

The directors present their annual report and the audited financial statements of the Company for the year ended 31st December, 2005.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 46 and 23 to the financial statements respectively.

## GROUP REORGANIZATION AND CAPITAL REORGANIZATION

### (a) Group reorganization

On 19th April, 2005, the Company announced a proposed group reorganization (the "Group Reorganization") which, if approved and implemented, will result in, (i) the Company continuing to be a public listed company with its subsidiaries concentrating on its business of manufacturing and trading of battery products, investments in securities and property and investment in unlisted investment; (ii) all other subsidiaries of the Group carrying on property development and investment holding business, and all other associates of the Group carrying on manufacturing and marketing of tires and business of providing package tour, travel and hotel operations being grouped under the Group Dragon Investments Limited ("GDI") (a wholly-owned subsidiary of the Company) and its subsidiaries upon completion of the Group Reorganization; and (iii) the distribution in specie of shares in GDI to the then shareholders of the Company on a record date to be fixed, on the basis of one GDI shares for every share in the Company after consolidation under the capital reorganization (the "Capital Reorganization") as described below.

### (b) Capital reorganization

The Company proposed to carry out the Capital Reorganization which involve, inter alia, the followings:

- (i) cancellation of the paid-up capital of HK\$0.05 on each issued share of the Company and reduction in the nominal value of each issued share from HK\$0.10 to HK\$0.05 (the "Capital Reduction") and the cancellation of the entire share premium account of the Company;

董事會提呈本公司截至二零零五年十二月三十一日止年度之週年報告及經審核財務報表。

## 主要業務

本公司為一間投資控股公司，各主要附屬公司及聯營公司之業務分別載於財務報表附註46及23。

## 集團重組及股本重組

### (a) 集團重組

於二零零五年四月十九日，本公司宣佈集團重組之建議（「集團重組」），倘獲批准及付諸實行，將導致(i)本公司繼續保持上市公司之地位，其附屬公司將專注於電池產品製造及銷售業務、證券及物業投資，以及非上市投資項目之投資；(ii)本集團旗下經營物業發展及投資控股業務之所有其他附屬公司，以及本集團旗下經營輪胎製造及營銷、提供旅行團、旅遊及酒店業務之所有其他聯營公司，將於集團重組完後收歸群龍投資有限公司（「群龍」，本公司之全資附屬公司）及其附屬公司旗下；及(iii)於將釐訂之紀錄日期以實物分派方式向本公司當時之股東分派群龍股份，基準為每股本公司股份（於下文所述根據股本重組完成股份合併後）將獲發一股群龍股份（「股本重組」）。

### (b) 股本重組

本公司建議進行股本重組，當中涉及（其中包括）下列各項：

- (i) 註銷每股本公司已發行股份之繳足股本0.05港元，將每股已發行股份之面值由0.10港元削減至0.05港元（「削減股本」），以及註銷本公司之全部股份溢價賬；

## Directors' Report 董事會報告書

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|---|--|
| <p>(ii) subdivision of each authorized but unissued share of the Company into two reduced shares of HK\$0.05 each (“Subdivision”);</p>  | <p>(ii) 將每股法定但未發行之本公司股份拆細成為兩股每股面值0.05港元之削減股份（「拆細」）；</p>                          |
| <p>(iii) every two reduced shares of the Company of HK\$0.05 each arising from the Capital Reduction and Subdivision will then be consolidated into one ordinary share of HK\$0.10; and</p>   | <p>(iii) 削減股本及拆細後，把每兩股每股面值0.05港元之本公司削減股份合併成為一股面值0.10港元之普通股；及</p>                 |
| <p>(iv) the credits of approximately HK\$44,079,000 and HK\$1,900,916,000 resulting from the Capital Reduction and the cancellation of the share premium account, respectively to the special capital reserve account of the Company.</p> | <p>(iv) 將分別因削減股本及註銷股份溢價賬所產生之進賬款項約44,079,000港元及1,900,916,000港元，計入本公司之特別資本儲備中。</p> |

Details of the Group Reorganization and Capital Reorganization are set out in a circular of the Company dated 10th September, 2005. The Group Reorganization and Capital Reorganization have not yet been completed at the date of this report.

集團重組及股本重組之詳情載於本公司於二零零五年九月十日刊發之通函內。截至本報告日期，集團重組及股本重組仍未完成。

### SUBSIDIARIES AND ASSOCIATES

On 30th June, 2005, the Group acquired 88% and 100% of the issued share capital of 東莞市江海貿易有限公司 (Dongguan Shi Jiang Hai Trading Company Limited) and 廣州耀陽實業有限公司 (Guangzhou Yao Yang Industrial Company Limited), respectively, for an aggregate cash consideration of HK\$50 million. The two newly acquired subsidiaries owned vessels for the business of sand mining.

### 附屬公司及聯營公司

於二零零五年六月三十日，本集團分別收購東莞市江海貿易有限公司及廣州耀陽實業有限公司已發行股本之88%及100%，總現金代價為50,000,000港元。此兩家新收購附屬公司持有採砂船。

In January and February 2005, the Group subscribed 8,740,000 new ordinary shares of HK\$0.01 each in the capital of Wing On Travel (Holdings) Limited (“Wing On”) and the Group’s interest in Wing On was increased to approximately 21.1%. In April, 2005, the Group further acquired 6,967,700 ordinary shares of HK\$0.01 each in Wing On and converted HK\$55,000,000 convertible notes of Wing On into ordinary share of HK\$0.01 each in Wing On at the conversion price of HK\$0.02 per share and the interest in Wing On held by the Group was increased to 27.74%.

二零零五年一月及二月，本集團認購於永安旅遊（控股）有限公司（「永安」）之股本中8,740,000股每股面值0.01港元之新普通股，而本集團於永安之權益亦增至約21.1%。於二零零五年四月，本集團再購入多6,967,700股每股面值0.01港元之永安普通股，並按每股0.02港元之換股價將55,000,000港元之永安可換股票據轉換成每股0.01港元之永安普通股，本集團持有之永安權益因此增至27.74%。

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The results of the Group for the year ended 31st December, 2005 are set out in the consolidated income statement on page 39.

**MAJOR CUSTOMERS AND SUPPLIERS**

During the year, the aggregate sales attributable to the Group's five largest customers were approximately 31% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 7% of the Group's total sales. The aggregate purchases attributable to the Group's five largest suppliers were approximately 39% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 12% of the Group's total purchases.

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

**PROPERTY, PLANT AND EQUIPMENT**

During the year, property, plant and equipment with an aggregate net book value of approximately HK\$113 million were acquired as a result of acquisition of subsidiaries.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

**SHARE CAPITAL**

Details of movements of share capital of the Company during the year are set out in note 33 to the financial statements.

**DISTRIBUTABLE RESERVE OF THE COMPANY**

As at 31st December, 2005, the Company had no reserve available for distribution to shareholders.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

**業績**

本集團截至二零零五年十二月三十一日止年度之業績詳情載於第39頁綜合收益表。

**主要客戶及供應商**

本年度，本集團五大客戶之銷售總額佔本集團總銷售額約31%，而本集團最大客戶之銷售總額佔本集團總銷售額約7%。本集團五大供應商之購買總額佔本集團總購買額約39%，而本集團五大供應商之購買總額亦佔本集團總購買額約12%。

各董事、監事、彼等之聯繫人士及就董事所知擁有本公司已發行股本5%以上之股東概無於五大供應商或客戶中擁有任何權益。

**物業、廠房及設備**

年內，本集團因收購附屬公司權益而收購賬面淨值合共約113,000,000港元之物業、廠房及設備。

上述詳情及本集團之物業、廠房及設備於年內之其他變動詳情載於財務報表附註17。

**股本**

年內本公司股本之變動之相關資料載於財務報表附註33。

**本公司之可供分派儲備**

於二零零五年十二月三十一日，本公司並無可供分派予股東之儲備。

**購買、出售或贖回上市證券**

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

## Directors' Report 董事會報告書

### DIRECTORS

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

#### Executive directors:

Dr. Chan Kwok Keung, Charles  
*Chairman and Chief Executive Officer*  
 Dr. Yap, Allan  
*Vice-Chairman*  
 Ms. Chau Mei Wah, Rosanna  
 Ms. Chan Ling, Eva  
 Mr. Li Bo (appointed on 7th January, 2005)

Alternate director to Dr. Chan Kwok Keung, Charles:

Mr. Chan Kwok Hung

Alternate director to Dr. Yap, Allan:

Mr. Lui Siu Tsuen, Richard

#### Independent non-executive directors:

Mr. David Edwin Bussmann  
 Mr. Wong King Lam, Joseph  
 Mr. Sin Chi Fai (appointed on 19th January, 2005)  
 Ms. Fung Wan Yiu, Agnes (resigned on 19th January, 2005)

In accordance with Article 116 of the Company's Articles of Association, Dr. Chan Kwok Keung, Charles, Dr. Yap, Allan and Ms. Chan Ling, Eva retire at the forthcoming annual general meeting by rotation.

The directors proposed for re-election at the forthcoming Annual General Meeting do not have any service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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

### 董事會

年內及直至本報告編製日期為止之本公司董事會成員為：

#### 執行董事：

陳國強博士  
*主席兼行政總裁*  
 Yap, Allan 博士  
*副主席*  
 周美華女士  
 陳玲女士  
 李波先生 (於二零零五年一月七日獲委任)

陳國強博士之替任董事：

陳國鴻先生

Yap, Allan 博士之替任董事：

呂兆泉先生

#### 獨立非執行董事：

卜思問先生  
 黃景霖先生  
 冼志輝先生 (於二零零五年一月十九日獲委任)  
 馮蘊瑤女士 (於二零零五年一月十九日辭任)

根據本公司之組織章程細則第116條，陳國強博士、Yap, Allan博士及陳玲女士須於應屆股東週年大會輪席告退。

擬於應屆股東週年大會上膺選連任之董事概無與本集團訂立本集團不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

各非執行董事之任期為截至根據本公司之組織章程細則須輪席退任止期間。

**DIRECTORS' SERVICE CONTRACTS**

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).

**BRIEF DETAILS OF DIRECTORS AND SENIOR MANAGEMENT**

The biographical details of Directors and Senior Management are set out on pages 13 to 15.

**DIRECTOR'S INTERESTS IN SHARES**

As at 31st December, 2005, the interests of the directors of the Company and their associates in the share of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code (the "Mode Code") for Securities Transactions by Directors of Listed Companies, were as follows:

**Long positions****(i) The Company**

Name of director 董事姓名	Capacity 性質	Number of ordinary shares held 所持 普通股數目	Approximate shareholding percentage 概約 持股百分比
Dr. Chan Kwok Keung, Charles (Note 2) 陳國強博士 (附註2)	Interest held by controlled corporation 持有控股公司權益	258,819,795 (Note 1) (附註1)	29.36%

**(ii) Associated corporation**

Name of director 董事姓名	Name of associated corporation 相關法團名稱	Capacity 性質	Number of ordinary shares held 所持 普通股數目	Approximate shareholding percentage 概約 持股百分比
Dr. Chan Kwok Keung, Charles 陳國強博士	Wing On 永安	Beneficial owner 實益擁有人	172,800 (Note 3) (附註3)	0.039%

**董事服務合約**

擬於應屆股東週年大會上膺選任之董事概無與本集團訂立本集團不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

**董事及高級管理層之資料簡介**

董事及高級管理層之簡歷載於第13至15頁。

**董事於股份之權益**

於二零零五年十二月三十一日，按本公司根據證券及期貨條例第352條存置之登記冊所示或根據上市公司董事進行證券交易的標準守則(「標準守則」)本公司及香港聯合交易所有限公司(「香港聯交所」)所獲知會，本公司董事及彼等之聯繫人士於本公司及其相關法團之股份、相關股份及債券中擁有之權益如下：

**好倉****(i) 本公司****(ii) 相關法團**

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### Notes:

1. Share(s) of HK\$0.10 each in the capital of the Company.
2. Dr. Chan Kwok Keung, Charles is deemed to be interested in 258,819,795 shares of the Company held by Calisan Developments Limited ("Calisan") by virtue of his interest in Chinaview International Limited ("Chinaview") which has a controlling interest in Calisan. Details of which are disclosed under the heading "Substantial Shareholders".
3. Share(s) of HK\$1.00 each in the capital of Wing On.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as at 31st December, 2005.

### SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 34 to the financial statements.

No options were outstanding at 31st December, 2005 under the share option scheme. No options were granted, exercised, cancelled or lapsed during the year.

### ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed under the section "Share option scheme", 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 debt debentures (including debentures), of the Company or any other body corporate.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract 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.

### 附註：

1. 本公司股本中每股面值0.10港元之股份。
2. 陳國強博士由於擁有Chinaview International Limited (「Chinaview」) 而其擁有Calisan Developments Limited (「Calisan」) 之控股權益，故被視為擁有由Calisan 所持有之258,819,795股本公司股份。有關詳情載於「主要股東」一節。
3. 永安股本中每股面值1.00港元之股份。

除上文披露者外，於二零零五年十二月三十一日，董事或彼等之聯繫人士於本公司或其任何相關法團之股份及相關股份中，概無擁有任何權益或短倉。

### 購股權計劃

本公司之購股權計劃詳情載於財務報表附註34。

於二零零五年十二月三十一日，購股權計劃下並無未行使購股權。年內並無購股權獲授出、行使、註銷或失效。

### 購買股份或債券之安排

除「購股權計劃」一節所披露外，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於年內任何時間內訂立任何安排致使本公司之董事透過購買本公司或任何其他法人團體之股份或債券(包括債權證)而獲取利益。

### 董事之重大合約權益

本公司、其控股公司、附屬公司或同系附屬公司並無訂立與本公司董事於當中直接或間接擁有重大利益且於年結日或年內任何時間仍然生效之重大合約。

# Directors' Report 董事會報告書

## SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Future Ordinance shows that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

### Long positions

Name 姓名	Capacity 身份	Notes 附註	Number of shares 股份數目	Approximate shareholding percentage 概約 持股百分比
Calisan	Beneficial owner 實益擁有人	1	258,819,795	29.36%
Great Decision Limited	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
PYI Investments Group Limited (formerly known as Paul Y. — ITC Investments Group Limited)	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
PYI Investments Group Limited (前稱Paul Y.— ITC Investments Group Limited)				
PYI Corporation Limited (formerly known as Paul Y. — ITC Construction Holdings Limited)	Interests held by controlled corporation	1	258,819,795	29.36%
保華集團有限公司 (前稱保華德祥建築集團有限公司)	受控制法團持有之權益			
Hollyfield Group Limited	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
ITC Investment Holdings Limited	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
ITC Corporation Limited 德祥企業集團有限公司	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Galaxyway Investments Limited	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Chinaview	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Dr. Chan Kwok Keung, Charles 陳國強博士	Interests held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Ms. Ng Yuen Lan, Macy 伍婉蘭女士	Interests held by family 家族權益	2	258,819,795	29.36%
Well Orient Limited 威倫有限公司	Beneficial owner 實益擁有人	3	258,819,794	29.36%
Powervote Technology Limited	Interests held by controlled corporation 受控制法團持有之權益	3	258,819,794	29.36%
Hanny Magnetics (B.V.I.) Limited	Interests held by controlled corporation 受控制法團持有之權益	3	258,819,794	29.36%
Hanny Holdings Limited 錦興集團有限公司	Interests held by controlled corporation 受控制法團持有之權益	3	258,819,794	29.36%
Kingston Finance Limited 金利豐財務有限公司	Beneficial owner 實益擁有人	4	123,819,794	14.04%
Ms. Chu Yuet Wah 李月華女士	Interests held by controlled corporation 受控制法團持有之權益	4	123,819,794	14.04%
Ms. Ma Siu Fong 馬少芳女士	Interests held by controlled corporation 受控制法團持有之權益	4	123,819,794	14.04%
Nation Field Limited	Beneficial owner 實益擁有人	5	270,000,000	30.63%
Mr. Gao Yang 高央先生	Interest held by controlled corporation 受控制法團持有之權益	5	270,000,000	30.63%

## 主要股東

於二零零五年十二月三十一日，按照本公司根據證券及期貨條例第336條規定須予保存之主要股東登記冊所載，下列股東知會本公司其擁有本公司已發行股本有關權益：

### 好倉

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## Notes:

1. Dr. Chan Kwok Keung, Charles owns the entire interest of Chinaview which in turn owns the entire interest in Galaxyway Investments Limited ("Galaxyway"). Galaxyway owns more than one-third of the entire issued ordinary share capital of ITC Corporation Limited ("ITC"). ITC owns the entire interest of ITC Investment Holdings Limited ("ITC Investment") which owns the entire interest of Hollyfield Group Limited ("Hollyfield"). Hollyfield owns more than one-third of the entire issued share capital of PYI Corporation Limited ("PYI", formerly known as Paul. Y. — ITC Construction Holdings Limited). PYI owns the entire interest of PYI Investments Group Limited (formerly known as Paul Y. — ITC Investments Group Limited) ("PYIIG"). PYIIG owns the entire interest in Great Decision Limited ("GDL") which in turn owns the entire interest in Calisan. Accordingly, GDL, PYIIG, PYI, Hollyfield, ITC Investment, ITC, Galaxyway, Chinaview and Dr. Chan Kwok Keung, Charles were deemed to be interested in 258,819,795 shares in the Company which are held by Calisan.
2. Ms. Ng Yuen Lan, Macy is a spouse of Dr. Chan Kwok Keung, Charles and deemed to be interest in 258,819,795 shares of the Company held by Calisan.
3. Well Orient Limited ("WOL") is wholly-owned by Powervote Technology Limited ("PTL") which is in turn owned by Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics"). Hanny Magnetics is wholly-owned by Hanny Holdings Limited ("Hanny"). PTL, Hanny Magnetics, Hanny were deemed to be interested in 258,819,794 shares in the Company which are held by WOL.
4. Ms. Chu Yuet Wah ("Ms. Chu") and Ms. Ma Siu Fong ("Ms. Ma") are deemed to be interested in 123,819,794 shares in the Company through the interest in Kingston Finance Limited which is a company beneficially owned by Ms. Chu and Ms. Ma.
5. The 270,000,000 shares of the Company represent the shares of the Company agreed to be sold to Nation Field Limited pursuant to the share agreement dated 10th March, 2005 entered into between Nation Field Limited, PYI and Hanny. Mr. Gao Yang is beneficially interested in the entire issued share capital of Nation Field Limited. Accordingly, he is deemed to be interested in the shares of the Company agreed to be acquired by Nation Field Limited under the SFO.

Other than disclosed above, the Company had not been notified of any other interests or short position in the issued shares of the Company as at 31st December, 2005.

## 附註：

1. 陳國強博士擁有Chinaview全部權益，而Chinaview擁有Galaxyway Investments Limited (「Galaxyway」)全部權益。Galaxyway擁有德祥企業集團有限公司(「德祥企業」)超過三分之一全部已發行普通股本。德祥企業擁有ITC Investment Holdings Limited (「ITC Investment」)之全部權益，而ITC Investment則擁有Hollyfield Group Limited (「Hollyfield」)之全部權益。Hollyfield擁有保華集團有限公司(「保華」，前稱保華德祥建築集團有限公司)超過三分之一全部已發行股本。保華擁有PYI Investments Group Limited (前稱Paul Y. — ITC Investments Group Limited) (「PYIIG」)全部權益。PYIIG擁有Great Decision Limited (「GDL」)全部權益，而GDL擁有Calisan全部權益。因此，GDL、PYIIG、保華、Hollyfield、ITC Investment、德祥企業、Galaxyway、Chinaview及陳國強博士被視為於Calisan所持有之258,819,795股本公司股份中擁有權益。
2. 伍婉蘭女士為陳國強博士之配偶，被視為於Calisan所持有之258,819,795股本公司股份中擁有權益。
3. 威倫有限公司(「威倫」)由Powervote Technology Limited (「PTL」)全資擁有，而PTL則由Hanny Magnetics (B.V.I.) Limited (「Hanny Magnetics」)擁有。Hanny Magnetics由錦興集團有限公司(「錦興」)全資擁有。PTL、Hanny Magnetics及錦興被視為於威倫所持有之258,819,794股本公司股份中擁有權益。
4. 李月華女士(「李女士」)及馬少芳女士(「馬女士」)透過於金利豐財務有限公司(李女士及馬女士實益擁有之公司)之權益而被視作於本公司123,819,794股股份中擁有權益。
5. 該270,000,000股本公司股份代表根據二零零五年三月十日Nation Field Limited、保華及錦興訂立之股份協議本公司同意售予Nation Field Limited之股份。高央先生實益權擁有Nation Field Limited之全部已發行股本。因此，根據證券及期貨條例，彼被視為於Nation Field Limited同意收購之本公司股份中擁有權益。

除上文披露者外，於二零零五年十二月三十一日，本公司並不知悉於本公司之已發行股份中有任何其他權益或短倉。



## Directors' Report 董事會報告書

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The interests of the directors in competing businesses during the year required to be disclosed pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") were as follows:

Name of Director 董事姓名	Name of Company 公司名稱	Nature of competing business 競爭業務性質	Nature of interest 權益性質
Dr. Chan Kwok Keung, Charles 陳國強博士	PYI and its subsidiaries 保華及其附屬公司	Property development and investment in The People's Republic of China (the "PRC") 於中華人民共和國(「中國」)之物業發展及投資	Substantial shareholder and non-executive director of PYI 保華之主要股東及非執行董事
Dr. Yap, Allan Yap, Allan 博士	Wing On and its subsidiaries 永安及其附屬公司	Property investment in the PRC 於中國之物業投資	Executive director of Wing On 永安之執行董事
Ms. Chan Ling, Eva 陳玲女士	Wing On and its subsidiaries 永安及其附屬公司	Property investment in the PRC 於中國之物業投資	Director of subsidiaries of Wing On 永安附屬公司之董事
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	Wing On and its subsidiaries 永安及其附屬公司	Property investment in the PRC 於中國之物業投資	Executive director of Wing On 永安之執行董事

### 董事於競爭業務之權益

年內，董事於競爭業務中擁有須根據香港聯交所證券上市規則(「上市規則」)第8.10條予以披露之權益如下：

### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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.

### 委任獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認書。本公司認為所有獨立非執行董事均屬獨立。

**CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provision of the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Listing Rules throughout the year ended 31st December, 2005, except for the following deviations:

- Code Provision A.2.1. stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Dr. Chan Kwok Keung, Charles currently holds both positions. The Board believes that vesting the roles of both chairman and chief executive in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies.
- Code Provision A.4.1. stipulates that non-executive directors should be appointed for a specific term and subject to re-election. Independent non-executive directors of the Company do not have a specific term of appointment as subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company.
- Code Provision E.1.2. stipulates that the chairman of the board should attend the annual general meeting. The Chairman was unable to attend the annual general meeting held on 29th June, 2005 as he had another engagement that was important to the business of the Company.

**企業管治常規守則**

本公司致力維持高水平的企業管治，以提高透明度及更好地保障股東權益，本公司於截至二零零五年十二月三十一日止年度一直遵守上市規則附錄十四所載企業管治常規守則（「守則」）之守則條文，惟以下各項除外：

- 守則條文A.2.1.規定主席及行政總裁的角色應予以區分及不應由一人兼任。本公司之主席及行政總裁目前由陳國強博士一人兼任。董事會相信一人兼任主席及行政總裁之職務可讓本集團擁有強勢貫徹之領導，並能更有效計劃及落實長遠之業務策略。
- 守則條文A.4.1.規定非執行董事應獲委任固定年期並須予重選。本公司之獨立非執行董事並無固定任期，彼等乃根據本公司之章程細則於股東週年大會上輪席退任及膺選連任。
- 守則條文E.1.2.規定董事會之主席須親身出席股東週年大會。由於主席須處理對本公司業務甚為重要之事務，故未能親身出席二零零五年六月二十九日舉行之股東週年大會。

### EMOLUMENT POLICY

A Remuneration Committee is set up for reviewing the Group's emolument policy structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market statistic.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 34 to the financial statements.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st December, 2005.

### POST BALANCE SHEET EVENT

Details of the significant post balance sheet events are set out in note 47 to the financial statements.

### CONTINUING DISCLOSURE OBLIGATION

1. As at 31st December, 2005, the amount advance made by the Group to its affiliated companies, namely Wing On and its subsidiaries ("Wing On Group") aggregated to approximately HK\$174.12 million, representing more than 8% of the Company's market capitalization of approximately HK\$758.17 million as at 31st December, 2005 (the "Market Capitalization").

### 薪酬委員會

薪酬委員會已設立，以經考慮本集團之經營業績、個人表現及可比較市場統計資料後，就本公司董事及高級管理層之所有酬金檢討本集團之薪酬政策架構。

本公司已採納一項購股權計劃以鼓勵董事及合資格僱員，計劃詳情載於財務報表附註34。

### 足夠公眾持股量

本公司於截至二零零五年十二月三十一日止年度內一直維持足夠公眾持股量。

### 結算日後事項

於結算日後之重大事項詳情載於財務報表附註47。

### 持續披露責任

1. 於二零零五年十二月三十一日，本集團給予本公司聯屬公司永安及其附屬公司（「永安集團」）之墊款合共約為174,120,000港元，佔本公司於二零零五年十二月三十一日之市值約758,170,000港元（「市值」）超過8%。

# Directors' Report 董事會報告書

Details of amount advanced to Wing On Group as at 31st December, 2005 are as follows:

於二零零五年十二月三十一日，給予永安集團之墊款詳情如下：

Affiliated companies 聯屬公司	Equity interest held by the Group 本集團所持股本權益	Amount of advances 所墊付之金額 (million) (百萬)	Interest Rate Per annum 年息率	Note 附註
Wing On Group 永安集團	27.74%	HK\$32.20 32.20港元	Prime + 2% 最優惠利率加兩厘	1
		HK\$46.30 46.30港元	Prime 最優惠利率	2
		HK\$89.74 89.74港元	Prime 最優惠利率	3
		RMB5.54 人民幣5.54元	6% 六厘	1
		HK\$3.80 3.80港元	Nil 無	4

Notes:

- The advances are unsecured and repayable on 2nd July, 2006.
- The advance is unsecured and matured on 29th January, 2005 but not yet being on demand.
- The advance is unsecured and repayable on 31st December, 2006.
- The advance is unsecured, interest free and repayable on demand.

附註：

- 墊款乃無抵押及須於二零零六年七月二日償還。
- 墊款乃無抵押及於二零零五年一月二十九日到期，但未要求還款。
- 墊款乃無抵押及須於二零零六年十二月三十一日償還。
- 墊款乃無抵押、免息及須於要求時償還。

The financial information of Wing On Group as at 31st December, 2005 are as below:

於二零零五年十二月三十一日，永安集團之財務資料如下：

		HK\$'000 港幣千元
Non-current assets	非流動資產	2,268,901
Current assets	流動資產	762,722
Current liabilities	流動負債	(736,560)
Net current assets	流動資產淨值	26,162
Non-current liabilities	非流動負債	(881,019)
Net assets	資產淨值	1,414,044
Equity attributable to holders of the parent	母公司持有人應佔權益	978,976
Minority interests	少數股東權益	435,068
Total equity	總權益	1,414,044

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

以上聯營公司之詳情載於財務報表附註23。

**AUDITORS**

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**Dr. Chan Kwok Keung, Charles**

*Chairman*

Hong Kong  
7th April, 2006

**核數師**

有關重新委聘德勤•關黃陳方會計師行連任本公司核數師之決議案將在本公司之股東週年大會上提呈。

代表董事會

*主席*

**陳國強博士**

香港  
二零零六年四月七日