 佔本公司已發行股本之概約百分比
WHANG Tar Choung 黃大椿	Personal 個人	5,337,637			
	Family 家族	4,222,534			
	Persons acting in concert 一致行動人仕	168,354,476	(a) & (b)	177,914,647	73.11%
NG Ping Kin, Peter 伍秉堅	Personal 個人	100,000		100,000	0.04%
TSAO Chen, James 曹宸綱(曹震)	Personal 個人	90,000	(e)	90,000	0.04%

## DIRECTORS' REPORT (continued) 董事會報告書 (續)

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

### 董事於股份、相關股份及債券之 權益 (續)

(continued)

## (A) The Company (continued)

## (A) 本公司 (續)

Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份/ 相關股份數目	Notes 附註	Total 總計	Approximate percentage of total issued share capital of the Company 佔本公司已 發行股本之 概約百分比
WHANG Sun Tze 黃上哲	Personal 個人	27,123,743			
	Corporate 公司	19,326	(c)		
	Persons acting in concert 一致行動人仕	150,790,035	(a) & (d)	177,933,104	73.12%
LO Kwong Chi, Clement 羅廣志	Personal 個人	323,754		323,754	0.13%
KWEK Leng Hai 郭令海	Personal 個人	2,300,000		2,300,000	0.95%
TAN Lim Heng 陳林興	Personal 個人	274,000		274,000	0.11%
James ENG Jr. 英正生	Personal 個人	619,000		619,000	0.25%
HO King Cheung 何景祥	Personal 個人	30,690		30,690	0.01%
YONG Weng Chye 楊榮財	Personal 個人	132,000		132,000	0.05%

**DIRECTORS' REPORT** (continued) 董事會報告書 (續)**DIRECTORS' INTERESTS IN SHARES,  
UNDERLYING SHARES AND DEBENTURES**

(continued)

**董事於股份、相關股份及債券之  
權益** (續)**(B) Associated corporations****(B) 聯營公司***(i) Interests in shares/underlying shares**(i) 股份／相關股份之權益*

Name of associated corporations 聯營公司名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Total 總計	Approximate percentage of total issued share capital of associated corporations 佔聯營公司已發行股本之概約百分比
Hong Leong Company (Malaysia) Berhad	KWEK Leng Hai 郭令海	Personal 個人	400,500	400,500	2.50%
M.C. Packaging Offshore Limited	NG Ping Kin, Peter 伍秉堅	Personal 個人	3,000	3,000	0.36%
Guoco Group Limited 國浩集團有限公司	KWEK Leng Hai 郭令海	Personal 個人	2,820,775	2,820,775	0.86%
	TAN Lim Heng 陳林興	Personal 個人	559,230	559,230	0.17%
	James ENG Jr. 英正生	Personal 個人	565,443	565,443	0.17%
	TSANG Cho Tai 曾祖泰	Personal 個人	1,000	1,000	0.00%



## DIRECTORS' REPORT (continued) 董事會報告書 (續)

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

### 董事於股份、相關股份及債券之 權益 (續)

#### (B) Associated corporations (continued)

#### (B) 聯營公司 (續)

##### (i) Interests in shares/underlying shares (continued)

##### (i) 股份／相關股份之權益 (續)

Name of associated corporations 聯營公司名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Total 總計	Approximate percentage of total issued share capital of associated corporations 佔聯營公司已發行股本之概約百分比
GuocoLand Limited 國浩房地產有限公司	WHANG Tar Choung 黃大椿	Personal 個人	12,500	12,500	0.00%
	WHANG Sun Tze 黃上哲	Family 家族	66,600	66,600	0.01%
	KWEK Leng Hai 郭令海	Personal 個人	18,851,140	18,851,140	2.83%
	TAN Lim Heng 陳林興	Personal 個人	450,000	450,000	0.07%
Hong Leong Bank Berhad	WHANG Sun Tze 黃上哲	Family 家族	129,000	129,000	0.01%
	KWEK Leng Hai 郭令海	Personal 個人	3,955,700	3,955,700	0.26%

**DIRECTORS' REPORT** (continued) 董事會報告書 (續)**DIRECTORS' INTERESTS IN SHARES,  
UNDERLYING SHARES AND DEBENTURES**

(continued)

**董事於股份、相關股份及債券之  
權益** (續)**(B) Associated corporations** (continued)**(B) 聯營公司** (續)*(i) Interests in shares/underlying shares* (continued)*(i) 股份／相關股份之權益* (續)

Name of associated corporations 聯營公司名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Notes 附註	Total 總計	Approximate percentage of total issued share capital of associated corporations 佔聯營公司已發行股本之概約百分比
Hong Leong Credit Berhad ("HLCB")	WHANG Sun Tze 黃上哲	Family 家族	534,092		534,092	0.05%
	KWEK Leng Hai 郭令海	Personal 個人	2,316,800	(f)	2,316,800	0.22%
	TAN Lim Heng 陳林興	Personal 個人	245,700		245,700	0.02%
Hong Leong Industries Berhad ("HLI")	WHANG Sun Tze 黃上哲	Family 家族	105,600		105,600	0.05%
	KWEK Leng Hai 郭令海	Personal 個人	215,312	(g)	215,312	0.10%

**DIRECTORS' REPORT** (continued) 董事會報告書 (續)**DIRECTORS' INTERESTS IN SHARES,  
UNDERLYING SHARES AND DEBENTURES**

(continued)

**董事於股份、相關股份及債券之  
權益** (續)**(B) Associated corporations** (continued)**(B) 聯營公司** (續)*(i) Interests in shares/underlying shares* (continued)*(i) 股份／相關股份之權益* (續)

Name of associated corporations 聯營公司名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Total 總計	Approximate percentage of total issued share capital of associated corporations 佔聯營公司已發行股本之概約百分比
GuocoLand (Malaysia) Berhad (formerly known as Hong Leong Properties Berhad)	KWEK Leng Hai 郭令海	Personal 個人	226,800	226,800	0.03%
	TAN Lim Heng 陳林興	Personal 個人	73,710	73,710	0.01%
Hume Industries (Malaysia) Berhad	WHANG Sun Tze 黃上哲	Family 家族	12,667	12,667	0.01%
HLG Capital Berhad	KWEK Leng Hai 郭令海	Personal 個人	500,000	500,000	0.41%

*(ii) Interests in debentures**(ii) 債券權益*

Name of Associated corporation 聯營公司名稱	Name of director 董事姓名	Nature of interest 權益性質	Amount of debentures held 持有債券金額	Total 總計
			MYR 馬來西亞元	MYR 馬來西亞元
Hong Leong Industries Berhad	KWEK Leng Hai 郭令海	Personal 個人	165,000	165,000

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**DIRECTORS' INTERESTS IN SHARES,  
UNDERLYING SHARES AND DEBENTURES**

(continued)

**(B) Associated corporations** (continued)

Notes:

- (a) The total interests disclosed herein represent the interests in 177,914,647 ordinary shares of the Company which the respective parties held by virtue of Section 317 of the SFO in relation to the interests in shares pursuant to the shareholders' agreement and the supplemental agreement both dated 27 May 1997 entered into by Guoinvest International Limited ("Guoinvest") and, inter alia, Dr. WHANG Sun Tze (alias: WHANG Siong Tiat), Mr. WHANG Tar Choung, Madam. TEO Joo Yee, T.C. Whang & Company (Private) Limited ("T.C. & Co.") and Raven Investment Company Limited ("Raven") and the Novation Agreement dated 5 September 2003 entered into by Guoinvest, GuoLine International Limited (a sister subsidiary of Guoinvest), Dr. WHANG Sun Tze (alias: WHANG Siong Tiat), Mr. WHANG Tar Choung, Madam. TEO Joo Yee, T.C. & Co. and Raven.
- (b) The interests of person acting in concert disclosed represent the deemed interests of Mr. WHANG Tar Choung in 168,354,476 ordinary shares in the Company referred to in Note (a) above.
- (c) The interests disclosed represent the corporate interests of Dr. WHANG Sun Tze in 18,457 ordinary shares and 869 ordinary shares in the Company held by SGR Investment Company Limited ("SGR") and T.C. & Co. respectively. Dr. WHANG Sun Tze holds 35.41% and 59.52% interests in SGR and T.C. & Co. respectively.
- (d) The interests of person acting in concert disclosed represent the deemed interests of Dr. WHANG Sun Tze in 150,790,035 ordinary shares in the Company referred to in Note (a) above.
- (e) The interests of 2,000,000 underlying shares in respect of the share options granted by the Company were lapsed on 30 June 2005.

**董事於股份、相關股份及債券之  
權益** (續)**(B) 聯營公司** (續)

附註：

- (a) 本文所披露之權益代表本公司177,914,647股之普通股，權益包括下述有關各方根據證券及期貨條例第317條之規定，Guoinvest International Limited (「Guoinvest」)及黃上哲博士、黃大椿先生、張如意女士、T.C. Whang & Company (Private) Limited (「T.C. & Co.」)及利宏投資有限公司(「利宏」)根據於一九九七年五月二十七日簽訂之股東協議及補充協議Guoinvest、GuoLine International Limited (「Guoinvest之姊妹附屬公司」)、黃上哲博士、黃大椿先生、張如意女士、T.C. & Co.及利宏根據二零零三年九月五日所簽訂之約務更改合同所持有之權益。
- (b) 所披露之一致行動人仕權益代表上文附註(a)所述由黃大椿先生持有本公司168,354,476股普通股之被視為擁有之權益。
- (c) 所披露之權益代表黃上哲博士透過SGR Investment Company Limited (「SGR」)及T.C. & Co.分別持有本公司18,457股普通股及869股普通股之權益。黃上哲博士在SGR及T.C. & Co.分別持有35.41%及59.52%之股份權益。
- (d) 所披露之一致行動人仕權益代表上文附註(a)所述由黃上哲博士持有本公司150,790,035股普通股之被視為擁有之權益。
- (e) 本公司授出之2,000,000股購股權於二零零五年六月三十日失效。

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**DIRECTORS' INTERESTS IN SHARES,  
UNDERLYING SHARES AND DEBENTURES**

(continued)

**董事於股份、相關股份及債券之  
權益** (續)**(B) Associated corporations** (continued)

- (f) The interests of Mr. KWEK Leng Hai represent the interests in 2,156,000 ordinary shares of HLCB and 160,800 underlying shares of listed physically settled options issued by HLCB.
- (g) The interests of Mr. KWEK Leng Hai represent the interests in 163,200 ordinary shares of HLI and 52,112 underlying shares of listed physically settled options issued by HLI.

**(B) 聯營公司** (續)

- (f) 郭令海先生持有之權益代表2,156,000股HLCB普通股及160,800股HLCB發行之上市實物交收之期權之相關股份。
- (g) 郭令海先生持有之權益代表163,200股HLI普通股及52,112股HLI發行之上市實物交收之期權之相關股份。

All the interests disclosed in sections (A) and (B) above represent long position in the ordinary shares of the Company or associated corporations save as otherwise specified in the notes above.

所有於上述(A)及(B)部所披露之權益皆代表持有本公司或聯營公司之好倉普通股股份。於上文另述者除外。

Save as disclosed herein, none of the director has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations 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 pursuant to the Model Code.

除本文所披露者外，概無任何董事於本公司或其任何聯營公司擁有須根據證券及期貨條例第352條規定而設之登記名冊中所載之股份，有關股本中之淡倉股份，相關股份及債券及根據標準守則須知會本公司及聯交所之權益。

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**SHARE OPTIONS**

The Share Option Scheme adopted by the Company on 26 May 2000 was terminated on 23 May 2003 but without prejudice to any share options previously granted prior to such termination.

As at 1 January 2004, there was a total of 3,950,000 outstanding share options granted pursuant to the Share Option Scheme. During the Period all the aforesaid share options lapsed. It included 1,250,000 share options granted to an executive director of the Company, Mr. LEUNG Wai Fung, 2,000,000 share options granted to an executive director of the Company, Mr. TSAO Chen, James and 700,000 share options granted to employees. As at 30 June 2005, there were no share options outstanding.

On 23 May 2003, in order to comply with the new requirements of Chapter 17 of the Listing Rules, a new share option scheme of the Company (the "New Share Option Scheme") was approved. No option was granted under the New Share Option Scheme during the Period.

Certain subsidiaries of Hong Leong Company (Malaysia) Berhad, the Company's ultimate holding company have made arrangements under which eligible directors of the Company may acquire shares in the respective companies concerned. No person who at any time during the Period were directors of the Company held shares acquired in pursuance of the arrangements.

Apart from the foregoing, there was no arrangement to which the Company or any of its subsidiaries, holding company or fellow subsidiaries was a party to enable the directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

**購股權**

二零零零年五月二十六日採納之購股權計劃於二零零三年五月二十三日終止，但不會影響於終止前所授出之購股權。

於二零零四年一月一日，共有**3,950,000**股根據購股權計劃授出而尚未行使之購股權。於本期間內所有上述購股權已失效，當中包括授予本公司執行董事梁偉峰先生之**1,250,000**股購股權及授予本公司執行董事曹宸綱先生之**2,000,000**股購股權與授予僱員之**700,000**股購股權。於二零零五年六月三十日並無未行使之購股權。

於二零零三年五月二十三日，為符合上市條例第十七條之新規定，本公司一項新購股權計劃（「新購股權計劃」）已獲核准。於本期間內，沒有任何根據新購股權計劃而授出之購股權。

若干Hong Leong Company (Malaysia) Berhad (本公司之最終控股公司) 之附屬公司曾作出安排讓本公司現任董事可購買該等公司之股份，於本期間，本公司並無任何為本公司董事之人仕按該安排購買該些股份。

除上列者外，是期間本公司或其附屬公司、控股公司或其附屬公司並無簽訂任何協議，使董事可透過購買本公司或任何其他公司之股份或債券而獲得利益。

**DIRECTORS' REPORT** (continued) 董事會報告書 (續)**SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SHARES****主要股東及其他個人之持股權益**

As at 30 June 2005, the following persons (other than a director of the Company) have interests or short positions in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

於二零零五年六月三十日，根據證券及期貨條例第336條規定而設之登記名冊中所載，下列人士(本公司董事除外)持有股份，有關股本中之淡倉股份或相關股份之權益：

	Number of shares held 持有之股份數目	Notes 附註	Approximate percentage of interest 概約權益百分比
Raven Investment Company Limited ("Raven") 利宏投資有限公司(「利宏」)	177,914,647	(A)+(B)	73.11%
T.C. Whang & Company (Private) Limited ("T.C. & Co.")	177,914,647	(A)+(C)	73.11%
TEO Joo Yee 張如意	177,914,647	(A)+(D)	73.11%
Hong Leong Company (Malaysia) Berhad ("HLCM")	177,914,647	(A)+(E)+(F)	73.11%
QUEK Leng Chan ("QLC") 郭令燦	177,914,647	(A)+(E)+(F)	73.11%
HL Holdings Sdn Bhd ("HLH")	177,914,647	(A)+(E)+(F)	73.11%
Hong Leong Investment Holdings Pte Limited ("HLIH")	177,914,647	(A)+(E)+(F)	73.11%
Kwek Holdings Pte Limited ("KH")	177,914,647	(A)+(E)+(F)	73.11%
Davos Investment Holdings Private Limited ("Davos")	177,914,647	(A)+(E)+(F)	73.11%
Kwek Leng Kee ("KLK")	177,914,647	(A)+(E)+(F)	73.11%

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SHARES**

(continued)

Notes:

- (A) The total interests disclosed herein represent the interests in 177,914,647 ordinary shares of the Company which the respective parties held by virtue of Section 317 of the SFO in relation to the interests in shares pursuant to the shareholders' agreement and the supplemental agreement both dated 27 May 1997 entered into by Guoinvest International Limited ("Guoinvest") and, inter alia, Dr. WHANG Sun Tze (alias: WHANG Siong Tiat), Mr. WHANG Tar Choung, Madam TEO Joo Yee, T.C. & Co. and Raven and the Novation Agreement dated 5 September 2003 entered into by Guoinvest, GuoLine International Limited ("GuoLine") (a sister subsidiary of Guoinvest), Dr. WHANG Sun Tze (alias: WHANG Siong Tiat), Mr. WHANG Tar Choung, Madam TEO Joo Yee, T.C. & Co. and Raven.
- (B) The interests disclosed comprise (i) own interest of Raven in 1,221,205 ordinary shares in the Company and (ii) the deemed interest in 176,693,442 ordinary shares in the Company held by other parties referred to in Note (A) above.
- (C) The interests disclosed comprise (i) own interest of T.C. & Co. in 869 ordinary shares in the Company and (ii) the deemed interest in 177,913,778 ordinary shares in the Company held by other parties referred to in Note (A) above.
- (D) The interests disclosed comprise (i) own interest of Madam TEO Joo Yee in 4,222,534 ordinary shares in the Company and (ii) the deemed interest in 173,692,113 ordinary shares in the Company held by other parties referred to in Note (A) above.
- (E) The interests disclosed comprise (i) the corporate interests in 140,008,659 ordinary shares in the Company held through GuoLine and (ii) the deemed interest in 37,905,988 ordinary shares in the Company held by other parties referred to in Note (A) above.
- (F) Both Guoinvest and GuoLine are wholly-owned subsidiaries of GuoLine Capital Assets Limited which in turn is a wholly-owned subsidiary of HLCM. By virtue of Section 316(2) of the SFO, HLCM is held as to 49.11% and 34.49% by HLH and HLIH respectively. HLH is wholly-owned by QLC. KLK holds 41.92% interest in Davos which in turn holds 33.59% interest in HLIH and KH holds 49% interest in HLIH.

**主要股東及其他個人之持股權益** (續)

附註：

- (A) 本文所披露之總權益代表本公司177,914,647股之普通股，權益包括下述有關各方根據證券及期貨條例第317條之規定，Guoinvest International Limited (「Guoinvest」)及黃上哲博士、黃大椿先生、張如意女士、T.C. & Co.及利宏根據於一九九七年五月二十七日簽訂之股東協議及補充協議及Guoinvest、GuoLine International Limited (「GuoLine」) (Guoinvest之姊妹附屬公司)、黃上哲博士、黃大椿先生、張如意女士、T.C. & Co.及利宏根據二零零三年九月五日所簽訂之約務更改合同所持有之權益。
- (B) 所披露之權益包括(i)利宏本身於本公司1,221,205股普通股之權益及(ii)上文附註(A)所述由其他人仕持有之本公司176,693,442股普通股之被視為擁有之權益。
- (C) 所披露之權益包括(i)T.C. & Co.本身於本公司869股普通股之權益及(ii)上文附註(A)所述由其他人仕持有之本公司177,913,778股普通股之被視為擁有之權益。
- (D) 所披露之權益包括(i)張如意女士本身於本公司4,222,534股普通股之權益及(ii)上文附註(A)所述由其他人仕持有之本公司173,692,113股普通股之被視為擁有之權益。
- (E) 所披露之權益包括(i)透過GuoLine持有於本公司140,008,659股普通股之權益及(ii)上文附註(A)所述由其他人仕持有之本公司37,905,988股普通股之被視為擁有之權益。
- (F) Guoinvest及GuoLine均為GuoLine Capital Assets Limited之全資附屬公司，後者為HLCM之全資附屬公司。根據證券及期貨條例316(2)條之規定，HLH及HLIH分別持有49.11%及34.49%HLCM之權益。HLH為QLC之全資附屬公司。KLK持有41.92%Davos之股權而Davos則持有HLIH33.59%之股權，而KH持有HLIH49%之股權。



**DIRECTORS' REPORT** *(continued)* 董事會報告書 (續)**SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SHARES***(continued)*

All the interests disclosed under this Section represent long position in the ordinary shares of the Company.

Save as disclosed herein, no other person (other than a director of the Company) has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

During the Period, the Company had not redeemed, and neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities.

**MAJOR CUSTOMERS AND SUPPLIERS**

The sales amount attributable to the Group's 5 largest customers combined accounted for less than 30% of the Group's total turnover for the Period.

The purchases amount attributable to the Group's 5 largest suppliers combined accounted for less than 30% of the Group's total purchases for the Period.

At no time during the Period have the directors, their associates or any shareholders of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

**主要股東及其他個人之持股權益**  
(續)

此部之所有權益皆代表持有本公司好倉股份。

除本文所披露外，根據證券及期貨條例第336條規定而設之登記冊顯示，並未有其他人仕(本公司之董事除外)持有股份及有關股本中淡倉股份及相關股份之權益。

**購買、出售或贖回本公司之上市股份**

於本期間內，本公司並無贖回、及本公司或其附屬公司概無購買或出售本公司任何上市證券。

**主要客戶及供應商**

本集團售予最大的首五位客戶的銷售額共佔本集團本期間銷售總額少於30%。

本集團購自最大的首五位供應商的購貨額佔本集團本期間購貨總額少於30%。

本期間本公司之董事、其聯繫人仕及任何股東(就董事所知之超過5%本公司股份人仕)從沒在該等主要客戶及供應商擁有任何利益。

**DIRECTORS' REPORT** *(continued)* 董事會報告書 (續)**CORPORATE GOVERNANCE**

The Company has complied throughout the Period with the Code of Best Practice as set out in Appendix 14 to the Listing Rules which was in force during the Period, except that the non-executive directors are not appointed for a specific term but their terms of office are subject to retirement and re-election at the annual general meetings in accordance with the Company's articles of association.

On 19 January 2005, the Board of Directors adopted the Code on Corporate Governance Practices (the "CGP Code") based on the principles set out in the new Appendix 14 to the Listing Rules. The Company's CGP Code became effective for accounting periods commencing on or after 1 July 2005.

**MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding directors' securities transactions.

Having made specific enquiry of all directors of the Company, they have complied with the required standard set out in the Model Code.

**公司管治**

在本期間內，本公司已遵守於是期間仍然生效之上市規則附錄十四所載之最佳應用守則之規定。惟非執行董事並無指定任期除外，根據本公司的組織細則規定，非執行董事須於本公司股東週年常會上輪值告退及膺選連任。

於二零零五年一月十九日，董事會採納上市規則附錄十四之企業管治常規守則(「管治守則」)本公司之管治守則將在二零零五年七月一日或以後之會計年度生效。

**董事於證券交易之標準守則**

本公司已採納上市規則附錄十之上市發行人董事進行證券交易的標準守則(「標準守則」)為本公司董事於證券交易之基本原則。

經與所有本公司之董事查詢，他們均遵守列於標準守則內之規定。

**DIRECTORS' REPORT** (continued) **董事會報告書** (續)**BOARD AUDIT COMMITTEE**

The Board Audit Committee ("BAC") comprises Messrs. NG Ping Kin, Peter (Chairman), LO Kwong Chi, Clement, TSANG Cho Tai and DING Wai Chuen, three of whom are independent non-executive directors. The Board Audit Committee intends to meet quarterly to assist the Board in providing an independent review on the completeness, accuracy and fairness of the financial statements of the Group, as well as the efficiency and effectiveness of the Group's internal controls. In addition, the Board Audit Committee has reviewed with management the accounting policies and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the consolidated financial statements of the Group and the auditors' report thereon and submits them to the Board.

The terms of reference of the BAC were revised to align with the provisions of the CGP Code.

**REMUNERATION COMMITTEE**

The Board of Directors has set up a Remuneration Committee with written terms of reference with effect from 1 July 2005. The Remuneration Committee comprises Messrs. KWEK Leng Hai (Chairman), LO Kwong Chi, Clement and DING Wai Chuen, two of whom are independent non-executive directors.

**PUBLIC FLOAT**

As at the date of this Report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

**AUDITORS**

A resolution to re-appoint the retiring auditors, Messrs. PKF, is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board  
**KWEK Leng Hai**  
Chairman

Hong Kong, 28 July 2005

**董事會審核委員會**

董事會審核委員會由伍秉堅先生(主席)、羅廣志先生、曾祖泰先生及曹宸綱(曹震)先生組成，其中三位為獨立非執行董事。董事會審核委員會擬每季舉行一次會議以協助董事會獨立檢討本集團財務報表的完整性、準確性和公正程度以及本集團營運與內部監控的效率及效益。董事會審核委員會已連同管理層檢討本集團所採納之會計政策及實務，以及商討審計、內部監控及財務申報事宜，並已包括審閱本集團經審核後之綜合財務報表，以及當中所載之核數師報告，並呈交該等報表及報告予董事會。

審核委員會之職權範圍已因應管治守則而作出修改。

**薪酬委員會**

董事會於二零零五年七月一日成立薪酬委員會，並具備職權範圍。薪酬委員會由郭令海先生(主席)、羅廣志先生及丁偉銓先生組成，其中兩位為獨立非執行董事。

**公眾持股量**

基於公開於本公司查閱之資料及據董事所知悉，截至本報告日期為止，本公司一直維持上市規則所訂明之公眾持股量。

**核數師**

在行將召開之股東週年常會，將提呈決議案，建議再度委任梁學濂會計師事務所為本公司的核數師。

承董事會命  
主席  
郭令海

香港，二零零五年七月二十八日