

The Directors herein submit their report together with the audited financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its subsidiaries are set out in note 37 to the financial statements.

SEGMENT INFORMATION

An analysis of the performance of the Group by principal activities is set out in note 8 to the financial statements. No geographical analysis is shown as the turnover and loss from operations of the Group are all derived from activities in The People's Republic of China ("PRC").

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2005 and the state of affairs of the Company and of the Group are set out in the financial statements on pages 31 to 33 respectively.

No dividend was recommended for the year (2004: Nil).

RESERVES

Movements in reserves during the year are set out in note 29 to the financial statements.

DONATIONS

No donations were made to charities by the Group during the year (2004: Nil).

董事會謹提呈截至二零零五年十二月三十一日止年度之董事會報告書及經審核財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司之業務載列於財務報表附註37。

分類資料

本集團以主要業務分類之業務分析載列於財務報表附註8。由於本集團之營業額及經營虧損全由中華人民共和國（「中國」）業務產生，因此並無載列以地域劃分之分析。

業績及分配

本集團截至二零零五年十二月三十一日止年度之業績及本公司與本集團之財務狀況分別載列於財務報表第31至33頁。

本年度不建議派發股息（二零零四年：無）。

儲備

本年度之儲備變動載列於財務報表附註29。

慈善捐款

本年度本集團並無作出任何慈善捐款（二零零四年：無）。

FIXED ASSETS

Movements in fixed assets during the year are set out in note 16 to the financial statements.

INVESTMENT PROPERTIES

Movements in investment properties including pledge of assets during the year are set out in note 17 to the financial statements. Particulars of investment properties of the Group are set out on page 27.

PROPERTIES HELD FOR/UNDER DEVELOPMENT

Movements in properties held for/under development during the year are set out in note 19 to the financial statements. Particulars of properties under development of the Group are set out on page 27.

SHARE CAPITAL

Details of share capital of the Company are set out in note 27 to the financial statements.

BORROWINGS AND INTEREST CAPITALISED

Details of borrowings are set out in note 24 to the financial statements.

No borrowing cost was capitalized in respect of property development projects during the year (2004: Nil).

固定資產

本年度之固定資產變動載列於財務報表附註16。

投資物業

本年度之投資物業(包括資產抵押)變動，載列於財務報表附註17。本集團之投資物業資料載列於第27頁。

持有作發展／發展中物業

本年度之持有作發展／發展中物業變動載列於財務報表附註19。本集團之持有作發展／發展中物業資料載列於第27頁。

股本

本公司之股本詳情載列於財務報表附註27。

借貸及撥作資本之利息

本集團之借貸詳情載列於財務報表附註24。

本年內並無物業發展項目之借貸成本撥作資本(二零零四年：無)。

MAJOR CUSTOMERS AND SUPPLIERS

The information of turnover and purchases attributable to the major customers and suppliers of the Group for the year is as follows:

		2005 二零零五年 %	2004 二零零四年 %
Turnover	銷售		
The largest customer	最大客戶	11	19
Five largest customers in aggregate	五大客戶總額	34	54
Purchases	採購		
The largest supplier	最大供應商	12	41
Five largest suppliers in aggregate	五大供應商總額	31	92

None of the directors and their associates, or any shareholder (who to the best knowledge of the directors, own more than 5% of the Company's share capital) had interest in the above customers and suppliers at any time during the year.

SUBSIDIARIES

Particulars of subsidiaries of the Company as at 31 December 2005 are set out in note 37 to the financial statements.

主要客戶及供應商

本集團主要客戶及供應商於本年度佔本集團銷售及採購之詳情如下：

概無本公司董事及其聯繫人士，或任何股東（據董事所知擁有本公司5%以上之股本）於本年度任何時間擁有上述客戶及供應商之權益。

附屬公司

本公司於二零零五年十二月三十一日之附屬公司資料載列於財務報表附註37。

DIRECTORS

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

Tong Shi Jun, *Chairman*
Zhang Jian, *Deputy Chairman*
Zhao Lishen
Chiu Kong
Huang Ling
Zhu Jun
Chen Song Sheng*
Chang Ling* (Resigned on 16 September 2005)
Zhou Mei Zhen*
Wang Li Yun* (Appointed on 20 September 2005)

* *Independent Non-executive Director*

Mr. Chiu Kong and Mr. Chen Song Sheng retire from office by rotation at the forthcoming Annual General Meeting in accordance with Bye-laws No. 87 of the Company, being eligible, offer themselves for re-election.

Ms. Wang Li Yun retires from office at the forthcoming Annual General Meeting in accordance with Bye-Laws No. 86 of the Company, being eligible, offer herself for re-election.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Tong Shi Jun, aged 49, is the Chairman of the Company. Mr. Tong has long been engaging in construction investments and project management in the PRC, and with extensive management experience. He has excellent performance in export and import trading business in the recent ten years. Mr. Tong joined the Group in March 2002.

董事

本年度及截至本報告日期止，本公司之董事為：

佟世均 (主席)
張健 (副主席)
趙立申
趙鋼
黃玲
朱軍
陳頌聲*
張玲* (於二零零五年九月十六日請辭)
周美珍*
王凌雲* (於二零零五年九月二十日獲委任)

* *獨立非執行董事*

根據本公司之章程細則第87條，趙鋼先生及陳頌聲先生於即將召開之股東週年大會上輪值告退，惟願意膺選連任。

根據本公司之章程細則第86條，王凌雲小姐於即將召開之股東週年大會上告退，惟願意膺選連任。

董事及高級管理人員資料

執行董事

佟世均，49歲，本公司主席。佟先生長期從事中國建設投資和建設項目管理工作，具豐富管理經驗。彼近十年從事之進出口貿易工作成績卓著。佟先生於二零零二年三月加入本集團。

Zhang Jian, aged 76, is the Deputy Chairman of the Company, mainly responsible for project developments in the PRC. Mr. Zhang is a senior engineer and has long been engaging in the management of construction investments in the PRC. He has extensive experience in the management of construction planning and development. Mr. Zhang joined the Group in March 2002.

Zhao Lishen, aged 35, responsible for the whole management of Great China, PRC of the Group. Mr. Zhao graduated from ZhongNan University at Economics and Law. He has long been engaging in the banking investment and the enterprise management of major corporation for a number of years. He has extensive understanding and cumulate experience in group management. Mr. Zhao joined the Group in February 2003.

Chiu Kong, aged 47, has long been engaging in export and import trading business as well as electrommunication investments in mainland. He joined the Group in June 2002 and is mainly responsible for the administration of the Hong Kong Office.

Huang Ling, aged 31, mainly responsible for capital financing. She graduated from Guangdong Foreign Trade University with a Bachelor of Economics degree. She has engaged in international accounting of bank with certain experience in financing. Miss Huang joined the Group in February 2003.

Zhu Jun, aged 35, mainly responsible for personnel management. She had worked in group logistics property administration of South China University of Technology. Miss Zhu joined the Group in February 2003.

張健，76歲，本公司副主席，主要負責中國發展項目。張先生為高級工程師，長期從事中國建設投資管理工作。彼於建設規劃發展具有豐富管理經驗。張先生於二零零二年三月加入本集團。

趙立申，35歲，主要負責集團中國大中華區域的整體管理。趙先生畢業於中南財經政法大學，長期以來從事投資銀行以及大型企業管理工作，對集團企業的營運管理有著較為深入的理解及豐富的經驗積累。趙先生於二零零三年二月加入本集團。

趙鋼，47歲。趙先生長期從事進出口貿易生意及國內電子通信投資工作。彼於二零零二年六月加入本集團，主要負責本集團香港辦事處行政管理工作。

黃玲，31歲，主要負責財務資金運作。黃小姐畢業於廣東外貿大學，持有經濟學士學位，曾從事銀行國際業務會計工作，有一定的財務工作經驗。黃小姐於二零零三年二月加入本集團。

朱軍，35歲，主要負責人事管理。朱小姐曾任職華南理工大學後勤產業集團行政管理工作。朱小姐於二零零三年二月加入本集團。

Independent Non-executive Directors

Chen Song Sheng, aged 70, has been an independent non-executive director of the Company since February 2001. Mr. Chen graduated from the University of Zhongshan in the PRC and he stayed to work after. He had been the Deputy Head of the Department of Chinese in the University of Zhongshan and held his professorship in the University of Macau since 1991. Mr. Chen is also director and chairman of several Chinese cultural organizations.

Zhou Mei Zhen, aged 27, has been an independent non-executive director of the Company since September 2004. Ms. Zhou graduated from Guangzhou Finance & Trade Management Institute majoring in professional management of enterprises. She had engaged in Guangzhou Guangjian Group and was mainly responsible for the finance and administration of the Group.

Wang Li Yun, aged 27, has been an independent non-executive director of the Company since September 2005. Ms. Wang graduated from Guangdong Provisional Tourism School, major in hotel management. She has been engaging in accounting and administration management of trading company for years.

Senior Management

In addition to the executive directors listed above, the Company has the following members on its management team:

Chen Wei Wen, aged 39, is a site engineer of the Group. Mr. Chen graduated from Guangzhou University and has been working as a civil engineer for over 10 years. He joined the Group in 1993 and is responsible for site and construction works of the property projects. Before joining the Group, he was responsible for supervision of the construction progress in a construction company in Guangzhou.

獨立非執行董事

陳頌聲，70歲，於二零零一年二月出任本公司獨立非執行董事。陳先生畢業於中國中山大學，畢業後留校任教。他曾出任中山大學中文系副主任，並自一九九一年出任澳門大學教授。陳先生亦為多個推廣中國文化組織之會長及主席。

周美珍，27歲，於二零零四年九月出任本公司獨立非執行董事。周小姐於廣州市財貿管理幹部學院畢業，主修企業管理專業。曾任職廣州廣建集團，主要負責集團財務及行政管理管理工作。

王凌雲，27歲，於二零零五年九月出任本公司獨立非執行董事。王小姐於廣東省旅遊專科學校畢業，主修酒店管理專業。彼於一間貿易公司負責財務及行政管理多年。

高級管理人員

除以上所列的執行董事外，本公司的高級管理人員如下：

陳偉文，39歲，本集團之地盤工程師。陳先生於廣州大學畢業，具逾十年土木工程師經驗。彼於一九九三年加入本集團，負責物業項目之地盤及建築工程。於加入本集團前，彼在廣州一建築公司負責監管建築工序。

Wang Jian Yong, aged 43, structural audit engineer of the Group. Mr. Wang graduated from Guangzhou Jinan University and has over 16 years' experience in construction industry. He joined the Group in 1994.

Qualified Accountant

Yin Cheng Zheng, aged 36, the Qualified Accountant of the Group, is responsible for financial management and control. He graduated from ZhongNan University at Economics and Law. Mr. Yin has been engaging in banking investment as well as in accounting management and finance control for many years. He has extensive experience in group finance management. Mr. Yin joined the Group in March 2003.

Company Secretary

Lee Kai Cheong, aged 37, has been a company secretary of the Company since February 2006. Mr. Lee is an associate member of the Hong Kong Institute of Certified Public Accountants, the Association of International Accountants and the Macau Society of Registered Accountants. Mr. Lee has over 14 years of experience in auditing, accounting, company secretary, business advisory and taxation consultancy.

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2005, none of the directors and chief executive of the Company had, under Part XV of the Securities and Futures Ordinance, nor were they taken to or deemed to have under such provisions of the Securities and Futures Ordinance, any interests in the shares of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the Securities and Futures Ordinance or any interests which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

王健勇，43歲，本集團之結構核算工程師。王先生於廣州暨南大學畢業，在建築業工作逾十六年。彼於一九九四年加入本集團。

合資格會計師

尹承政，36歲，本集團廣州辦事處助理財務總監，負責集團財務管理與控制事務。尹先生畢業於中南財經政法大學，多年來從事投資銀行以及財務管理工作，有著豐富的集團財務管理經驗。尹先生於二零零三年三月加入本集團。

公司秘書

李繼昌，37歲，於二零零六年二月出任為本公司之公司秘書。李先生為香港會計師公會會員、國際會計師公會會員及澳門會計師公會會員。李先生擁有逾十四年的核數、財務、公司秘書、商業諮詢及稅務顧問等方面的經驗。

董事於股份之權益

於二零零五年十二月三十一日，概無本公司董事及主要行政人員根據證券及期貨條例第XV部於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份中擁有(或根據證券及期貨條例的有關規定被認為或被視作擁有)任何權益，或任何必須列入本公司根據證券及期貨條例第352條予以存置的登記冊內的權益，或任何根據上市規則所載上市公司董事進行證券交易的標準守則必須向本公司及香港聯合交易所有限公司申報的權益。

ARRANGEMENT TO PURCHASE SHARES

Under the share option scheme, the Directors may, at their discretion, offer an option to any director or employee of the Company or any subsidiary to subscribe for shares of the Company, subject to the terms and conditions of the share option scheme.

No option was granted to or exercised under the share option scheme during the year.

Save as disclosed above, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the directors or the chief executives of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest subsisted at any time during the year.

購入股份之安排

根據購股權計劃，董事可酌情按照購股權計劃之條款及條件授予本公司或其任何附屬公司之任何董事或僱員購股權以認購本公司股份。

本年內概無根據購股權計劃授出或行使任何購股權。

除上文所披露者外，於本年內本公司或其任何附屬公司概無參與任何安排，致使本公司董事或主要行政人員、或彼等各自之配偶或其十八歲以下之子女可藉購入本公司或任何其他法人團體之股份或債券而得益。

董事於合約之權益

於年終或本年內任何時間，概無任何董事於本公司或其任何附屬公司所訂立有關本集團業務之重大合約中擁有重大權益。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2005, according to the register of interests kept by the Company under section 336 of Securities and Futures Ordinance, and so far as was known to the directors or chief executive of the Company, the following persons had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance:

主要股東

於二零零五年十二月三十一日，根據本公司按證券及期貨條例第336條存置之權益登記冊所示及據董事或本公司行政總裁所知，下列人士於股份或相關股份擁有須根據證券及期貨條例第XV部第2及3部分條文向本公司披露之權益或淡倉：

Name of Shareholders 股東名稱	Number of ordinary shares held 所持普通股數目	Percentage of issued share capital 佔已發行股本百分比
Great Capital Holdings Limited ("GCH")	429,162,000 <i>Note (1)</i> <i>附註 (1)</i>	31.56%
Sinowin Enterprises Limited ("Sinowin")	405,280,000 <i>Note (2)</i> <i>附註 (2)</i>	29.80%
Campiche Management Limited	68,205,210	5.02%

Notes:

附註：

- (1) GCH had pledged a total of 264,162,000 shares of the Company to secure banking facilities for the group companies of GCH.
- (2) The entire issued share capital of Sinowin is beneficially owned by Mr. Hung Ka Faat.

- (1) GCH已將本公司合共264,162,000股股份作抵押，以取得其集團公司之銀行信貸。
- (2) Sinowin之全部已發行股本乃由熊嘉發先生實益擁有。

Save as disclosed above, so far as are known to the directors, the Company has not been notified of any interest in the issued share capital of the Company required to be recorded under section 336 of the Securities and Futures Ordinance as at 31 December 2005.

除上文所披露外，就董事所知，於二零零五年十二月三十一日，本公司並無獲知會任何須按證券及期貨條例第336條予以登記之本公司已發行股本權益。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the law in Bermuda.

SERVICE CONTRACTS

None of the 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 within one year without payment of compensation other than statutory compensation.

MANAGEMENT DISCUSSION AND ANALYSIS

A management discussion and analysis of the Group's annual results is shown on pages 9.

CORPORATE GOVERNANCE REPORT

A corporate governance report is shown on pages 10 to 15.

PENSION SCHEME

Particulars of pension scheme of the Group are set out in note 32 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

優先購買權

本公司之章程細則或百慕達法例概無優先購買權之條款。

服務合約

於即將召開之股東週年大會膺選連任之董事並無與本公司或其任何附屬公司訂立任何服務合約規定一年內終止合約時須作出賠償(法定賠償除外)。

管理層討論及分析

有關本集團年度業績之管理層討論及分析列於第9頁。

公司管治報告書

有關本集團年度業績之公司管治報告書列於第10至15頁。

退休金計劃

本集團之退休金計劃資料載列於財務報表附註32。

購買、出售或贖回股份

本年內概無本公司或其任何附屬公司購買、出售或贖回本公司之任何股份。

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practice adopted by the Group and discussed with the management regarding auditing, internal control and financial reporting matters including the review of the Company's audited results for the year ended 31 December 2005. The committee comprises three independent non-executive directors of the company.

AUDITORS

CCIF CPA Limited retire and a resolution for re-appointment as auditor of the company will be proposed at the forthcoming annual general meeting.

By Order of the Board

Tong Shi Jun

Chairman

Hong Kong, 26 August 2006

審核委員會

審核委員會已審閱本集團採用之會計原則和政策並與管理層討論有關稽核、內部監控及財務報告事項。審核委員會成員包括本公司三位獨立非執行董事。審核委員會與管理層已審閱本公司截至二零零五年十二月三十一日止之已審核業績。

核數師

陳葉馮會計師事務所有限公司任滿告退，而重新委聘核數師之決議案，將提呈予即將舉行之股東週年大會。

承董事會命

主席

佟世均

香港，二零零六年八月二十六日