

董事會報告

Directors' Report

董事會同寅欣然將本集團及本公司截至二零零六年十二月三十一日止年度之報告連同經審核綜合財務報表呈覽。

主要業務

本公司為一間投資控股公司，其主要附屬公司、聯營公司及共同控制公司於二零零六年十二月三十一日之主要業務已分別載於綜合財務報表附註48、49及50。

本集團於年內之營業額主要來自中華人民共和國（「中國」）之業務。本集團截至二零零六年十二月三十一日止年度之營業額及除稅前之溢利貢獻按主要業務已載於綜合財務報表附註6。

附屬公司、聯營公司及共同控制公司

有關本公司於二零零六年十二月三十一日之主要附屬公司、聯營公司及共同控制公司之詳情已分別載於綜合財務報表附註48、49及50。

業績及溢利分配

本集團截至二零零六年十二月三十一日止年度之業績已載於第82頁及第83頁之綜合利潤表。

董事會建議派發截至二零零六年十二月三十一日止年度之末期股息每股本公司股份2.5港仙予於二零零七年五月十八日（星期五）名列本公司股東名冊內之股東。

管理層討論及分析

管理層討論及分析已載於第13頁至第32頁。

The Board is pleased to present their report and the audited consolidated financial statements of the Group and the Company for the year ended 31st December, 2006.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, associates and jointly controlled entities as at 31st December, 2006 are set out in notes 48, 49 and 50 to the consolidated financial statements respectively.

The Group's turnover for the year was derived mainly from activities carried out in the People's Republic of China (the "PRC"). The breakdown by principal activities of the Group's turnover and the contribution to profit before taxation for the year ended 31st December, 2006 is set out in note 6 to the consolidated financial statements.

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Details of the Company's principal subsidiaries, associates and jointly controlled entities as at 31st December, 2006 are set out in notes 48, 49 and 50 to the consolidated financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2006 are set out in the consolidated income statement on pages 82 and 83.

The Board has recommended a final dividend of HK2.5 cents per share of the Company for the year ended 31st December, 2006 payable to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 18th May, 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis is set out on pages 13 to 32.

物業、廠房及設備

於年內，本集團購入之物業、廠房及設備總值約25,074,000港元。

本集團及本公司於年內之物業、廠房及設備及其他變動之詳情已載於綜合財務報表附註17。

投資物業

於年內，本集團收購投資物業總值約259,781,000港元，而若干已建成待售物業以及物業、廠房及設備分別為62,841,000港元及6,800,000港元轉為投資物業。本集團重估其所有投資物業截至年底之價值，因重新估價而引致之盈餘為311,706,000港元，並已於綜合利潤表內確認。

本集團於年內之投資物業及其他變動之詳情已載於綜合財務報表附註18。

物業權益

本集團於二零零六年十二月三十一日之物業權益已載於第33頁至第41頁。

股本、認股權證及購股權

股本、認股權證及購股權之變動已載於綜合財務報表附註35。

儲備

本集團及本公司於年內之儲備變動已分別載於第88頁之綜合權益變動表及綜合財務報表附註36。

財務摘要

本集團於過去五個財政年度之業績及資產與負債概要已載於第188頁。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment totalling approximately HK\$25,074,000.

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

INVESTMENT PROPERTIES

During the year, the Group acquired investment properties totalling approximately HK\$259,781,000 and certain completed properties for sale and property, plant and equipment of HK\$62,841,000 and HK\$6,800,000 respectively were transferred to investment properties. The Group revalued all of its investment properties as at the year end date. The surplus arising on the revaluation amounted to HK\$311,706,000 and has been recognised in the consolidated income statement.

Details of these and other movements during the year in the investments properties of the Group are set out in note 18 to the consolidated financial statements.

INTEREST IN PROPERTIES

Particulars of the Group's interests in properties as at 31st December, 2006 are set out on pages 33 to 41.

SHARE CAPITAL, WARRANTS AND OPTIONS

Movements in share capital, warrants and options are set out in note 35 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 88 and note 36 to the consolidated financial statements respectively.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 188.

借款及資本化之利息

須於一年內償還或應要求下償還之銀行貸款、透支及其他借款歸納於流動負債內。有關附息及免息借款之還款詳情已分別載於綜合財務報表附註37及38。本集團於年內就發展中物業而轉作資本化之利息為19,070,000港元，詳情已載於綜合財務報表附註10。

董事

於本年度及截至本報告日期為止之董事如下：

執行董事：

李成偉
黃清海
馬申
勞景祐
李志剛

Yasushi Ichikawa

(於二零零六年五月十二日委任)

非執行董事：

鄭慕智
楊麗琛

Yuki Oshima

(於二零零六年五月十二日委任)

獨立非執行董事：

鄭鑄輝
吳繼偉
魏華生
徐溯經

BORROWINGS AND INTEREST CAPITALISED

Bank loans, overdrafts and other borrowings which are repayable within one year or on demand are classified as current liabilities. Repayment analysis of interest-bearing and interest-free borrowings are set out in notes 37 and 38 to the consolidated financial statements respectively. Interest capitalised by the Group during the year in respect of properties under development amounted to HK\$19,070,000, details of which are set out in note 10 to the consolidated financial statements.

DIRECTORS

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

Executive Directors:

Patrick Lee Seng Wei
Ng Qing Hai
Ma Sun
Edwin Lo King Yau
Li Chi Kong

Yasushi Ichikawa

(appointed on 12th May, 2006)

Non-Executive Directors:

Moses Cheng Mo Chi
Lisa Yang Lai Sum

Yuki Oshima

(appointed on 12th May, 2006)

Independent Non-Executive Directors:

Francis J. Chang Chu Fai
Goodwin Gaw
Ngai Wah Sang
Xu Su Jing

董事 (續)

根據本公司組織章程細則第105(A)條，馬申先生、勞景祐先生、鄭鑄輝先生及吳繼偉先生於將召開之股東週年大會上輪值告退，並願意膺選連任。

根據本公司組織章程細則第96條，於上屆股東週年大會後及本報告日期前獲委任之Yasushi Ichikawa先生及Yuki Oshima先生之任期於將召開之股東週年大會屆滿，並願意膺選連任。

董事及高級管理人員之個人資料

執行董事

李成偉，五十五歲，於一九九六年六月獲委任為本公司之執行董事，並分別於二零零四年二月及二零零五年十二月出任為本公司之董事會主席及代理董事總經理。李先生為一名建築師，曾於澳洲IBM服務，其後在馬來西亞及香港參與地產發展工作超過二十一年，彼於物業發展具廣泛經驗。李先生亦為本公司兩名主要股東聯合地產(香港)有限公司之行政總裁及新鴻基有限公司之非執行董事。

黃清海，五十歲，於二零零三年四月獲委任為本公司之執行董事，並於二零零三年十月出任本公司之董事總經理。彼於二零零五年十二月改任為本公司之副董事總經理。黃先生於一九八三年畢業於上海建材學院會計系，於一九九四年為中國註冊會計師協會會員，亦於一九八八年獲法國高等商學院集團(Group ESSEC)授予管理諮詢顧問資格。彼於二零零四年成為中國建材企業管理協會副會長，並於二零零六年成為亞洲知識管理協會院士。黃先生在管理企業方面擁有豐富經驗。彼亦為本公司之非全資附屬公司上海聯合水泥股份有限公司之總裁及行政總裁。

DIRECTORS (CONTINUED)

In accordance with Article 105(A) of the Company's Articles of Association, Messrs Ma Sun, Edwin Lo King Yau, Francis J. Chang Chu Fai and Goodwin Gaw shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 96 of the Company's Articles of Association, Messrs. Yasushi Ichikawa and Yuki Oshima, who have been appointed after the last Annual General Meeting and before the date of the report, shall hold office until the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Patrick Lee Seng Wei, aged 55, was appointed an Executive Director of the Company in June 1996 and became the Chairman of the Board and the Acting Managing Director of the Company in February 2004 and December 2005 respectively. Mr. Lee is an architect and worked for IBM Australia before becoming involved in property development in Malaysia and Hong Kong for more than twenty-one years. He has extensive experience in the property field. Mr. Lee is also the chief executive of Allied Properties (H.K.) Limited and a non-executive director of Sun Hung Kai & Co. Limited, both are substantial shareholders of the Company.

Ng Qing Hai, aged 50, was appointed an Executive Director of the Company in April 2003 and became the Managing Director of the Company in October 2003. He was re-designated as the Deputy Managing Director of the Company in December 2005. Mr. Ng graduated from the Accounting Department of Shanghai Institute of Building Materials in 1983 and became a member of the Association of Registered Accountants of the PRC in 1994. He was admitted as Management Consultant by Group ESSEC of France in 1988. He became the vice chairman of China Building Materials Enterprises Management Association in 2004 and a fellow of Asian Knowledge Management Association in 2006. Mr. Ng has extensive experience in managing enterprises. He is also the president and chief executive officer of Shanghai Allied Cement Limited, a non-wholly owned subsidiary of the Company.

董事及高級管理人員之個人資料 (續)

執行董事 (續)

馬申，六十六歲，於二零零三年四月獲委任為本公司之執行董事。馬先生於一九八四年加入新鴻基證券有限公司，一九八五年轉調本集團。除擁有機電工程學士學位外，馬先生擁有豐富機電工程經驗及超過二十一年的中國商貿、金融投資及物業發展經驗。

勞景祐，四十六歲，為特許公司秘書，並為澳洲Macquarie University之應用財務碩士，於一九九九年八月獲委任為本公司之執行董事。彼曾於香港多間公司履任多項行政職位，包括在上市公司出任公司秘書。勞先生現為本公司之主要股東聯合集團有限公司之執行董事。

李志剛，五十三歲，為蘇格蘭特許會計師公會會員及香港會計師公會資深會員，於二零零四年二月獲委任為本公司之執行董事。彼於財務及會計行業具有豐富經驗，曾任職於兩間大型核數師事務所及擔任多間頗具規模之香港上市公司之集團財務總監。彼亦為本公司之主要股東聯合地產(香港)有限公司及本公司之間接非全資附屬公司上海聯合水泥股份有限公司之執行董事，亦為本公司另一主要股東聯合集團有限公司之集團財務總監。

Yasushi Ichikawa，五十五歲，於二零零六年五月獲委任為本公司之執行董事。彼曾任ORIX Corporation國際業務部之部門總經理，管理大中華地區之附屬公司及新拓展業務之發展。彼於結構資產融資構建及市場推廣方面擁有超過二十五年經驗。Ichikawa先生畢業於日本大阪市立大學，持有商業學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Executive Directors (continued)

Ma Sun, aged 66, was appointed an Executive Director of the Company in April 2003. Mr. Ma joined Sun Hung Kai Securities Limited in 1984 and was then transferred to the Group in 1985. Besides holding a Bachelor's Degree of Electrical Engineering, he has extensive experience in electrical engineering and over twenty-one years of experience in China commercial business, financial investment and property development.

Edwin Lo King Yau, aged 46, a chartered company secretary and holder of a Master's Degree in Applied Finance from Macquarie University, Australia, was appointed an Executive Director of the Company in August 1999. He had served in various executive roles in several companies in Hong Kong including company secretary for publicly listed companies. He is currently an executive director of Allied Group Limited, a substantial shareholder of the Company.

Li Chi Kong, aged 53, a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants, was appointed an Executive Director of the Company in February 2004. He has broad experience in the finance and accounting field, having worked in two major audit firms and as group financial controller for several sizeable listed companies in Hong Kong. He is also an executive director of Allied Properties (H.K.) Limited, a substantial shareholder of the Company, and Shanghai Allied Cement Limited, an indirect non-wholly owned subsidiary of the Company, and the group financial controller of Allied Group Limited, another substantial shareholder of the Company.

Yasushi Ichikawa, aged 55, was appointed an Executive Director of the Company in May 2006. He was the managing director overseeing the subsidiaries in the Greater China Region and the development of new business at the International Business Department of ORIX Corporation. He has over twenty-five years of experience in structuring and marketing of structured asset finance. Mr. Ichikawa graduated from Osaka City University in Japan with a Bachelor's Degree in Commerce.

董事及高級管理人員之個人資料
(續)

非執行董事

鄭慕智，五十七歲，於一九九七年五月獲委任為本公司之獨立非執行董事，並於二零零四年九月改任為本公司之非執行董事。鄭先生乃本公司其中一所法律顧問香港胡百全律師事務所之首席合夥人。鄭先生於一九九一年至一九九五年間為香港立法局議員。彼為香港董事學會之創會主席，現為該會之榮譽會長及榮譽主席。彼同時亦為其他多間上市公司之獨立非執行董事。

楊麗琛，四十歲，於一九九九年十一月獲委任為本公司之獨立非執行董事，並於二零零四年九月改任為本公司之非執行董事。彼現為香港執業律師，亦為李梅生律師行之顧問。楊小姐畢業於澳洲雪梨大學，取得法律及經濟學士學位，亦取得澳洲及英國之律師資格。

Yuki Oshima，五十九歲，於二零零六年五月獲委任為本公司之非執行董事。彼為日本早稻田經濟學會會員，現時為ORIX Corporation之執行官。彼同時亦為多間海外上市公司之董事會成員，包括ORIX Investment Bank Pakistan Limited、ORIX Leasing Pakistan Limited及Lanka ORIX Leasing Company Limited。彼於租賃及融資方面擁有超過三十六年經驗。Oshima先生畢業於日本早稻田大學，持有商業學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Non-Executive Directors

Moses Cheng Mo Chi, aged 57, was appointed an Independent Non-Executive Director of the Company in May 1997 and was re-designated as Non-Executive Director of the Company in September 2004. Mr. Cheng is the senior partner of P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong and one of the legal advisors of the Company. Mr. Cheng was a member of the Legislative Council of Hong Kong between 1991 and 1995. He is the Founder Chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. He also serves on the boards of various listed companies as an independent non-executive director.

Lisa Yang Lai Sum, aged 40, was appointed an Independent Non-Executive Director of the Company in November 1999 and was re-designated as Non-Executive Director of the Company in September 2004. She is a practising solicitor in Hong Kong and is a consultant of Maurice Lee, Tsang, Ng-Quinn & Tang. Ms. Yang graduated from the University of Sydney with a Bachelor's Degree in Law and Economics and is also qualified as a solicitor in Australia and England.

Yuki Oshima, aged 59, was appointed a Non-Executive Director of the Company in May 2006. He is a member of the Association of Economics in Waseda, Japan and is currently the executive officer of ORIX Corporation. He also serves on the boards of various overseas listed companies namely ORIX Investment Bank Pakistan Limited, ORIX Leasing Pakistan Limited and Lanka ORIX Leasing Company Limited. He has over thirty-six years of experience in leasing and finance. Mr. Oshima graduated from Waseda University in Japan with a Bachelor's Degree in Commerce.

董事及高級管理人員之個人資料 (續)

獨立非執行董事

鄭鑄輝，五十二歲，於二零零四年九月獲委任為本公司之獨立非執行董事。彼現時為金豐21投資控股有限公司及卓施金網有限公司之執行董事，以及卓健亞洲有限公司及中意控股有限公司之獨立非執行董事。鄭先生現為根據證券及期貨條例註冊之投資顧問。自二零零零年，鄭先生擔任昱豐融資有限公司之董事總經理。彼擁有逾二十九年銀行、企業融資、投資及企業管理之經驗。鄭先生於一九七六年取得加拿大蒙特利爾孔科爾迪亞大學之商學學士學位，並於一九七七年畢業於加拿大多倫多約克大學，取得工商管理碩士學位。

吳繼偉，三十八歲，於二零零四年九月獲委任為本公司之獨立非執行董事。彼現時為建生國際集團有限公司之副主席，並為Global Gateway, L.P. (由建生集團及Morgan Stanley Real Estate Funds組成之電信基建合營公司) 之主席及行政總裁以及基滙資本(地產基金管理公司) 之主席。彼亦為Downtown Properties Holdings之總裁。吳先生畢業於美國賓夕凡尼亞大學，取得土木工程學士學位，其後取得Wharton Business School財務學位及史丹福大學建築管理科學碩士學位。

魏華生，四十八歲，於二零零四年九月獲委任為本公司之獨立非執行董事。彼現時為安利時投資控股有限公司之行政總裁。彼在核數、會計、財務管理以及處理業務發展及投資方面擁有豐富經驗，並曾任職香港及海外多間國際會計師事務所及上市公司。魏先生取得英國倫敦大學之理學士學位。彼亦為澳洲特許會計師公會資深會員及香港會計師公會資深會員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Independent Non-Executive Directors

Francis J. Chang Chu Fai, aged 52, was appointed an Independent Non-Executive Director of the Company in September 2004. He is currently an executive director of Golden 21 Investment Holdings Limited and Trasy Gold Ex Limited; and an independent non-executive director of Quality HealthCare Asia Limited and Chitaly Holdings Limited. Mr. Chang is a registered person under the Securities and Futures Ordinance and since 2000 has been the managing director of Ceres Capital Limited. He has over twenty-nine years of experience in banking, corporate finance, investment and management. Mr. Chang holds a Bachelor's Degree in Commerce from Concordia University in Montreal, Canada since 1976 and a Master's Degree in Business Administration from York University in Toronto, Canada since 1977.

Goodwin Gaw, aged 38, was appointed an Independent Non-Executive Director of the Company in September 2004. He is currently the vice chairman of Pioneer Global Group Limited, and the chairman and chief executive officer of Global Gateway, L.P., a telecom infrastructure joint venture between Pioneer Group and Morgan Stanley Real Estate Funds, and the chairman of Gateway Capital, a real estate fund management company. He is also the president of Downtown Properties Holdings. Mr. Gaw graduated with a Bachelor of Science Degree in Civil Engineering from the University of Pennsylvania, a Finance Degree from Wharton Business School and a Master of Science Degree in Construction Management from Stanford University.

Ngai Wah Sang, aged 48, was appointed an Independent Non-Executive Director of the Company in September 2004. He is currently the chief executive officer of Earnest Investments Holdings Limited. He has broad experience in auditing, accounting, financial management and dealing with business development and investments and previously worked for international accounting firms and listed companies in Hong Kong and overseas. Mr. Ngai holds a Bachelor's Degree in Science from the University of London in United Kingdom. He is a fellow of The Institute of Chartered Accountants in Australia and also a fellow of the Hong Kong Institute of Certified Public Accountants in Hong Kong.

董事及高級管理人員之個人資料
(續)

獨立非執行董事 (續)

徐溯經，六十二歲，於二零零四年九月獲委任為本公司之獨立非執行董事。彼曾任中國石化集團公司企業改革部主任，但已於二零零五年六月退休。彼具有豐富之石化企業宏觀管理經驗。徐先生於一九八三年畢業於北京勞動保護研究所，主修安全技術工程，擁有工程學碩士學位及教授級高級經濟師職稱。

高級管理人員

宋珠峰，四十六歲，本集團合約部總經理，於二零零三年十二月加入本集團。宋先生畢業於北京清華大學土木工程系，擁有工程學學士學位。彼具有超過二十年工程管理及房地產發展經驗。

杜燦生，四十二歲，本公司合資格會計師及集團財務總監，於一九九四年五月加入本集團。杜先生為香港會計師公會會員及英國特許管理會計師公會會員，並擁有工商管理碩士學位。杜先生具有超過十年財務管理及中國商業經驗。

夏謙，四十四歲，本集團華北地區總經理，於一九九一年十一月加入本集團。夏先生擁有工商管理碩士學位。彼具有超過十六年中國房地產發展及投資經驗。

容綺媚，四十一歲，於二零零四年三月獲委任為本公司之公司秘書。彼為香港公司秘書公會及英國特許秘書及行政人員公會會員。容小姐亦為上海聯合水泥股份有限公司之公司秘書。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Independent Non-Executive Directors (continued)

Xu Su Jing, aged 62, was appointed an Independent Non-Executive Director of the Company in September 2004. He was the director of the Department of Enterprise Reform of Sinopec Group Company and has retired since June 2005. He has extensive experience in the macro-management of petrochemical enterprises. Mr. Xu graduated from the Beijing Research Institute of Labor Safety in 1983 majoring in safety technology engineering and holds a Master of Engineering and the title of a senior economist of professor level.

Senior Management

Song Zhu Feng, aged 46, is the General Manager of the Contracts Department of the Group. He joined the Group in December 2003. Mr. Song graduated from The Civil Engineering Department of Tsing Hua University in Beijing with a Bachelor's Degree of Engineering. He has over twenty years of experience in the fields of engineering and property development.

Sunny Tao Tsan Sang, aged 42, is the Qualified Accountant of the Company and Financial Controller of the Group. He joined the Group in May 1994. Mr. Tao is an associate of the Hong Kong Institute of Certified Public Accountants and The Chartered Institute of Management Accountants and holds a Master's Degree of Business Administration. Mr. Tao has over ten years of experience in financial management and China business field.

Xia Qian, aged 44, is the General Manager of the Northern China Region. He joined the Group in November 1991. Mr. Xia holds an Executive Master's Degree of Business Administration. He has over sixteen years of experience in property development and investment in China.

Cindy Yung Yee Mei, aged 41, was appointed the Company Secretary of the Company in March 2004. She is an associate of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators. Ms. Yung is also the company secretary of Shanghai Allied Cement Limited.

董事之權益

除下文所披露者外，於二零零六年十二月三十一日，概無本公司之董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券期貨條例第352條須予備存之登記冊所記錄，或依據上市發行人董事進行證券交易之標準守則通知本公司及香港聯合交易所有限公司（「聯交所」）之任何權益或淡倉：

(a) 本公司

董事姓名 Name of Director	權益性質 Nature of interests	持有股份之數目 Number of shares held	佔已發行 股本之百分比 Percentage to the issued share capital
馬申 Ma Sun	個人 Personal	52,125 (附註) (Note)	0.005%

附註：該權益由馬申先生以實益擁有人身份所持有。

DIRECTORS' INTERESTS

Save as disclosed below, as at 31st December, 2006, none of the Directors or chief executives of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers:

(a) The Company

董事姓名 Name of Director	權益性質 Nature of interests	持有股份之數目 Number of shares held	佔已發行 股本之百分比 Percentage to the issued share capital
馬申 Ma Sun	個人 Personal	52,125 (附註) (Note)	0.005%

Note: The interests are held by Mr. Ma Sun as beneficial owner.

(b) 相聯法團－上海聯合水泥股份有限公司（「上聯水泥」）

董事姓名 Name of Director	權益性質 Nature of interests	持有股份及 相關股份之數目 Number of shares and underlying shares held	佔已發行 股本之百分比 Percentage to the issued share capital
馬申 Ma Sun	個人 Personal	100,000 (附註) (Note)	0.01%

附註：由馬申先生作為實益擁有人所持有之權益，全屬股份權益。

(b) Associated Corporation – Shanghai Allied Cement Limited ("SAC")

董事姓名 Name of Director	權益性質 Nature of interests	持有股份及 相關股份之數目 Number of shares and underlying shares held	佔已發行 股本之百分比 Percentage to the issued share capital
馬申 Ma Sun	個人 Personal	100,000 (附註) (Note)	0.01%

Note: The interests held by Mr. Ma Sun as beneficial owner are all interests in shares.

上述全部權益皆為好倉。於二零零六年十二月三十一日，根據證券期貨條例第352條須予備存之登記冊所載，並無淡倉記錄。

All the interests stated above represent long positions. As at 31st December, 2006, no short positions were recorded in the register required to be kept under section 352 of the SFO.

購股權

(a) 本公司

本公司購股權計劃之資料已載於綜合財務報表附註35。

於截至二零零六年十二月三十一日止年度內，並無根據本公司之購股權計劃授出任何購股權，於二零零五年十二月三十一日及二零零六年十二月三十一日亦無任何購股權仍未行使。

(b) 上聯水泥

有關上聯水泥購股權計劃（「上聯水泥計劃」）之資料已載於綜合財務報表附註35。

根據上聯水泥計劃授出及於二零零六年十二月三十一日尚未行使之購股權詳情載列如下：

SHARE OPTIONS

(a) The Company

Particulars of the Share Options Scheme of the Company are set out in note 35 to the consolidated financial statements.

No share option was granted under the Share Option Scheme of the Company during the year ended 31st December, 2006, nor was there any share option outstanding as at 31st December, 2005 and 31st December, 2006.

(b) SAC

Particulars of the share option scheme of SAC (the "SAC Scheme") are set out in note 35 to the consolidated financial statements.

Details of the shares options granted under the SAC Scheme and the outstanding options as at 31st December, 2006 are as follows:

	授予日期 Date of Grant	行使期 Exercisable Period	每股行使價 Exercise price per share 港元 HK\$	購股權數目 Number of share options				於二零零六年 十二月三十一日 尚未行使 Outstanding as at 31st December, 2006
				於二零零六年 一月一日 尚未行使 Outstanding as at 1st January, 2006	於年內授出 Granted during the year	於年內失效 Lapsed during the year	於年內註銷 Cancelled during the year	
本公司董事 Directors of the Company								
黃清海 Ng Qing Hai	二零零三年 七月二十八日 28th July, 2003	二零零四年一月二十八日至 二零一三年七月二十七日 28th January, 2004 to 27th July, 2013	0.70	4,000,000	—	—	4,000,000	—
李志剛 Li Chi Kong	二零零三年 七月二十八日 28th July, 2003	二零零四年一月二十八日至 二零一三年七月二十七日 28th January, 2004 to 27th July, 2013	0.70	600,000	—	—	600,000	—
上聯水泥僱員 Employees of SAC	二零零三年 七月二十八日 28th July, 2003	二零零四年一月二十八日至 二零一三年七月二十七日 28th January, 2004 to 27th July, 2013	0.70	16,500,000	—	1,600,000	13,400,000	1,500,000
合計 Total				21,100,000	—	1,600,000	18,000,000	1,500,000

購股權 (續)

(b) 上聯水泥 (續)

上述全部購股權之歸屬期均為六個月。每位承授人就每份獲授之購股權支付代價10.00港元。

每股股份於緊接授出購股權當日前之收市價為0.53港元。

於截至二零零六年十二月三十一日止年度，上聯水泥董事會注意到上聯水泥股份在市場上以固定行使價之折讓價買賣，且根據上聯水泥計劃授出之購股權亦未曾獲行使，上聯水泥董事會於二零零六年十月向當時既有購股權持有人提出按每份購股權作價100.00港元購入合共32份購股權（該等購股權賦予彼等權利可按固定行使價每股購股權股份0.70港元之價格認購合共19,500,000股購股權股份）。因此，上聯水泥於二零零六年十一月二十九日向當時之購股權持有人購回共31份購股權，並最終合共註銷18,000,000股購股權股份。

除上文所披露者外，於截至二零零六年十二月三十一日止年度內，概無任何可認購上聯水泥股份之購股權獲授出、行使、失效或註銷。

上述已授出之購股權將於行使時方會在賬目確認。董事會認為，因對上述購股權進行之任何估值需作出多項特定、主觀及不確定之假設，故此不宜評估購股權價值。根據多項推測性假設而評估之購股權價值並無意義，且或會對股東有所誤導。因此，董事會認為僅披露可肯定之有關市價及行使價乃屬恰當。

除上文所披露者外，於年內，各董事或彼等之配偶或未滿十八歲子女概無獲授予認購本公司股本或債務證券之權利，亦無行使該等權利。

SHARE OPTIONS (CONTINUED)

(b) SAC (continued)

All share options referred to above are subject to six months' vesting period. The consideration paid by each grantee for each of grants was HK\$10.00.

The closing price per share immediately before the date on which the share options were granted was HK\$0.53.

During the year ended 31st December, 2006, the board of SAC noted that shares of SAC were traded on the market at a discount to the fixed exercise price and no option granted under the SAC Scheme had ever been exercised. The board of SAC made an offer in October 2006 to the then existing option holders to purchase a total of 32 options (with the right to subscribe for a total of 19,500,000 option shares at a fixed exercise price of HK\$0.70 per option share) at a consolidation of HK\$100.00 per option. As a result, SAC purchased a total of 31 options from the then existing option holders and subsequently cancelled a total of 18,000,000 option shares on 29th November, 2006.

Save as disclosed above, no share options for subscription of shares in SAC were granted, exercised, lapsed or cancelled during the year ended 31st December, 2006.

The above options granted are not recognised in the accounts until they are exercised. The Board considers that it is inappropriate to value the share options granted since any valuation of the options would be subject to a number of assumptions that would be selective, subjective and uncertain. Any valuation of the share options based on various speculative assumptions would be meaningless and could be misleading to the shareholders. The Board therefore considers the disclosure of only the relevant market price and exercise price, which are readily ascertainable, will be appropriate.

Save as disclosed above, no rights to subscribe for equity or debt securities of the Company had been granted to or exercised by any Directors or their spouses or children under the age of 18 at any time during the year.

購買股份或債券之安排

除根據本公司及上聯水泥各自之購股權計劃授予可認購本公司及上聯水泥股份之購股權外，本公司或其任何附屬公司於本年度內並無參與任何安排，使董事或彼等之配偶或十八歲以下子女可藉收購本公司或任何其他法人團體之股份或債券從而獲得利益。

董事於重要合約之權益

本公司或其任何附屬公司於本年度終結或本年度任何時間內，並無參與董事直接或間接擁有重大權益之重要合約。

董事之服務合約

概無擬於即將召開之股東週年大會上膺選連任之董事與本公司或其任何附屬公司簽訂僱主一方須付出賠償金(法定賠償除外)始能於一年內終止之服務合約。

主要客戶及供應商

於本年度，本集團最大五位客戶之銷售總額及本集團最大五位供應商之採購總額分別為本集團銷售總額及採購總額約21%及36%。

據董事所知，持有本公司已發行股本5%以上的董事、彼等之聯繫人士或任何股東並無於本集團最大五位供應商及客戶擁有任何實益權益。

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors 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 with the exception of granting of share options to subscribe for shares in the Company and SAC under their respective share option schemes.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACTS

No director 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 employing company within one year without the payment of compensation (other than statutory compensation).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were approximately 21% and 36% of the Group's sales and purchases respectively.

None of the Directors, their associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest suppliers and customers.

主要股東及其他人士之權益

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

根據證券期貨條例第336條而須備存之登記冊所載，於二零零六年十二月三十一日，擁有本公司股份或相關股份之權益或淡倉之人士列示如下：

Set out below are the interests or short positions of persons in the shares or underlying shares of the Company as at 31st December, 2006 as recorded in the register required to be kept under section 336 of the SFO:

股東名稱 Name of Shareholders	持有股份之數目 Number of shares held			權益總額 Total Interests	權益總額 佔有關已發行股本之百分比 Percentage of total interests to the relevant issued share capital
	個人權益 (以實益擁有人持有) Personal Interests (held as beneficial owner)	法團權益 (控制公司持有之權益) Corporate Interests (interest of controlled corporation)	其他權益 (以投資管理人持有) Other Interests (held as investment manager)		
新鴻基有限公司(「新鴻基」) Sun Hung Kai & Co. Limited ("SHK")	447,045,603	—	—	447,045,603	39.58%
聯合地產(香港)有限公司(「聯合地產」) Allied Properties (H.K.) Limited ("APL")	—	447,045,603 (附註1) (Note 1)	—	447,045,603 (附註2) (Note 2)	39.58%
聯合集團有限公司(「聯合集團」) Allied Group Limited ("AGL")	—	447,045,603 (附註3) (Note 3)	—	447,045,603 (附註2) (Note 2)	39.58%
Lee and Lee Trust ("LL Trust")	—	447,045,603 (附註4) (Note 4)	—	447,045,603 (附註2) (Note 2)	39.58%
Penta Investment Advisers Limited ("Penta")	—	—	192,124,000	192,124,000	17.01%
John Zwaanstra	—	192,124,000 (附註5) (Note 5)	—	192,124,000 (附註6) (Note 6)	17.01%
ORIX Corporation	87,500,000	—	—	87,500,000	7.75%
Mercury Real Estate Advisors, LLC ("Mercury")	—	—	56,480,000	56,480,000	5.00%
David R. Jarvis	—	56,480,000 (附註7) (Note 7)	—	56,480,000 (附註8) (Note 8)	5.00%
Malcolm F. MacLean	—	56,480,000 (附註9) (Note 9)	—	56,480,000 (附註8) (Note 8)	5.00%

主要股東及其他人士之權益 (續)

附註：

1. 聯合地產分別透過其直接及間接全資附屬公司AP Jade Limited及AP Emerald Limited持有新鴻基已發行股本約65.18%權益，故被視作擁有新鴻基所持有之股份之權益。
2. 此數字指新鴻基持有之同一批447,045,603股股份之權益。
3. 聯合集團持有聯合地產已發行股本約74.93%權益，故被視作擁有聯合地產所持有之股份之權益。
4. 李成輝先生、李淑慧女士及李成煌先生為全權信託LL Trust之信託人，彼等合共持有聯合集團已發行股本約41.25%權益，故被視作擁有聯合集團所持有之股份之權益。
5. John Zwaanstra 先生被視作擁有Penta所持有之100%股份之權益。
6. 此數字指Penta持有之同一批192,124,000股股份之權益。
7. David R. Jarvis 先生被視作擁有 Mercury所持有之57.50%股份之權益。
8. 此數字指Mercury持有之同一批56,480,000股股份之權益。
9. Malcolm F. MacLean先生被視作擁有Mercury所持有之42.50%股份之權益。

上述全部權益皆為好倉。於二零零六年十二月三十一日，根據證券期貨條例第336條須予備存之登記冊所載，並無淡倉記錄。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS (CONTINUED)

Notes:

1. Through AP Jade Limited and AP Emerald Limited, direct and indirect wholly owned subsidiaries of APL respectively, APL owned approximately 65.18% interest in the issued share capital of SHK and was therefore deemed to have an interest in the shares in which SHK was interested.
2. The figure refers to the same interest of SHK in 447,045,603 shares.
3. AGL owned approximately 74.93% interest in the issued share capital of APL and was therefore deemed to have an interest in the shares in which APL was interested.
4. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of the LL Trust, being a discretionary trust. They together owned approximately 41.25% interest in the issued share capital of AGL and were therefore deemed to have an interest in the shares in which AGL was interested.
5. Mr. John Zwaanstra was deemed to be interested in the shares through his 100% interest in Penta.
6. The figure refers to the same interest of Penta in 192,124,000 shares.
7. Mr. David R. Jarvis was deemed to be interested in the shares through his 57.50% interest in Mercury.
8. The figure refers to the same interest of Mercury in 56,480,000 shares.
9. Mr. Malcolm F. MacLean deemed to be interested in the shares through his 42.50% interest in Mercury.

All the interests stated above represent long positions. As at 31st December, 2006, no short positions were recorded in the register required to be kept under section 336 of the SFO.

董事於競爭性業務之利益

於年內及截至本報告日期止，按聯交所證券上市規則（「上市規則」）規定，下列董事（獨立非執行董事除外）被視為與本集團之業務構成競爭或可能構成競爭之業務中擁有利益，詳情如下：

1. 李成偉先生為新鴻基有限公司之董事，該公司透過其若干附屬公司部份從事經營借貸之業務。
2. 李成偉先生及李志剛先生為聯合地產（香港）有限公司之董事，該公司透過其一間附屬公司部份從事經營借貸之業務。
3. 勞景祐先生為聯合集團有限公司之董事，該公司透過其若干附屬公司部份從事經營借貸之業務。勞景祐先生及李志剛先生均為聯合集團有限公司之附屬公司聯合融資有限公司之董事，該公司部份從事經營借貸之業務。此外，勞景祐先生亦為建屋貸款（亞洲）有限公司之董事，該公司為新鴻基有限公司之附屬公司，部份從事借貸業務。彼於二零零六年九月二十八日辭任。

由於本公司之董事會與上述公司之董事會均獨立運作，而上述各董事亦未能控制本公司之董事會，故本集團能獨立於該等公司之業務運作，及基於各自利益來經營業務。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, the following Directors (not being the Independent Non-Executive Directors) are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as set out below:

1. Mr. Patrick Lee Seng Wei is a director of Sun Hung Kai & Co. Limited which, through certain of its subsidiaries, is partly engaged in the business of money lending.
2. Messrs. Patrick Lee Seng Wei and Li Chi Kong are directors of Allied Properties (H.K.) Limited which, through a subsidiary, is partly engaged in the business of money lending.
3. Mr. Edwin Lo King Yau is a director of Allied Group Limited which, through certain of its subsidiaries, is partly engaged in the business of money lending. Both Messrs. Edwin Lo King Yau and Li Chi Kong are directors of AG Capital Limited, a subsidiary of Allied Group Limited, which is partly engaged in the business of money lending. Also, Mr. Edwin Lo King Yau was a director of The Building and Loan Agency (Asia) Limited, being a subsidiary of Sun Hung Kai & Co. Limited, which is partly engaged in the business of money lending, and he resigned on 28th September, 2006.

As the Board of Directors of the Company is independent from the boards of the abovementioned companies and none of the above Directors can control the Board of the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

關連交易

1. 本公司之一間非全資附屬公司上海聯合水泥有限公司(「上海水泥」)與上海水泥之主要股東上海水泥廠(「上海水泥廠」)於一九九五年十二月十六日訂立一份租約，據此，上海水泥廠將若干器材及設施租予上海水泥使用(「該交易」)。截至二零零六年十二月三十一日止年度，該交易總額達5,769,000港元。該交易構成本公司之持續關連交易。

獨立非執行董事已審查該交易，並確認該交易乃：

- (i) 於本集團之一般及日常業務範圍內訂立；
- (ii) 按一般商業條款進行；
- (iii) 根據規管該交易之租約條款訂立，並屬公平合理及整體上符合本公司股東之利益；及
- (iv) 該交易於二零零六年全年之總額在聯交所同意之有關最高限額範圍之內。

CONNECTED TRANSACTIONS

1. A leasing agreement was entered into between Shanghai Allied Cement Co., Ltd. ("Shanghai SAC"), a non-wholly owned subsidiary of the Company, and Shanghai Cement Factory ("SCF"), a substantial shareholder of Shanghai SAC, on 16th December, 1995, pursuant to which certain equipments and facilities were leased from SCF for the use of Shanghai SAC (the "Transaction"). The aggregate amount of the Transaction for the year ended 31st December, 2006 amounted to HK\$5,769,000. The Transaction constituted a continuing connected transaction of the Company.

The Independent Non-Executive Directors have reviewed the Transaction and confirmed that the Transaction was:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms;
- (iii) entered into in accordance with the terms of the leasing agreement governing the Transaction and was fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) the aggregate annual amount of the Transaction in 2006 was within the relevant maximum amount as agreed by the Stock Exchange.

關連交易 (續)

2. 誠如本公司日期為二零零五年三月二日之報章公佈所披露，本公司之間接全資附屬公司正景發展有限公司(「正景」)與捷橋財務有限公司(「捷橋」)及本公司於二零零五年三月二日訂立一份貸款協議(「貸款協議」)，據此，捷橋同意向正景提供最多100,000,000港元之循環備用貸款(「備用貸款」)作為其一般營運資金，而本公司則同意擔保備用貸款下之貸款會獲得償還。捷橋為本公司主要股東(定義見上市規則)新鴻基有限公司(「新鴻基」)之直接全資附屬公司，故此捷橋為本公司之關連人士。因此，根據上市規則，貸款協議項下之交易構成本公司之持續關連交易，並須根據上市規則遵守申報、公佈及獲得獨立股東批准之規定。由於該項交易之代價比率(定義見上市規則)超過5%但少於25%，根據上市規則，該項交易亦構成本公司之須予披露交易。批准貸款協議之普通決議案於二零零五年四月二十日舉行之股東特別大會上獲本公司獨立股東以投票表決方式通過。

其後，誠如本公司日期為二零零五年十一月八日之另一份報章公佈所披露，正景與捷橋、本公司、本公司之間接全資附屬公司天滿企業有限公司(「天滿」)及本公司之另一間間接全資附屬公司天安地產代理(中國)有限公司(「天安地產代理」)於二零零五年十一月七日訂立一份補充貸款協議(「補充貸款協議」)，據此，捷橋同意將向正景提供貸款協議項下之備用貸款，由100,000,000港元增加至280,000,000港元(「補充備用貸款」)作為其一般營運資金，而本公司、

CONNECTED TRANSACTIONS (CONTINUED)

2. As disclosed in the press announcement of the Company dated 2nd March, 2005, Join View Development Limited ("Join View"), an indirect wholly owned subsidiary of the Company, entered into a loan agreement (the "Loan Agreement") with Ranbridge Finance Limited ("Ranbridge") and the Company on 2nd March, 2005, pursuant to which Ranbridge agreed to make available to Join View a revolving credit facility up to HK\$100,000,000 (the "Loan Facility") for its general working capital and the Company agreed to guarantee the repayment of the loan under the Loan Facility. Ranbridge is a direct wholly owned subsidiary of Sun Hung Kai & Co. Limited ("SHK"), a substantial shareholder (as defined in the Listing Rules) of the Company, and therefore, a connected person of the Company. Accordingly, the transaction under the Loan Agreement constituted a continuing connected transaction for the Company under the Listing Rules and was subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Since the consideration ratio (as defined in the Listing Rules) for such transaction was more than 5% but less than 25%, it also constituted a discloseable transaction for the Company under the Listing Rules. The ordinary resolution approving the Loan Agreement was passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 20th April, 2005.

Subsequently, as disclosed in another press announcement of the Company dated 8th November, 2005, Join View entered into a supplemental loan agreement (the "Supplemental Loan Agreement") with Ranbridge and the Company, Sky Full Enterprises Limited ("Sky Full"), an indirect wholly owned subsidiary of the Company, and Tian An Real Estate Agency (China) Limited ("Tian An Real Estate Agency"), another indirect wholly owned subsidiary of the Company, on 7th November, 2005, pursuant to which Ranbridge agreed with Join View to increase the Loan Facility under the Loan Agreement from HK\$100,000,000 to HK\$280,000,000 (the "Supplemental Loan Facility") for its general working capital and the Company,

關連交易 (續)

天滿及天安地產代理同意共同及個別擔保補充備用貸款下之貸款會獲得償還。此外，作為正景根據貸款協議(經補充貸款協議補充)下應付之所有款項之抵押，本公司之全資附屬公司天安中國酒店房地產投資有限公司，及本公司之間接全資附屬公司晉威集團有限公司同意就彼等於天滿之所有股權以捷橋為受益人設立一項按揭(「天滿股份按揭」)，而本公司另一間間接全資附屬公司Tian An Real Estate (Dalian) Company Limited同意就其於天安地產代理之所有股權以捷橋為受益人設立另一項按揭(「天安股份按揭」)。因此，根據上市規則，補充貸款協議項下之交易、天滿股份按揭及天安股份按揭構成本公司之不獲豁免持續關連交易，並須根據上市規則須遵守申報、公佈及獲得獨立股東批准之規定。由於該等交易之代價比率(定義見上市規則)超過5%但少於25%，根據上市規則，該等交易亦構成本公司之須予披露交易。批准補充貸款協議、天滿股份按揭及天安股份按揭之普通決議案於二零零五年十二月六日舉行之股東特別大會上獲本公司獨立股東以投票表決方式通過。截至二零零六年十二月三十一日止年度，補充備用貸款之使用最高額為245,000,000港元，此筆貸款已於二零零六年償還。於二零零六年十二月三十一日，概無錄得未償還貸款結餘。天滿股份按揭已於二零零六年十一月六日解除。

CONNECTED TRANSACTIONS (CONTINUED)

Sky Full and Tian An Real Estate Agency agreed to jointly and severally guarantee the repayment of the loan under the Supplemental Loan Facility. In addition, as security for all moneys payable by Join View under the Loan Agreement as supplemented by the Supplemental Loan Agreement, Tian An China Hotel and Property Investments Company Limited, a wholly owned subsidiary of the Company, and Oxwell Holdings Limited, an indirect wholly owned subsidiary of the Company, agreed to create a mortgage in favour of Ranbridge over their entire shareholding in Sky Full (the "Sky Full Share Mortgage") whereas Tian An Real Estate (Dalian) Company Limited, another indirect wholly owned subsidiary of the Company, agreed to create another mortgage in favour of Ranbridge over its entire shareholding in Tian An Real Estate Agency (the "Tian An Share Mortgage"). Accordingly, the transactions under the Supplemental Loan Agreement, the Sky Full Share Mortgage and the Tian An Share Mortgage constituted non-exempt continuing connected transactions for the Company under the Listing Rules and were subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Since the consideration ratio (as defined in the Listing Rules) for such transactions was more than 5% but less than 25%, they also constituted discloseable transactions for the Company under the Listing Rules. The ordinary resolution approving the Supplemental Loan Agreement, the Sky Full Share Mortgage and the Tian An Share Mortgage was passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 6th December, 2005. The maximum amount of the Supplemental Loan Facility utilised for the year ended 31st December, 2006 amounted to HK\$245,000,000 and was repaid in 2006. No outstanding balance was recorded as at 31st December, 2006. The Sky Full Mortgage was released on 6th November, 2006.

關連交易 (續)

獨立非執行董事已審查補充備用貸款，並確認補充備用貸款乃：

- (i) 於本集團之一般及日常業務範圍內訂立；
- (ii) 按一般商業條款進行；
- (iii) 根據規管補充備用貸款之貸款協議（由補充貸款協議補充）條款訂立，並屬公平合理及整體上符合本公司股東之利益；及
- (iv) 補充備用貸款於二零零六年全年之總額在聯交所同意之有關最高限額範圍之內。

3. 誠如本公司日期為二零零五年十二月十六日之報章公佈所披露，本公司與聯合集團有限公司（「聯合集團」）於二零零五年十二月十五日訂立行政服務及管理服務分攤協議（「服務協議」），據此，本公司同意支付聯合集團就其向本集團提供之行政服務（包括秘書服務、提供註冊辦事處地址、水電供應、速遞及送遞、電話（包括國際長途電話）、互聯網、影印及其他辦公室配套服務）（「行政服務」），以及管理服務（包括聯合集團之高級管理人員向本集團提供之管理、策略及業務諮詢服務）（「管理服務」）所產生之成本。由於聯合集團透過其於附屬公司聯合地產（香港）有限公司及新鴻基之權益成為本公司之主要股東（定義見上市規則），故聯合集團為本公司之關連人士。因此，根據上市規則第14A.14條，訂立服務協議及其項下之有關分攤管理服務之交易構成本公司持續關連交易，根據上市規則須遵守有關申報及

CONNECTED TRANSACTIONS (CONTINUED)

The Independent Non-Executive Directors have reviewed the Supplemental Loan Facility and confirmed that the Supplemental Loan Facility was:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms;
- (iii) entered into in accordance with the terms of the Loan Agreement as supplemented by the Supplemental Loan Agreement governing the Supplemental Loan Facility and was fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) the aggregate annual amount of the Supplemental Loan Facility in 2006 was within the relevant maximum amount as agreed by the Stock Exchange.

3. As disclosed in the press announcement of the Company dated 16th December, 2005, the Company entered into a sharing of administrative services and management services agreement (the "Services Agreement") with Allied Group Limited ("AGL") on 15th December, 2005, pursuant to which the Company agreed to reimburse AGL the costs incurred in respect of the administrative services, which included the secretarial services, provision of registered office address, utilities, courier and delivery, telephone (including international telephone), internet, photocopying and other ancillary office services provided by AGL to the Group (the "Administrative Services") and management services, which included the management, strategic and business advice provided by the senior management of AGL to the Group (the "Management Services"). Since AGL is a substantial shareholder (as defined in the Listing Rules) of the Company through its interests in its subsidiaries, Allied Properties (H.K.) Limited and SHK, AGL is a connected person of the Company. Accordingly, the entering into of the Services Agreement and the transactions regarding the sharing of the Management Services contemplated thereunder constituted continuing connected transactions of the Company under Rule 14A.14 of

關連交易 (續)

公佈之規定，但獲豁免遵守獨立股東批准之規定。有關本公司與聯合集團根據服務協議項下之有關分攤行政服務之交易，乃根據上市規則第14A.31(8)條及第14A.33(2)條，獲豁免遵守申報、公佈及獲獨立股東批准之規定。截至二零零六年十二月三十一日止年度，管理服務之總金額為3,400,000港元。

獨立非執行董事已審查有關分攤管理服務之交易，並確認交易乃：

- (i) 於本集團之一般及日常業務範圍內訂立；
- (ii) 按一般商業條款進行；
- (iii) 根據規管分攤管理服務之服務協議條款訂立，並屬公平合理及整體上符合本公司股東之利益；及
- (iv) 管理服務於二零零六年全年之總額在聯交所同意之有關最高限額範圍之內。

CONNECTED TRANSACTIONS (CONTINUED)

the Listing Rules, which are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under the Listing Rules. The transactions regarding the sharing of the Administrative Services between the Company and AGL contemplated under the Services Agreement are exempt from the reporting, announcement and independent shareholders' approval requirements under Rules 14A.31(8) and 14A.33(2) of the Listing Rules. The aggregate amount of the Management Services for the year ended 31st December, 2006 amounted to HK\$3,400,000.

The Independent Non-Executive Directors have reviewed the transactions regarding the sharing of the Management Services and confirmed that the transactions were:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms;
- (iii) entered into in accordance with the terms of the Services Agreement governing the transactions regarding the sharing of the Management Services and was fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) the aggregate annual amount of the Management Services in 2006 was within the relevant maximum amount as agreed by the Stock Exchange.

購回、出售或贖回證券

本公司或其任何附屬公司概無於本年度內購回、出售或贖回本公司任何證券。

公司管治

本公司致力於維持高水平之企業管治常規。有關本公司採納企業管治常規之資料已載於第42頁至第58頁之「企業管治報告」內。

公眾持股量

於本報告日期，根據本公司獲得之公開資料及據董事所知，本公司已按上市規則維持足夠之公眾持股量。

核數師

本公司截至二零零六年十二月三十一日止年度之綜合財務報表已經德勤•關黃陳方會計師行審核。一項關於重新委聘德勤•關黃陳方會計師行為本公司核數師之決議案，將於即將舉行之股東週年大會上提呈。

代表董事會
主席
李成偉

香港，二零零七年三月三十日

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 42 to 58.

PUBLIC FLOAT

As at the date of this report, the Company has maintained a sufficient public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of its Directors.

AUDITORS

The consolidated financial statements for the year ended 31st December, 2006 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as Auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board
Patrick Lee Seng Wei
Chairman

Hong Kong, 30th March, 2007