

## DIRECTORS' REPORT

### 董事報告

The directors present the directors' report and the audited financial statements for the nine months ended 31 December 2005.

#### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are hotel business and property investment and those of its subsidiaries are disclosed in note 17 to the financial statements.

An analysis of the Group's turnover and contribution to results by principal activities and geographical area of operation for the nine months ended 31 December 2005 is set out in note 7 to the financial statements.

#### RESULTS AND APPROPRIATIONS

The results and cash flow of the Group for the nine months ended 31 December 2005 and the state of affairs of the Group and the Company for the nine months ended 31 December 2005 are set out in the financial statements on pages 41 to 116.

#### DIVIDENDS

The Company did not propose any dividends for the nine months ended 31 December 2005. The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2005.

#### FINANCIAL SUMMARY

A summary of the results and the statement of net assets/liabilities of the Group for the last financial years is set out on page 4.

#### MAJOR CUSTOMERS AND SUPPLIERS

For the the nine months ended 31 December 2005, the Group's sales to the five largest customers and purchases from the five largest suppliers accounted for less than 30% of the Group's turnover and purchases for the year respectively.

董事會謹此提呈截至二零零五年十二月三十一日止九個月之董事報告和經審核財務報表。

#### 主要業務及經營地區分析

本公司主要從事酒店業務及物業投資，其附屬公司之業務已於財務報表附註17披露。

本集團截至二零零五年十二月三十一日止九個月按主要業務及經營地區劃分之營業額及業績貢獻分析載於財務報表附註7。

#### 業績及分派

本集團截至二零零五年十二月三十一日止九個月之業績及現金流量，以及本集團及本公司於二零零五年十二月三十一日九個月之財務狀況載於財務報表第41至116頁。

#### 股息

本公司並無宣派截至二零零五年十二月三十一日止九個月任何股息。董事會不建議派發二零零五年十二月三十一日九個月年度任何股息。

#### 財務概要

本集團於過往財政年度之業績及淨資產／負債報表之概要載於第4頁。

#### 主要客戶及供應商

於截至二零零五年十二月三十一日止九個月，本集團向五大客戶銷貨及向五大供應商購貨分別佔本集團於年內之營業額及購貨額30%以下。

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#### RESERVES

Movements in the reserves of the Group and of the Company for the nine months ended 31 December 2005 are set out on page 44 and in note 25 to the financial statements.

#### PREPAID LAND LEASE PAYMENTS

Details of the movements in prepaid land lease payments of the Group are set out in note 15 to the financial statements.

#### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the financial statements.

#### PRINCIPAL PROPERTIES

Details of the principal properties held for development and/or sale and for investment purposes are set out on pages 117 to 120.

#### SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates for the nine months ended 31 December 2005 are set out in notes 17 and 18 to the financial statements.

#### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 23 to the financial statements.

#### BANK AND OTHER BORROWINGS

Details of the Group's and the Company's borrowing for the nine months ended 31 December 2005 are set out in note 21 to the financial statements.

#### CAPITALIZED BORROWING COSTS

No borrowing costs were being capitalized during the nine months ended 31 December 2005 (last year : Nil).

#### CHANGE OF FINANCIAL YEAR ENDED DATE

At the Annual General Meeting held on 25 August 2005, the shareholders of the Company had approved the change of the Group's financial year end date from 31 March to 31 December.

#### 儲備

本集團及本公司於二零零五年十二月三十一日九個月之儲備變動載於第44頁及財務報表附註25。

#### 預付土地租賃款項

本集團之預付土地租賃款項變動詳情載於財務報表附註15。

#### 物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於財務報表附註16。

#### 主要物業

持作發展及／或銷售及投資之主要物業詳情載於第117至120頁。

#### 附屬公司及聯營公司

本公司於二零零五年十二月三十一日九個月之附屬公司及聯營公司詳情載於財務報表附註17及18。

#### 股本

本公司之股本變動詳情載於財務報表附註23。

#### 銀行及其他借貸

本集團及本公司於二零零五年十二月三十一日九個月之借貸詳情載於財務報表附註21。

#### 借貸成本撥作資產

於二零零五年十二月三十一日九個月概無借貸成本撥作資產(去年度：無)。

#### 更改財政年度結算日期

於二零零五年八月二十五日舉行之股東週年大會上，本公司股東已批准將本集團的財政年度結算日期由三月三十一日更改至十二月三十一日。

**MAJOR AND CONNECTED TRANSACTIONS**

- (a) On 11 November 2004, Ming Chuen Construction Company, Limited ("Ming Chuen"), a wholly owned subsidiary of the Group, entered into an acquisition agreement with Fairweal Industrial Company Limited ("Fairweal"), a wholly owned subsidiary of FIDC, the Group's controlling shareholder. Under the acquisition agreement, Ming Chuen acquired 25% equity interest in the registered capital of Harmony Piano from Fairweal at the consideration of HK\$4,848,500. The acquisition was completed on 30 June 2005.
- (b) On 11 November 2004, the Group entered into a loan agreement with Brilliant Well Investment Limited ("Brilliant Well"), another wholly owned subsidiary of FIDC. Under the loan agreement, the Group provided a loan facility of HK\$16.5 million to Brilliant Well, which was used to provide working capital to Harmony Piano. The term for the Loan Agreement was 18 months commencing from the date, of drawn down which was 3 February 2005.
- (c) On 11 November 2004, the Group entered into an entrusted management services agreement with FIDC and Brilliant Well. Under the entrusted management services agreement, the Group was appointed by FIDC as an agent to assist FIDC to participate in the management of Harmony Piano and Huamin Tourism. The term of management service agreement was 18 months, which will be expired on 10 May 2006.
- (d) On 9 May 2005, the Group entered into an extension agreement with Raliway Department, the joint venture partner of the Hotel, to extend the operating period of the Hotel by 10 years to 31 December 2025.

**RELATED PARTY TRANSACTION**

Details of related party transactions are set out in note 27 to the financial statements.

**主要及關連交易**

- (a) 於二零零四年十一月十一日，本集團之全資附屬公司明川建築有限公司（「明川」）與本集團之最終控股股東華閩投發之全資附屬公司華巍實業有限公司（「華巍」）訂立一項收購協議。根據收購協議，明川向華巍收購和聲鋼琴註冊資本之25%股權，代價為4,848,500港元。此收購已於二零零五年六月三十日完成。
- (b) 於二零零四年十一月十一日，本集團與華閩投發之全資附屬公司寶利裕投資有限公司（「寶利裕」）訂立一項貸款協議。根據貸款協議，本集團向寶利裕提供一筆16,500,000港元之貸款，用作向和聲鋼琴提供營運資金。貸款協議之期限為十八個月，於提款日（即二零零五年二月三日）起生效。
- (c) 於二零零四年十一月十一日，本集團與華閩投發及寶利裕訂立一項委托管理協議。根據委托管理協議，本集團已獲華閩投發委任為代理人，協助華閩投發參與和聲鋼琴及華閩旅遊之管理工作。管理協議之期限為十八個月，即二零零六年五月十日到期。
- (d) 於二零零五年五月九日，本集團與酒店之合作夥伴鐵路開發訂立一份延長協議，將酒店之經營年期延長十年至二零二五年十二月三十一日屆滿。

**關連人士交易**

關連人士交易詳情載於財務報表附註27。

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#### SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 24 to the financial statements.

#### DIRECTORS

The Directors who held office during the nine months ended 31 December 2005 and up to the date of this report were:

##### Executive directors:

Mr. WANG Xiaowu (*Chairman*)  
Ms. MEI Qinqing  
Ms. CHEN Danyun

##### Non-executive directors:

Mr. FENG Qiang  
Mr. YE Tao

##### Independent non-executive directors:

Mr. LAM Kwong Siu  
(*re-appointed on 11 December 2005*)  
Mr. CHEUNG Wah Fung, Christopher  
(*re-appointed on 11 December 2005*)  
Mr. LEUNG Hok Lim

In accordance with article 101 of the Company's Articles of Association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire at the forthcoming Annual General Meeting of the Company and shall be eligible for re-election.

Mr. Lam Kwong Siu and Mr. Cheung Wah Fung, Christopher were independent non-executive directors of the Company with tenures of two years expired on 10 December 2005 and were re-appointed on 11 December 2005 with tenures of two years, expiring on 10 December 2007. Mr. Leung Hok Lim is independent non-executive director of the Company with tenure of two years expiring on 23 September 2006.

#### 購股權計劃

本公司購股權計劃之詳情載於財務報表附註24。

#### 董事

於二零零五年十二月三十一日九個月及截至本報告刊發日期止之在任董事名單如下：

##### 執行董事：

汪小武先生 (*主席*)  
梅勤萍女士  
陳丹雲女士

##### 非執行董事：

馮強先生  
葉濤先生

##### 獨立非執行董事：

林廣兆先生  
(*於二零零五年十二月十一日重新委任*)  
張華峰先生  
(*於二零零五年十二月十一日重新委任*)  
梁學濂先生

遵照本公司之公司組織章程細則第101條之規定，三分之一之現任董事(或倘董事人數並非三位或三之倍數，則為最接近三分之一之人數)任期將於應屆股東週年大會屆滿，惟彼等具備資格膺選連任。

林廣兆先生及張華峰先生為本公司獨立非執行董事，彼等之任期為期兩年，已於二零零五年十二月十日屆滿。並於二零零五年十二月十一日獲重新委任，任期為期兩年，至二零零七年十二月十日屆滿。梁學濂先生為本公司獨立非執行董事，其任期為期兩年，並於二零零六年九月二十三日屆滿。

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#### DIRECTORS AND SENIOR MANAGEMENT PROFILE

Profile of the Company's directors is set out on pages 13 to 15.

#### SHARE OPTIONS

On 22 January 1997, the Company approved a share option scheme (the "Existing Scheme") under which the Directors may, at their discretion, invite any employee or executive directors of the Company and the Group to take up options to subscribe for shares in the capital of the Company at any time during the ten years from the date of offer. The subscription price of the Company's shares shall be referred to the average closing price of the Company's shares as quoted on the main board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") for five dealings days immediately preceding the offer date. The maximum number of shares on which options may be granted may not exceed 10% of the ordinary share capital of the Company in issue from time to time. No options of the Company were being granted or outstanding since the year ended 2002.

On 23 August 2001, the Stock Exchange introduced changes to the provisions of the Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") in relation to share option schemes which came into effect on 1 September 2001. As a result of the amendments to the Listing Rules, the Board has not been able to grant options under the Existing Scheme. In compliance with the amendments to the Listing Rules, by an ordinary resolution passed on 10 May 2004, the Company terminated the existing share option scheme and adopted the new share option scheme (the "New Scheme").

#### 董事及高級管理層履歷

本公司董事履歷載於第13至第15頁。

#### 購股權

於一九九七年一月二十二日，本公司批准一項購股權計劃（「現行計劃」），據此，董事會可酌情邀請本公司及本集團任何僱員或執行董事接納購股權，可於要約日期起十年內隨時認購本公司股本中之股份。本公司股份之認購價為緊接要約日期前五個交易日本公司股份在香港聯合交易所有限公司（「聯交所」）之平均收市價。所授出購股權可認購本公司股份之數目，最多不可超逾本公司不時已發行普通股股本之10%。自二零零二年起，本公司並無批授任何購股權或購股權未獲行使。

於二零零一年八月二十三日，聯交所擬就證券上市規則（「上市規則」）第17章有關購股權計劃之條文實行若干修訂，該等修訂於二零零一年九月一日生效。基於上市規則之修訂，董事會未能按現行計劃批授購股權。為遵守上市規則之修訂，本公司於二零零四年五月十日通過普通決議案，藉以終止現行購股權計劃及採納新購股權計劃（「新計劃」）。

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The details of option share outstanding as at 31 December 2005 as granted under the New Scheme are as follows:

根據新計劃授出而於二零零五年十二月三十一日尚未行使之購股權股份詳情如下：

	Date of grant	Options held as at 1 April 2005	Options exercised during the Period	Options lapsed during the Period	Options held as at 31 December 2005	Nature of interests	Exercise price	Exercise period	% of existing Shares
	授出日期	於二零零五年四月一日持有之購股權	於期內行使之購股權	於期內失效	於二零零五年十二月三十一日持有之購股權	權益性質	行使價	行使期	佔現有股份之百分比
							HK\$ 港元		
Wang Xiaowu 汪小武	3 June 2004 二零零四年六月三日	5,200,000	-	-	5,200,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	1.00
Mei Qiping 梅勤萍	3 June 2004 二零零四年六月三日	3,120,000	-	-	3,120,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.60
Chen Danyun 陳丹雲	3 June 2004 二零零四年六月三日	2,080,000	-	-	2,080,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.40
Cheung Wah Fung, Christopher 張華峰	3 June 2004 二零零四年六月三日	5,200,000	-	-	5,200,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	1.00
Employees 僱員	3 June 2004 二零零四年六月三日	200,000	-	-	200,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.04

The consideration to be paid upon acceptance of the options by each of the grantees is HKD 1.

每位承授人在每次接納購股權時所付之代價為港幣1元。

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#### DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

#### DISCLOSURE OF INTERESTS BY DIRECTORS

During the nine months ended 31 December 2005, none of the Directors had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"))(i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies contained in the Listing Rules (the "Model Code").

At no time during the nine months ended 31 December 2005 was the Company or its subsidiaries to any arrangements to enable the Directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

#### INTERESTS IN COMPETING BUSINESSES

During the nine months ended 31 December 2005, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with any business of the Group.

#### 董事服務合約

本公司概無與於應屆股東週年大會上提名候選連任之董事訂有任何不可於一年內由本公司終止而毋須賠償(法定賠償除外)之未到期服務合約。

#### 董事權益披露

於二零零五年十二月三十一日九個月期間，董事概無於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉)；或(ii)根據證券及期貨條例第352條之規定須載入該條文所述之登記冊內之任何權益或淡倉；或(iii)須根據上市規則(「標準守則」)內所載之上市公司董事進行證券交易之標準守則知會本公司及聯交所之任何權益或淡倉。

於二零零五年十二月三十一日九個月期間，本公司或其附屬公司任何時間概無參與任何安排，致使本公司董事或彼等各自之配偶或未滿18歲之子女可透過購入本公司或任何其他法團之股份或債券而獲取利益。

#### 於競爭業務中之權益

於二零零五年十二月三十一日九個月期間，董事或彼等各自之聯繫人士概無直接或間接擁有與本集團任何業務競爭或可能競爭之任何業務。

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#### INTERESTS IN ASSETS OF THE GROUP

During the nine months ended 31 December 2005, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of, or leased to, or which are proposed to be acquired or disposed of or leased to, the Company or any of its subsidiaries.

#### DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the nine months ended 31 December 2005 or at any time during the nine months ended 31 December 2005.

#### 於本集團資產中之權益

於二零零五年十二月三十一日九個月期間，董事概無於本公司或其任何附屬公司已收購或出售或承租，或建議收購或出售或承租之任何資產中擁有任何直接或間接權益。

#### 董事之合約權益

本公司於二零零五年十二月三十一日九個月期間結束時或二零零五年十二月三十一日九個月期間內任何時間概無訂立任何董事直接或間接擁有重大權益及與本集團業務有關且仍然存在之重要合約。

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#### SUBSTANTIAL SHAREHOLDERS

For the nine months ended 31 December 2005, as far as is known to the Directors and the Company, and as confirmed upon reasonable enquiry, the register maintained by the Company under section 336 of the SFO shows that the following persons (not being Directors and employees of the Company) had, or were deemed to have, interests or short positions in the Shares and underlying shares of the Company which are required to be disclosed to the Company or the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company or had an option in respect of such capital were as follows:

#### Long Positions

##### Name of shareholders

##### 股東名稱

HC Technology Capital Company Limited ("HC Technology")  
華晶科技投資有限公司(「華晶科技」)

FIDC  
華閩投發

Sino Earn Holdings Limited ("Sino Earn")  
華鑫(香港)控股有限公司(「華鑫」)

Fujian Huaxing Trust & Investment Company ("FHTI")  
福建華興信託投資公司(「華興信託」)

Fujian Huaxing Industrial Company ("FHIC")  
福建華興實業公司(「華興實業」)

#### 主要股東

截至二零零五年十二月三十一日止九個月，就董事及本公司所知，或於彼等作出合理查詢後所能確定，按照本公司根據證券及期貨條例第336條須存置之登記冊所記錄，下列人士(並非本公司之董事及僱員)擁有或被視為擁有本公司股份或相關股份中根據證券及期貨條例第XV部第2及第3分部須向本公司或聯交所披露之權益或淡倉，或直接或間接擁有附帶權利可於所有情況下於本公司任何其他成員公司之股東大會上投票之任何類別股本面值5%以上，或擁有該等股本之購股權：

#### 好倉

Name of shareholders	Number of shares held	% of total issued shares
股東名稱	所持股份數目	佔已發行股份總額百分比
HC Technology Capital Company Limited ("HC Technology") 華晶科技投資有限公司(「華晶科技」)	279,241,379(a)	53.7
FIDC 華閩投發	279,241,379(a)	53.7
Sino Earn Holdings Limited ("Sino Earn") 華鑫(香港)控股有限公司(「華鑫」)	72,553,382(b)	14.0
Fujian Huaxing Trust & Investment Company ("FHTI") 福建華興信託投資公司(「華興信託」)	72,553,382(b)	14.0
Fujian Huaxing Industrial Company ("FHIC") 福建華興實業公司(「華興實業」)	72,553,382(b)	14.0

## DIRECTORS' REPORT

### 董事報告

#### Notes:

- (a) HC Technology beneficially holds 279,241,379 shares in the Company. Pursuant to the SFO, FIDC is deemed to be interested in the 279,241,379 Shares by virtue of its being beneficially interested in 100% of the issued share capital of HC Technology. FIDC is a state-owned corporation in the PRC.
- (b) Sino Earn beneficially holds 72,553,382 shares in the Company. Pursuant to the SFO, each of FHTI and FHIC is deemed to be interested in the 72,553,382 shares by virtue of their being beneficially interested in 30% and 70% of the issued share capital of Sino Earn respectively. Both FHTI and FHIC are state-owned corporations in the PRC.

Save as disclosed herein, for the nine months ended 31 December 2005, the Directors and the Company, as confirmed upon reasonable enquiry made by them and as indicated in the register maintained by the Company under section 336 of the SFO, were not aware of any other persons (other than Directors and employees of the Company) had, or were deemed to have, interests or short positions in the Shares and underlying shares (including any interests in options in respect of such capital), which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who owned any interests or short positions to be recorded in the register under Section 336 of the SFO; or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company or had any option in respect of such capital.

#### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the nine months ended 31 December 2005.

#### 附註：

- (a) 華晶科技實益持有279,241,379股本公司股份。根據證券及期貨條例，鑑於華閩投發實益擁有華晶科技已發行股本之100%權益，因此被視為擁有279,241,379股股份權益。華閩投發為中國之國有企業。
- (b) 華鑫實益持有72,553,382股本公司股份。根據證券及期貨條例，鑑於華興信託及華興實業分別實益擁有華鑫已發行股本之30%及70%權益，因此各自被視為擁有72,553,382股股份權益。華興信託及華興實業均為中國之國有企業。

除本文所披露者外，於二零零五年十二月三十一日九個月，董事及本公司或於彼等作出合理查詢後所能確定，按照本公司根據證券及期貨條例第336條須存置之登記冊所記錄均未獲悉任何其他人士（本公司之董事及僱員除外）於股份及相關股份（包括該等股本之任何購股權權益）中擁有或被視為擁有須根據證券及期貨條例第XV部第2及第3分部之條文向本公司及聯交所披露之權益或淡倉，或概無任何其他人士佔有根據證券及期貨條例第336條，列入該條例所述之登記冊內之權益或淡倉；或直接或間接擁有附帶權利可於所有情況下於本公司任何其他成員公司之股東大會上投票之任何類別股本之面值5%或以上，或擁有該等股本之任何購股權。

#### 管理合約

本公司於二零零五年十二月三十一日九個月內並無就全部或任何重大部分業務中之管理及行政事宜而訂立或存有任何合約。

## DIRECTORS' REPORT

### 董事報告

#### PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries, had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2005.

#### CORPORATE GOVERNANCE

The Directors consider that throughout the nine months ended 31 December 2005, the Company has complied with the Code on Corporate Governance Practices ("Code on Corporate Governance") as set out in Appendix 14 of the Listing Rules. The Company had received from each of the Independent Non-executive Directors a verbal confirmation of his/her independence.

The Company has adopted the Code on Corporate Governance. The Company had made specific enquiries to all Directors regarding any non-compliance with the Code on Corporate Governance during the nine months ended 31 December 2005, and had received confirmations from all Directors that they had fully complied with the required standard set out in the Code on Corporate Governance during the nine months ended 31 December 2005.

#### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted Appendix 10 to the Listing Rules, the Model Code, as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made with all Directors and the Directors have complied with the requirements set out in the Model Code for the nine months ended 31 December 2005.

#### 購買、出售或贖回本公司之上市證券

截至二零零五年十二月三十一日止九個月期間，本公司或其附屬公司均無購買、出售及贖回任何本公司之上市證券。

#### 企業管治

董事認為，本公司於二零零五年十二月三十一日九個月期間一直遵守上市規則附錄十四所載之企業管治常規守則（「企業管治守則」）。本公司已收到每一位獨立非執行董事就有關彼等之獨立件發出的口頭確認。

本公司已採納企業管治守則。本公司已向全體董事為於二零零五年十二月三十一日九個月期間有否違反標準守則一事作出特定查詢，而彼等均確認已於二零零五年十二月三十一日九個月期間完全遵從企業管治守則之有關規定。

#### 董事進行證券交易之標準守則

本集團已採納載於上市規則附錄十有關董事進行證券交易之標準守則，作為董事買賣證券之標準守則。經向所有董事作出特定查詢後，各董事於截至二零零五年十二月三十一日止九個月年度內，一直遵守標準守則之規定。

## DIRECTORS' REPORT

### 董事報告

#### AUDIT COMMITTEE

The Audit Committee of the Group was established in 1999. Currently, it comprises three members, all of whom are independent non-executive directors, namely Mr. Leung Hok Lim who possesses professional accounting qualification, Mr. Lam Kwong Siu and Mr. Cheung Wah Fung, Christopher. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

#### NOMINATION COMMITTEE

The Nomination Committee was formed in March 2005 to ensure fair and transparent procedures for the appointment of directors to the Board. The committee's authority and duties are set out in written terms of reference, which specify that it must comprise at least three members, the majority of whom are independent non-executive directors. The current members of the Nomination Committee are Mr. Cheung Wah Fung, Christopher, Mr. Leung Hok Lim and Mr. Lam Kwong Siu.

#### REMUNERATION COMMITTEE

According to the Code on Corporate Governance, the Group shall set up a Remuneration Committee with a majority of the members being independent non-executive Directors. The Group established its Remuneration Committee in March 2005 comprising three independent non-executive Directors, namely Mr. Lam Kwong Siu, Mr. Leung Hok Lim and Mr. Cheung Wah Fung, Christopher.

The Remuneration Committee shall consult the Chairman and/ or the General Manager of the Group about their proposals relating to remuneration package and other human resources issues of the Directors and senior management of the Group. The emoluments of Directors are based on each Director's skill, knowledge and involvement in the Group's affairs, the Group's performance and profitability, remuneration benchmark in the industry and the prevailing market conditions.

#### 審核委員會

本集團於一九九九年設立審核委員會。現時委員會由三名成員組成，彼等均為獨立非執行董事，包括梁學濂先生（具備專業會計師資格），林廣兆先生及張華峰先生。審核委員會之主要職務包括審閱及檢討本集團之財務申報程序及內部監控。

#### 提名委員會

提名委員會已於二零零五年三月成立，旨在確保董事之委聘程序符合公平及透明之原則。該委員會之權力及職責載於書面指引內，列明委員會最少應有三名成員，而大部份必須為獨立非執行董事。提名委員會現時之成員包括張華峰先生、梁學濂先生及林廣兆先生。

#### 薪酬委員會

根據企業管治常規守則，本集團須成立大部份成員為獨立非執行董事之薪酬委員會。本集團已於二零零五年三月成立薪酬委員會，由三名獨立非執行董事組成，包括林廣兆先生、梁學濂先生及張華峰先生。

薪酬委員會須就本集團董事及高級管理人員之薪酬建議及其他人力資源問題諮詢本集團主席及／或總經理。董事酬金乃根據個別董事之技能、知識水平及對本集團事務之投入程度，並參照本集團之業績與盈利狀況、同業酬金水平及市場環境而釐定。

**DIRECTORS' REPORT****董事報告****AUDITORS**

During the period, the accounts for the period from 1 April 2005 to 31 December 2005 have been audited by Messrs.HLB Hodgson Impey Cheng, which retired upon serving out its term of appointment. A resolution for the reappointment of Messrs. HLB Hodgson Impey Cheng as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

**Wang Xiaowu**

*Chairman*

Hong Kong, 19 April 2006

**核數師**

期內，二零零五年四月一日至二零零五年十二月三十一日期間之賬目已經由國衛會計師事務所審核，該核數師任滿告退，本公司將會在即將召開之股東週年大會上提呈決議案重新委任該公司出任本公司之核數師。

代表董事會

**汪小武**

*主席*

香港，二零零六年四月十九日