

Report of the Directors

董事會報告

The Board of Directors (the “Board”) present herewith their annual report and the audited financial statements of China Energy Development Holdings Limited (the “Company”) and its subsidiaries (together with the Company, the “Group”) for the year ended 31 December 2006.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders in the extraordinary general meeting held on 17 November 2006, the Company had changed its name from “Hon Po Group (Lobster King) Limited” to “China Energy Development Holdings Limited” and the new Chinese name “中國能源開發控股有限公司” for identification purposes only to replace “漢寶集團(龍蝦大王)有限公司” to reflect the change in the business focus of the Group. The Certificate of Incorporation on Change of Name issued by the Registrar of Companies of Cayman Islands has certified that the Company’s name was changed and registered with effect from 23 November 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company’s principal subsidiaries involve the operation of a chain of Chinese restaurants in Hong Kong. There were no significant changes in the nature of the Group’s principal activities during the year.

FINANCIAL STATEMENTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 40.

The state of the Group’s and the Company’s affairs as at 31 December 2006 are set out in the consolidated balance sheet on page 41 and the balance sheet on page 43, respectively.

The directors did not recommend the payment of final dividend in respect of the year ended 31 December 2006.

董事會(「董事會」)提呈本年報及截至二零零六年十二月三十一日止年度中國能源開發控股有限公司(「本公司」)及其附屬公司(「本集團」)之經審核財務報表。

更改公司名稱

根據於二零零六年十一月十七日舉行之股東特別大會上獲股東通過之特別決議案，本公司之名稱由「Hon Po Group (Lobster King) Limited」更改為「China Energy Development Holdings Limited」，而僅供識別之新中文名稱「中國能源開發控股有限公司」取代「漢寶集團(龍蝦大王)有限公司」以反映本集團業務核心的轉變。開曼群島公司註冊處發出之更改名稱註冊成立證書已證明本公司之名稱已由二零零六年十一月二十三日起更改及註冊生效。

主要業務

本公司之主要業務為投資控股。而本公司附屬公司之主要業務為於香港營運連鎖式中式酒樓。於本年度，本集團主要業務之性質並無重大改變。

財務報表及股息

本集團於年內之業績載於第40頁之綜合收益表。

截止至二零零六年十二月三十一日，本集團及本公司之財務狀況分別載於第41頁之綜合資產負債表及第43頁之資產負債表。

董事並不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。

Report of the Directors

董事會報告

FINANCIAL SUMMARY

A summary of the consolidated financial results and consolidated assets and liabilities of the Group for the past five years ended 31 December 2006 is set out on page 100.

PROPERTIES, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 16 to the financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2006 are set out in note 17 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Movements in share capital of the Company during the year, together with reasons thereof, and of the Company's share options, are set out in note 29 and note 30 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the statements of changes in equity on pages 44 to 45.

DISTRIBUTABLE RESERVES

At 31 December 2006, the Company had no reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands.

財務資料概要

本集團截至二零零六年十二月三十一日止五個年度各年之綜合財務業績以及綜合資產及負債概要，列載於第100頁。

物業、廠房及設備

於本年度之物業、廠房及設備之變動詳情載於財務報表附註16。

附屬公司

截至二零零六年十二月三十一日，本公司附屬公司之詳情載於財務報表附註17。

股本及購股權

本公司於本年度股本之變動詳情及變動原因，連同有關本公司購股權之詳情分別載於財務報表附註29及附註30。

優先購股權

根據本公司之組織章程細則或開曼群島(本公司註冊成立之司法權區)之法例並無有關本公司須按比例向現有股東發售新股之優先購股權之規定。

儲備

本集團及本公司於本年度之儲備變動詳情分別載於第44頁至第45頁之權益變動表。

可分派儲備

截至二零零六年十二月三十一日，本公司根據開曼群島之公司法規定計算，並無可供分派之儲備。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

		Percentage of the Group's total 佔本集團之總額百分比	
		Sales 銷售額	Purchases 採購額
Five largest customers in aggregate	五大客戶總計	Less than 少於30%	
The largest supplier	最大供應商		8.49%
Five largest suppliers in aggregate	五大供應商總計		23.27%

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

主要客戶及供應商

於財政年度內，主要客戶及供應商分別佔本集團之銷售額及採購額如下：

於年內任何時間，本公司概無任何董事或彼等之任何聯繫人士或任何股東(據董事所知擁有本公司已發行股本5%以上)持有本集團主要客戶及供應商之任何權益。

DIRECTORS

The directors who held office during the year and up to the date of this report were as follows:

Executive Directors

Mr. Tong Seak Kan	(appointed on 7 February 2007)
Mr. Cheung To Sang	(resigned on 26 June 2006)
Mr. She Hing Chiu	(resigned on 31 October 2006)
Mrs. Cheung Lim Mai Tak, Grace	(resigned on 9 February 2007)
Mr. Chui Kwong Kau	
Mr. Chan Shi Yung	
Mr. Chan Wai Keung	(appointed on 18 April 2006)
Mr. Chang Kuo Tien	(appointed on 7 February 2007)

Non-executive Director

Mr. Wang Xiang Jun	(appointed on 1 September 2006)
--------------------	---------------------------------

董事

於本年度及截至本報告日期之在任董事名列如下：

執行董事

唐錫根先生	(於二零零七年二月七日獲委任)
張道生先生	(於二零零六年六月二十六日辭任)
余慶潮先生	(於二零零六年十月三十一日辭任)
張林美德女士	(於二零零七年二月九日辭任)
崔光球先生	
陳樹鎔先生	
陳偉強先生	(於二零零六年四月十八日獲委任)
張國典先生	(於二零零七年二月七日獲委任)

非執行董事

王向軍先生	(於二零零六年九月一日獲委任)
-------	-----------------

Report of the Directors

董事會報告

DIRECTORS (Continued)

Independent Non-executive Directors

Mr. Chang Kin Man	
Ms. Lee Pui Hang, Pieann	(resigned on 4 July 2006)
Mr. Wu Tak Lun	(resigned on 18 October 2006)
Mr. Ip Wing Lun	(appointed on 4 July 2006)
Mr. Zhong Yuan	(appointed on 18 October 2006)

Pursuant to the Articles 87(1) and 86(3) of the Company's Articles of Association, Mr. Chang Kuo Tien, Mr. Chan Shi Yung, Mr. Wang Xiang Jun, Mr. Ip Wing Lun and Mr. Zhong Yuan shall retire from office at the forthcoming annual general meeting and shall be eligible for re-election.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 11 to 14 of the annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which was not determinable by the Company within one year without payment of compensation other than statutory compensation.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

DIRECTORS' INTERESTS IN CONTRACTS

No other contracts of significance in relation to the Group's business to which the Company, or any of its 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.

董事 (續)

獨立非執行董事

鄭健民先生	
李佩衡小姐	(於二零零六年七月四日辭任)
吳德龍先生	(於二零零六年十月十八日辭任)
葉泳倫先生	(於二零零六年七月四日獲委任)
仲原先生	(於二零零六年十月十八日獲委任)

根據本公司組織章程細則第87(1)及第86(3)條，張國典先生、陳樹鎔先生、王向軍先生、葉泳倫先生及仲原先生依章在應屆股東週年大會上輪值告退，惟其合資格膺選連任。

董事履歷

本公司董事之履歷詳情已載列於本年報第11頁至第14頁。

董事之服務合約

獲提名於應屆股東週年大會重選之其他董事概無與本公司訂立不得於一年內予以終止而不給予賠償(法定賠償除外)之服務合約。

管理合約

本年度並無訂立或存在任何有關本集團業務全部或任何重大部份之管理及行政合約。

董事於合約中的權益

於年終或本年度任何時間概無存在其他本公司、其任何附屬公司或其母公司訂立涉及本集團之業務，且本公司董事直接或間接擁有重大權益之重大合約。

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES

As at 31 December 2006, the interests and short positions of the Directors and chief executives and their associates 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 ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests which they are taken or deemed to have under Section 344 of the SFO) or which are required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(a) Ordinary Shares of HK\$0.05 each of the Company

Name of Director		Nature of interest	Number of issued ordinary shares held	Percentage of the issued share capital of the Company	Long/Short Position
董事名稱		權益性質	所持已發行普通股數目	佔本公司已發行股本百分比	長倉／短倉
Mrs. Cheung Lim Mai Tak, Grace	張林美德女士	Corporate company (Note 1) (附註1)	76,000,000	2.98%	Long 長倉

(b) Share options granted under the share option scheme of the Company

Name of Directors		Nature of interest	No. of options held	No. of underlying shares	Long/Short position
董事名稱		權益性質	所持購股權數目	相關股份數目	長倉／短倉
Chan Wai Keung	陳偉強	Beneficial Owner 實益擁有人	25,000,000	25,000,000	Long 長倉
Chan Shi Yung	陳樹鎔	Beneficial Owner 實益擁有人	25,000,000	25,000,000	Long 長倉
Chui Kwong Kau	崔光球	Beneficial Owner 實益擁有人	25,000,000	25,000,000	Long 長倉
			<u>75,000,000</u>	<u>75,000,000</u>	

董事於股份之權益及淡倉

於二零零六年十二月三十一日，董事及高級行政人員與彼等之聯繫人士於本公司或其任何關聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中所持證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益及淡倉（包括證券及期貨條例第344條所當作或視為之權益），或證券及期貨條例第352條規定須載入該條例所指定之記錄冊之權益及淡倉，或董事進行證券交易之標準守則規定須知會本公司或聯交所之權益如下：

(a) 本公司每股0.05港元之普通股

(b) 根據本公司購股權計劃授出之購股權

Report of the Directors

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES (Continued)

(b) (Continued)

Notes:

- 1) These Shares are beneficially owned by Hon Po Investment Limited, the issued share capital of which is or deemed by virtue of the SFO to be, beneficially owned as to 10.35% by Mrs. Cheung Lim Mai Tak, Grace and as to 17.51% by Mr. Cheung To Sang, the spouse of Mrs. Cheung Lim Mai Tak, Grace.

Save as disclosed herein, none of the Directors and chief executives and their associates has any interests in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests which they are taken or deemed to have under section 344 of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme disclosed in note 30 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2006, no person had registered an interest and short position in the share capital of the Company that was required to be recorded under Section 336 of the SFO.

董事於股份之權益及淡倉 (續)

(b) (續)

附註：

- 1) 該等股份由漢寶投資發展(香港)有限公司實益擁有，該公司之已發行股本由或被視為由張林美德女士實益擁有10.35%，並由張林美德女士之配偶張道生先生實益擁有17.51%。

除本文所披露者外，董事及高級行政人員與彼等之聯繫人士並無於本公司或其任何關聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中持有證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益(包括證券及期貨條例第344條所當作或視為之權益)，或證券及期貨條例第352條規定須載入該條例所指定之記錄冊之權益，或董事進行證券交易之標準守則規定須知會本公司或聯交所之權益。

董事購入股份或債券之權利

除於財務報表附註30披露之購股權計劃，本公司或其任何附屬公司於本年度內並無訂立任何安排促使本公司之董事可透過購入股份或債券獲得本公司或其任何其他公司實體之該等權利。

本公司股本中之主要權益

於二零零六年十二月三十一日，並無人士於本公司股本登記之權益及淡倉須根據證券及期貨條例第336條被記錄。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN A COMPETING BUSINESS AND CONFLICT OF INTERESTS

In year 2006, Mrs. Cheung Lim Mai Tak, Grace, an executive director is considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Mrs. Cheung Lim Mai Tak, Grace is interested in approximately 74% of the issued share capital of Tabo Development Limited, which in turn is interested in approximately 39.13% of the issued share capital of Golden Jumbo Thai Restaurant Limited ("Golden Jumbo"). Golden Jumbo operates a Thai restaurant in Hong Kong. As (a) Golden Jumbo is principally engaged in the provision of Thai food while the Group is principally engaged in the provision of Chinese food; (b) the Group and Golden Jumbo target different customer groups; and (c) apart from Mrs. Cheung Lim Mai Tak, Grace, Golden Jumbo is operated by management different from that of the Group, the Group is capable of carrying out its business independently of, and at arm's length from, the business of Golden Jumbo.

Except as disclosed above, none of the Directors or their respective associates had any interests in a business which competes or may compete with the businesses of the Group or had any other conflict of interest with the Group.

CONNECTED TRANSACTIONS

Details of the significant related party and connected transactions of the Group under the Listing Rules are set out in note 32 to the financial statements and as below:

		<i>Notes</i> 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
CONTINUING CONNECTED TRANSACTIONS	持續關連交易			
Purchases of food stuffs from related companies	向關連公司採購食品	<i>i</i>	—	179
Rental expenses paid to related companies	向關連公司支付租金開支	<i>ii</i>	2,496	2,664

董事於競爭業務之權益及利益衝突

於二零零六年，執行董事張林美德女士被視為根據聯交所證券上市規則（「上市規則」）於與本集團之業務有或可能有直接或間接競爭之業務擁有權益：

張林美德女士持有約74%德寶發展有限公司之已發行股本，而該公司擁有小金象泰國菜館有限公司（「小金象」）已發行股本約39.13%權益。小金象在香港經營一家泰國菜館。由於(a)小金象主要供應泰國菜式而本集團主要供應中式菜餚；(b)本集團與小金象之客戶對象並不相同及(c)除張林美德女士外，小金象之管理層與本集團不同，因此本集團之營運業務乃公平合理地獨立於小金象之業務。

除上文所披露者外，各董事或彼等各自之聯繫人士概無於與本集團之業務有或可能有競爭或與本集團有任何其他利益衝突之業務中擁有任何權益。

關連交易

根據上市規則本集團重大關連人士及關連交易詳情已列於財務報表附註32及下文：

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS (Continued)

Notes:

- (i) In previous years, the Group purchased foodstuffs from Tung Cheong Hong which was beneficially owned by Mr. Cheung Sik Pang, a non-executive director of the Company until 24 March 2005.

The directors of the Company, having regards to the cost of similar foodstuffs obtainable from third parties, considered that the purchases of foodstuffs were charged with reference to cost.

For the year ended 2006, the Group had not purchased foodstuffs from Tung Cheong Hong.

- (ii) The rental expenses were paid to:
- (a) N.W.P. Investments Limited ("N.W.P. Investments"), Mr. Ng Wing Po was a non-executive director of the Company until 24 March 2005. Mr. Ng is a director of certain subsidiaries of the Company and a director of N.W.P. Investments which is controlled indirectly by a discretionary trust of which Mr. Ng Wing Po's wife and certain of his children are beneficiaries. The rental expenses were based on the agreement signed with the Group.
- (b) A property beneficially owned by a shareholder Hon Po Investment Limited, which in turn is wholly-owned by Hon Po Holdings Limited, was leased to the Group for its operations. The rental expenses were based on the tenancy agreement signed with the Group.

With respect to the ongoing connected transactions entered into by the Group as set out in note 32 to the financial statements, the Stock Exchange, on application by the Company, granted the Company a waiver from strict compliance with the connected transaction requirements as set out in the Listing Rules. In the opinion of the independent non-executive directors, the ongoing connected transactions were:

1. entered into by the Company in the ordinary and usual course of its business;
2. conducted either (i) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) or (ii) where there is no available comparison, on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
3. entered into either (i) in accordance with the terms of the agreements governing such transactions, or (ii) where there are no such agreements, on terms no less favourable than those available to or from independent third parties.

關連交易 (續)

附註：

- (i) 於過往年度，本集團向同昌行採購食品，該公司由張錫鵬先生實益擁有(張錫鵬先生擔任本公司非執行董事至二零零五年三月二十四日)。

本公司董事經考慮從第三方取得之類似食品之成本後，認為食品之採購額乃參考成本而收取。

截至二零零六年止年度，本集團並無向同昌行採購食品。

- (ii) 租金開支乃支付予：
- (a) 永波投資有限公司(「永波投資」)，吳永波先生至二零零五年三月二十四日乃是本公司之非執行董事。吳先生是本公司若干附屬公司及永波投資之董事，永波投資乃由吳永波先生之妻子及其若干子女為受益人之全權信託所間接控制。租金開支防根據與本集團簽訂之協議。
- (b) 漢實控股有限公司全資擁有公司漢實投資發展(香港)有限公司實益擁有之物業，乃出租予本集團作為營運用途。租金開支乃根據與本集團所簽訂之租賃協議計算。

就列於財務報表附註32本集團已訂立有關持續進行之關連交易，本公司已向聯交所申請而聯交所也授予本公司一項豁免，毋須嚴格遵守上市規則有關關連交易之規定。獨立非執行董事認為持續進行之關連交易已達下列條件：

1. 由本公司於日常及一般業務過程中訂立；
2. 須按(i)一般商業條款(該等條款乃參照同類公司進行同類性質交易而採納)或(ii)如無可供比較者，則須按對本公司股東而言屬公平合理之條款進行；及
3. 須(i)根據監管該等交易之協議條款或(ii)如無該等協議，則按不遜於給予獨立第三者之條款訂立。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS (Continued)

Save for the transactions as disclosed in note 32 to the financial statements, there were no other transactions which require to be disclosed as connected transactions in accordance with the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

BANK BORROWINGS AND BANKING FACILITIES

Details of bank borrowings and banking facilities of the Company and the Group as at 31 December 2006 are set out in note 27 to the financial statements.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 36 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2006.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 15 to 27 of this Annual Report.

關連交易 (續)

除與財務報表附註32所披露之相關交易外，並無其他交易須根據上市規則以關連交易之方式作出披露。

購買、贖回或出售本公司上市證券

於年內，本公司或其任何附屬公司並無購買、贖回或出售本公司任何上市證券。

銀行借貸及銀行融資

本公司及本集團於二零零六年十二月三十一日之銀行借貸及銀行融資詳情載於財務報表附註27。

結算日後事項

重大結算日後事項之詳情已列於財務報表附註36。

足夠公眾持股量

本公司於截至二零零六年十二月三十一日止年度內一直維持足夠公眾持股量。

企業管治

本公司之企業管治原則及慣例詳情已詳載於本年報第15頁至第27頁之「企業管治報告」中。

Report of the Directors

董事會報告

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own Code of Conduct regarding securities transactions by the Directors of the Company. All Directors have confirmed following specific enquiry by the Company that they have complied with the required standard set out in the Model Code during the year.

AUDIT COMMITTEE

In accordance with the requirements of the Listing Rules, the Group established an audit committee comprising three independent non-executive directors of the Company. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

AUDITORS

A resolution for the reappointment of CCIF CPA Limited as the auditors of the Company for the ensuing year will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Tong Seak Kan
Chairman and Executive Director

Hong Kong, 23 April 2007

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為其本身之本公司董事進行證券交易之標準守則。全部董事經本公司作明確查詢後確認，彼等於年內均一直遵守標準守則所載之規定標準。

審核委員會

本集團已根據上市規則規定成立審核委員會，由本公司三名獨立非執行董事組成，其主要職責為審閱及監察本集團之財務申報程序及內部監控。

核數師

本公司將於應屆股東週年大會上提呈決議案，續聘陳葉馮會計師事務所有限公司為本公司來年之核數師。

代表董事會

唐錫根
主席兼執行董事

香港，二零零七年四月二十三日