

Report of the Directors

董事會報告

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of providing package tours, travel and other related services, and hotel operation in Hong Kong and the People's Republic of China (the "PRC").

RESULTS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 52.

DIVIDENDS

The directors recommend the payment of a final dividend at the rate of HK1.5 cents per share in cash with a scrip option payable on or around Friday, 29 June 2007 to all persons registered as holders of shares on Thursday, 31 May 2007. The Register of Members will be closed from Tuesday, 29 May 2007 to Thursday, 31 May 2007, both days inclusive.

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 149.

SHARE CAPITAL

Particulars of the movements in the share capital of the Company are set out in note 38 to the consolidated financial statements.

CONVERTIBLE NOTES

Particulars of the convertible notes of the Company are set out in note 35 to the consolidated financial statements.

董事會謹提呈本公司及其附屬公司(以下統稱「本集團」)截至二零零六年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為一家投資控股公司，其附屬公司主要從事提供旅行團、旅遊及其他相關之服務，以及於香港及中華人民共和國（「中國」）經營酒店業務。

業績

本集團截至二零零六年十二月三十一日止年度之業績載於第52頁之綜合收益表。

股息

董事建議派發現金末期股息每股1.5港仙（可選擇以股代息），末期股息大約在二零零七年六月二十九日星期五向於二零零七年五月三十一日星期四登記為股份持有人之所有人士派發。本公司將於二零零七年五月二十九日星期二至二零零七年五月三十一日星期四（包括首尾兩天）止期間暫停辦理股份過戶登記手續。

財務概要

本集團之財務概要載於第149頁。

股本

本公司股本變動之詳情載於綜合財務報表附註38。

可換股票據

本公司可換股票據之詳情載於綜合財務報表附註35。

DISTRIBUTABLE RESERVES OF THE COMPANY

In addition to the accumulated profits, under The Companies Act 1981 of Bermuda (as amended), contributed surplus is also available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the directors, the reserves of the Company which were available for distribution to shareholders at 31 December 2006 were HK\$700,599,000 (2005: HK\$353,092,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

PARTICULARS OF PROPERTIES OF THE GROUP

Particulars of the properties of the Group as at 31 December 2006 are set out on pages 150 to 152 of the annual report.

本公司可供分派儲備

除累計溢利外，根據百慕達一九八一年公司法（修訂本），繳入盈餘亦可供分派。惟本公司不可宣派或派付股息或自繳入盈餘作出分派，倘：

- (a) 於作出分派後無法償還其到期負債；或
- (b) 其可變現資產值將因此少於其負債以及其已發行股本及股份溢價賬之總和。

董事認為本公司於二零零六年十二月三十一日可供分派予股東之儲備為700,599,000港元（二零零五年：353,092,000港元）。

物業、機器及設備

本集團於年內之物業、機器及設備之變動詳情載於綜合財務報表附註15。

本集團之物業詳情

本集團於二零零六年十二月三十一日之物業詳情載於本年報第150至152頁。

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DIRECTORS

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

Executive Directors:

Mr. Yu Kam Kee, Lawrence *B.B.S., M.B.E., J.P. (Chairman)*

Mr. Cheung Hon Kit (*Managing Director*)

Dr. Yap, Allan

Mr. Chan Pak Cheung, Natalis

Mr. Lui Siu Tsuen, Richard

Ms. Luk Yee Lin, Ellen (resigned on 1 May 2006)

Non-Executive Director:

Mr. Chan Yeuk Wai (*Honorary Chairman*)

(resigned on 1 May 2006)

Independent Non-Executive Directors:

Mr. Kwok Ka Lap, Alva

Mr. Sin Chi Fai (resigned on 27 March 2007)

Mr. Wong King Lam, Joseph

Mr. Poon Kwok Hing, Albert (appointed on 27 March 2007)

In accordance with Bye-Law 99 of the Company's Bye-Laws, Mr. Cheung Hon Kit, Mr. Lui Siu Tsuen, Richard and Mr. Wong King Lam, Joseph will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Bye-Law 102(B) of the Company's Bye-Laws, Mr. Poon Kwok Hing, Albert who was appointed with effect from 27 March 2007, will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Independent non-executive directors have been appointed for a term subject to retirement by rotation as required by the Company's Bye-Laws.

董事

於年內及截至本報告日期·本公司列位董事為:

執行董事:

余錦基先生 *B.B.S., M.B.E., J.P. (主席)*

張漢傑先生 (*董事總經理*)

Yap, Allan 博士

陳百祥先生

呂兆泉先生

陸綺蓮女士 (於二零零六年五月一日辭任)

非執行董事:

陳若偉先生 (*榮譽主席*)

(於二零零六年五月一日辭任)

獨立非執行董事:

郭嘉立先生

冼志輝先生 (於二零零七年三月二十七日辭任)

黃景霖先生

潘國興先生 (於二零零七年三月二十七日獲委任)

根據本公司之公司細則第99條規定·張漢傑先生·呂兆泉先生及黃景霖先生將於應屆股東週年大會輪席退任·惟彼等符合資格並願意膺選連任。

根據本公司之公司細則第102(B)條規定·於二零零七年三月二十七日獲委任之潘國興先生將於應屆股東週年大會上退任·惟彼符合資格並願意膺選連任。

根據本公司之公司細則規定·獨立非執行董事於在任期間須輪席退任。

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

During the year, the Group had transactions with certain directors of the Company and certain companies in which directors of the Company have interests, details of which are set out in note 48 to the financial statements.

Save as disclosed above, no contracts of significance 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.

董事之服務合約

於應屆之股東週年大會上建議膺選連任之董事，概無與本公司或其任何附屬公司簽訂本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

董事之合約權益及關連交易

於年內，本集團曾與本公司若干董事以及本公司董事擁有權益之若干公司進行交易，有關交易詳情載於財務報表附註48。

除上文所披露者外，於本年度完結時或於年內任何時間，本公司董事概無於本公司或其任何附屬公司所訂立之重大合約中直接或間接擁有重大權益。

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DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2006, the interests and short positions of the directors or chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) to be notified to the Company and the Stock Exchange were as follows:—

Interests in underlying shares under equity derivatives

The directors or chief executive of the Company have been granted options under the share option scheme of the Company (the “Scheme”), details of which are set out in the section “Share Option Scheme” below.

Save as disclosed above, as at 31 December 2006, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事之證券權益

於二零零六年十二月三十一日，本公司董事或行政總裁於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部（包括根據證券及期貨條例有關條文被當作或視為擁有之權益或淡倉）須知會本公司及香港聯合交易所有限公司（「聯交所」）；或(b)根據證券及期貨條例第352條須載入該條例所指之登記冊內；或(c)根據聯交所證券上市規則（「上市規則」）內之上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：—

於股本衍生工具中相關股份之權益

本公司董事或主要行政人員根據本公司之購股權計劃（「計劃」）獲授購股權，有關詳情請參閱下文「購股權計劃」一節。

除上文所披露者外，於二零零六年十二月三十一日，本公司董事或行政總裁概無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）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所，或根據證券及期貨條例第352條須記錄於本公司存置之登記冊內，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Share Option Scheme

The Scheme which was approved and adopted by its shareholders on 3 May 2002 and amended on 27 May 2005, is valid and effective for a period of 10 years after the date of adoption.

Details of options granted and a summary of the movements of the outstanding options under the Scheme during the year are as follows:

購股權計劃

於二零零二年五月三日，本公司之股東已批准及採納該計劃，並於二零零五年五月二十七日作出修訂，該計劃於採納日起計十年內有效及生效。

於年內，根據該計劃已授出及尚未行使的購股權之變動摘要詳情如下：

Eligible participant	Number of share options				Outstanding as at 31 December 2006	Exercise price per share	Date of grant	Exercisable period
	Outstanding as at 1 January 2006	Granted during the year	Exercised during the year	Lapsed during the year				
合資格人士	於二零零六年一月一日尚未行使	於年內授出	於年內行使	於年內失效	於二零零六年十二月三十一日尚未行使	每股行使價 HK\$ 港元	授出日期 (Note 1) (附註1)	行使期
Director								
董事								
Mr. Yu Kam Kee, Lawrence 余錦基先生	-	4,000,000	-	-	4,000,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Cheung Hon Kit 張漢傑先生	-	4,000,000	-	-	4,000,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Dr. Yap, Allan Yap, Allan博士	-	4,000,000	-	-	4,000,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Chan Pak Cheung, Natalis 陳百祥先生	-	1,500,000	-	-	1,500,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	-	4,600,000	-	-	4,600,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Kwok Ka Lap, Alva 郭嘉立先生	-	500,000	-	-	500,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Sin Chi Fai 冼志輝先生	-	500,000	-	-	500,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Employees	-	30,680,000	-	200,000	30,480,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
員工								
Eligible participant	-	9,100,000	-	-	9,100,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
合資格人士								
	-	58,880,000	-	200,000	58,680,000			

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The value of the options granted is set out in note 39 to the consolidated financial statements.

The purpose of the Scheme is to enable the Company to grant options to employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents or advisers who will contribute or have contributed to the Company or any of its subsidiaries as incentives and rewards for their contribution to the Company or such subsidiaries.

Subject to the condition that the total number of shares which may be issued upon the exercise of all outstanding options granted and to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time, the total number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes, is not permitted to exceed 10% of the shares of the Company in issue on the date of approval and adoption of the Scheme (“General Limit”).

As at the annual general meeting of the Company held on 27 May 2005, an ordinary resolution was passed to amend the Scheme so that the Scheme sets out that when determining the “refreshed” 10% limit under the Scheme as at the date of approval of the limit, options previously granted (i.e. before the date of approval of the limit) under the Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

The number of shares in respect of which options may be granted under the Scheme and other share option scheme(s) of the Company to any individual in aggregate in any 12 month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders.

所授出購股權之價值載於綜合財務報表附註39。

該計劃旨在讓本公司向本公司或其任何附屬公司之僱員、行政人員或高級人員（包括本公司或其任何附屬公司之執行及非執行董事）以及任何對本公司或其任何附屬公司將會或曾經作出貢獻之供應商、顧問、代理或諮詢人授予購股權，作為彼等對本公司或該等附屬公司所作貢獻之獎勵及回報。

因根據該計劃及本公司任何其他計劃授出而行使及將予行使之所有尚未行使購股權獲行使而可予發行之股份總數不得超過本公司不時已發行股份之30%，在此條件規限下，根據該計劃可授出之購股權涉及之股份總數，加上任何其他計劃所涉及之股份，不得超過本公司於批准及採納該計劃當日已發行股份之10%（「一般限額」）。

於二零零五年五月二十七日日本公司股東週年大會中，一項修訂該計劃之普通決議案獲得通過，致使該計劃列明於有關限額獲批准之日期釐定該計劃項下之「更新」10%限額時，就計算「更新」限額而言，過往（即有關限額獲批准之日期前）根據該計劃及本公司任何其他購股權計劃授出之購股權（包括根據該等計劃尚未行使、已註銷、已失效之購股權或已行使之購股權）將不會計算在內。

若未經本公司股東事先批准，根據該計劃及本公司其他購股權計劃可授予任何人士之購股權涉及之股份數目，於任何十二個月期間內合共不得超過本公司已發行股份之1%。

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Where any grant of options to a substantial shareholder or any independent non-executive director of the Company, or any of their respective associates (as defined in Rule 1.01 of the Listing Rules), would result in the number of shares issued and to be issued upon exercise of all options already granted and to be granted to such person in any 12 month period up to and including the date of the grant:

- (i) representing in aggregate over 0.1% of the shares in issue, and
- (ii) having an aggregate value, based on the closing price of the shares of the Company on the date of grant in excess of HK\$5 million,

such grant of option shall be subject to prior approval of the shareholders of the Company who are not connected persons of the Company as defined in the Listing Rules.

Option granted must be taken up within 30 days of the date of offer. The consideration payable for the option is HK\$1. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the Board of Directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company and will not be less than the higher of (i) the average closing price of the shares for the five business days immediately preceding the date of grant, (ii) the closing price of the shares on the date of grant or (iii) the nominal value of the shares of the Company.

As at the date of this report, the total number of shares available for issue under the Scheme is 61,258,610 shares and represents 10% of the issued share capital of the Company as at 19 May 2006, being the date of refreshment of the General Limit on the grant of options under the Scheme.

Save as disclosed above, none of the directors or their spouses or children under the age of 18 had any right to subscribe for securities of the Company, or had exercised any such right during the year; and 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.

倘向本公司主要股東或獨立非執行董事或彼等各自之聯繫人士(定義見上市規則第1.01條)批授購股權,並將導致該有關人士獲授購股權當日止(包括當日)十二個月內所有已獲授予及將獲授予之購股權予以行使後所發行及將予發行之股份數目:

- (i) 佔已發行股份合共超過0.1%;及
- (ii) 按各授出日期之本公司股份收市價為基準之價值合共超過5,000,000港元,

上述授出購股權須經本公司非關連人士(定義見上市規則)之股東事先批准,方可進行。

授出之購股權必須於建議之日起計三十日內獲接納。購股權之應付代價為1港元。購股權可於購股權獲接納之日起至董事會釐定之日期止任何時間行使,惟無論如何不得超過十年。行使價格由本公司董事釐定,且將不會低於(i)股份緊接授出之日前五個營業日之平均收市價,(ii)股份於授出之日之收市價或(iii)本公司股份之面值(以最高者為準)。

於本報告日期,根據該計劃可予發行的股份總額為61,258,610股,佔本公司於二零零六年五月十九日(即更新根據購股權計劃授出購股權的一般限額之日期)已發行股本10%。

除上文所披露者外,概無任何董事或其配偶或未滿十八歲之子女於年內擁有認購本公司之證券之權利或已行使任何該等權利;及於年內,本公司或其任何附屬公司概無訂立任何安排,以致本公司董事可藉收購本公司或任何其他法人團體之股份或債券而獲益。

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DIRECTORS' INTERESTS IN COMPETING BUSINESS

董事於有競爭性業務之權益

Interests of directors of the Company in competing businesses as at 31 December 2006 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

根據上市規則第8.10條披露本公司董事於二零零六年十二月三十一日於有競爭性業務之權益如下:

Name of director	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體簡述	Nature of interest of the director in the entity 董事於該實體之權益性質
Mr. Yu Kam Kee, Lawrence 余錦基先生	Fung Choi Properties Limited 風采置業有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Substantial Shareholder 董事及主要股東
	City Champ Limited 城倡有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Substantial Shareholder 董事及主要股東
	Oceanpass Holdings Ltd. and its subsidiaries 越洋控股有限公司及其附屬公司	Property investment in Hong Kong 於香港從事地產投資	Director and Substantial Shareholder of Oceanpass Holdings Ltd. 越洋控股有限公司之董事及主要股東
Mr. Cheung Hon Kit 張漢傑先生	ITC Corporation Limited ("ITC") and its subsidiaries 德祥企業集團有限公司(「德祥」)及其附屬公司	Property investment in Hong Kong and property development and trading in PRC 於香港從事地產投資及於中國從事地產發展及貿易	Executive Director of ITC 德祥之董事
	Macau Prime Properties Holdings Limited ("MPP") and its subsidiaries 澳門祥泰地產集團有限公司(「祥泰行」)及其附屬公司	Property investment in Hong Kong 於香港從事地產投資	Chairman of MPP 祥泰行之主席
	China Development Limited 中之傑發展有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東
	Artnos Limited 朗隆有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東

Report of the Directors

董事會報告

Name of director	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體簡述	Nature of interest of the director in the entity 董事於該實體之權益性質
董事姓名			
	Co-Forward Development Ltd. 互勵發展有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東
	Orient Centre Limited 東名有限公司	Property investment in Hong Kong 於香港從事地產投資	Shareholder 股東
	Super Time Limited 時業有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東
	Asia City Holdings Ltd 亞城集團有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東
	Supreme Best Ltd. Supreme Best Ltd.	Property investment in Hong Kong 於香港從事地產投資	Shareholder 股東

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2006, so far as was known to the directors or chief executive of the Company, the following persons (other than directors or chief executive of the Company) had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(i) Interests in the shares

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
Dr. Chan Kwok Keung, Charles (Note 2(a))	Long position	Beneficial owner	Personal interest	4,529,800	0.74%
陳國強博士 (附註2(a))	好倉	實益擁有人	個人權益	4,529,800	0.74%
	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
Ms. Ng Yuen Lan, Macy (Note 2(a))	Long position	Interest of spouse	Spouse interest	140,270,281	22.97%
伍婉蘭女士 (附註2(a))	好倉	配偶權益	配偶權益	140,270,281	22.97%
Chinaview International Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
Chinaview International Limited (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
Galaxyway Investments Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
Galaxyway Investments Limited (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%

主要股東

於二零零六年十二月三十一日，就本公司董事或行政總裁所知，以下人士（本公司董事或行政總裁除外）於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉：

(i) 於股份之權益

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
ITC Corporation Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
德祥企業集團有限公司 (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
ITC Investment Holdings Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
ITC Investment Holdings Limited (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
Mankar Assets Limited (Note 2(a))	Long position	Interest of controlled corporation	Corporate interest	124,334,481	20.36%
Mankar Assets Limited (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Famex Investment Limited (Note 2(a))	Long position	Interest of controlled corporation	Corporate interest	124,334,481	20.36%
其威投資有限公司 (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Hanny Holdings Limited ("Hanny Holdings") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
錦興集團有限公司 〔「錦興集團」〕 (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
Hanny Magnetics (B.V.I.) Limited (「Hanny Magnetics」) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Powervote Technology Limited ("Powervote") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
Powervote Technology Limited (「Powervote」) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Well Orient Limited ("Well Orient") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
威倫有限公司(「威倫」) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Group Dragon Investments Limited ("Group Dragon") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
群龍投資有限公司(「群龍」) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
China Strategic (B.V.I.) Limited ("China Strategic BVI") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
China Strategic (B.V.I.) Limited ([China Strategic BVI]) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
China Enterprises Limited ("CEL") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
China Enterprises Limited ([CEL]) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Million Good Limited ("Million Good") (Note 2(a))	Long position	Beneficial owner	Corporate interest	124,334,481	20.36%
Million Good Limited ([Million Good]) (附註2(a))	好倉	實益擁有人	公司權益	124,334,481	20.36%
Gandhara Advisors Asia Ltd. (Beneficial owner is Gandhara Master Fund Ltd.)	Long position	Investment manager	Corporate interest	45,000,000	7.35%
Gandhara Advisors Asia Ltd. (實益擁有人為 Gandhara Master Fund Ltd.)	好倉	投資經理	公司權益	45,000,000	7.35%

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(ii) Interests in underlying shares under equity derivatives

(ii) 於股本衍生工具中相關股份之權益

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市股本衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
股東名稱	好倉/淡倉	身份	權益性質		
(a) Mr. Li Ka-shing (Note 1)	Long position	Founder of discretionary trusts and interest of controlled corporations	Corporate and other interests	253,164,556	41.46%
李嘉誠先生 (附註1)	好倉	全權信託的成立人及受控制公司的權益	公司及其他權益	253,164,556	41.46%
Li Ka-Shing Unity Trustee Corporation Limited (as trustee of The Li Ka-Shing Unity Discretionary Trust) (Note 1)	Long position	Trustee and beneficiary of a trust	Other interest	253,164,556	41.46%
Li Ka-Shing Unity Trustee Corporation Limited (作為 The Li Ka-Shing Unity Discretionary Trust 的信託人) (附註1)	好倉	信託人及信託受益人	其他權益	253,164,556	41.46%
Li Ka-Shing Unity Trustcorp Limited (as trustee of another discretionary trust) (Note 1)	Long position	Trustee and beneficiary of a trust	Other interest	253,164,556	41.46%
Li Ka-Shing Unity Trustcorp Limited (作為另一項全權信託的信託人) (附註1)	好倉	信託人及信託受益人	其他權益	253,164,556	41.46%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市股本衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
Li Ka-Shing Unity Trustee Company Limited (as trustee of The Li Ka-Shing Unity Trust) (Note 1)	Long position	Trustee	Other interest	253,164,556	41.46%
Li Ka-Shing Unity Trustee Company Limited (作為The Li Ka-Shing Unity Trust 的信託人) (附註1)	好倉	信託人	其他權益	253,164,556	41.46%
Cheung Kong (Holdings) Limited ("CKH") (Note 1)	Long position	Interest of controlled corporations	Corporate interest	253,164,556	41.46%
長江實業(集團)有限公司 (「長實集團」) (附註1)	好倉	受控制公司的權益	公司權益	253,164,556	41.46%
Hutchison Whampoa Limited ("HWL") (Note 1)	Long position	Interest of a controlled corporation	Corporate interest	253,164,556	41.46%
和記黃埔有限公司 (「和黃」) (附註1)	好倉	受控制公司的權益	公司權益	253,164,556	41.46%
Hutchison International Limited ("HIL") (Note 1)	Long position	Beneficial owner	Corporate interest	253,164,556	41.46%
Hutchison International Limited ("HIL") (附註1)	好倉	實益擁有人	公司權益	253,164,556	41.46%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非 上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已 發行股本之 概約百分比
股東名稱	好倉/淡倉	身份	權益性質		
(b) Dr. Chan Kwok Keung, Charles (Note 2(b)) 陳國強博士 (附註2(b))	Long position 好倉	Interest of controlled corporations 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
	Long position 好倉	Interest of controlled corporations 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
Ms. Ng Yuen Lan, Macy (Note 2(b)) 伍婉蘭女士 (附註2(b))	Long position 好倉	Interest of spouse 配偶權益	Spouse interest 配偶權益	379,746,835 379,746,835	62.19% 62.19%
Chinaview International Limited (Note 2(b)) Chinaview International Limited (附註2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
Galaxyway Investments Limited (Note 2(b)) Galaxyway Investments Limited (附註2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
ITC Corporation Limited (Note 2(b)) 德祥企業集團有限公司 (附註2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
ITC Investment Holdings Limited (Note 2(b)) ITC Investment Holdings Limited (附註2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份(本公司之非上市股本衍生工具)數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
Mankar Assets Limited (Note 2(b))	Long position	Interest of controlled corporation	Corporate interest	379,746,835	62.19%
Mankar Assets Limited (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Famex Investment Limited (Note 2(b))	Long position	Interest of controlled corporation	Corporate interest	379,746,835	62.19%
其威投資有限公司 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
(c) Hanny Holdings (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
錦興集團 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Hanny Magnetics (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
Hanny Magnetics (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Powervote (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
Powervote (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Well Orient (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
威倫 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Group Dragon (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
群龍 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
China Strategic BVI (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
China Strategic BVI (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非 上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已 發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
CEL (Note 2(b))	Long position	Interest of controlled corporation	Corporate interest	379,746,835	62.19%
CEL (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Million Good (Note 2(b))	Long position	Beneficial owner	Corporate interest	379,746,835	62.19%
Million Good (附註2(b))	好倉	實益擁有人	公司權益	379,746,835	62.19%
(d) PMA Asian Opportunities Fund (Note 3)	Long position	Beneficial owner	Corporate interest	38,101,266	6.24%
PMA Asian Opportunities Fund (附註3)	好倉	實益擁有人	公司權益	38,101,266	6.24%
PMA Prospect Fund (Note 3)	Long position	Beneficial owner	Corporate interest	65,316,456	10.70%
PMA Prospect Fund (附註3)	好倉	實益擁有人	公司權益	65,316,456	10.70%
Diversified Asian Strategies Fund (Note 3)	Long position	Beneficial owner	Corporate interest	70,886,076	11.61%
Diversified Asian Strategies Fund (附註3)	好倉	實益擁有人	公司權益	70,886,076	11.61%
PMA Capital Management Limited (Note 3)	Long position	Investment manager	Corporate interest	183,544,304	30.06%
PMA Capital Management Limited (附註3)	好倉	投資經理	公司權益	183,544,304	30.06%
(e) DKR Capital Inc. (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
DKR Capital Inc. (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
DKR Management Co. Inc. (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
DKR Management Co. Inc. (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%
DKR Capital Partners LP (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
DKR Capital Partners LP (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%
DKR Oasis Management Co. LP (Note 4)	Long position	Investment manager	Corporate interest	126,582,278	20.73%
DKR Oasis Management Co. LP (附註4)	好倉	投資經理	公司權益	126,582,278	20.73%
Oasis Management Holdings LLC (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
Oasis Management Holdings LLC (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%
DKR SoundShore Oasis Holding Fund Ltd. (Note 4)	Long position	Beneficial owner	Corporate interest	126,582,278	20.73%
DKR SoundShore Oasis Holding Fund Ltd. (附註4)	好倉	實益擁有人	公司權益	126,582,278	20.73%
(f) Gandhara Advisors Asia Ltd. (Beneficial owner is Gandhara Master Fund Ltd.)	Long position	Investment manager	Corporate interest	253,164,557	41.46%
Gandhara Advisors Asia Ltd. (實益擁有人為 Gandhara Master Fund Ltd.)	好倉	投資經理	公司權益	253,164,557	41.46%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非 上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已 發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
(g) Richard Crawshaw (Note 5)	Long position	Interest of controlled corporations	Corporate interest	50,697,085	8.30%
Richard Crawshaw (附註5)	好倉	受控制公司的權益	公司權益	50,697,085	8.30%
Clive Harris (Note 5)	Long position	Interest of controlled corporations	Corporate interest	50,697,085	8.30%
Clive Harris (附註5)	好倉	受控制公司的權益	公司權益	50,697,085	8.30%
Highbridge GP, Ltd. (Note 5)	Long position	Interest of controlled corporations	Corporate interest	50,697,085	8.30%
Highbridge GP, Ltd. (附註5)	好倉	受控制公司的權益	公司權益	50,697,085	8.30%
Highbridge Capital Management LLC (Note 5)	Long position	Investment manager	Corporate interest	50,697,085	8.30%
Highbridge Capital Management LLC (附註5)	好倉	投資經理	公司權益	50,697,085	8.30%

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Notes:

- (1) Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-Shing, Mr. Li Tzar Huoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited. Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, together with certain companies which Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust. The discretionary beneficiaries of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children and Mr. Li Tzar Kai, Richard.

Certain subsidiaries of CKH are entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of HWL. HWL holds the entire issued share capital of HIL.

By virtue of the SFO, HWL, CKH, Li Ka-Shing Unity Trustee Company Limited, TDT1, TDT2 and Mr. Li Ka-Shing who is the settlor and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, are all deemed to be interested in 253,164,556 underlying shares (in respect of unlisted equity derivatives of the Company) held by HIL.

Pursuant to the subscription agreement dated 23 March 2006 entered into between HIL and the Company, HIL has conditionally agreed to subscribe at completion of the subscription agreement a 2% convertible exchangeable note due 2011 (the "HIL Note") issued by the Company with a principal amount of HK\$200,000,000. Completion of the subscription agreement took place on 8 June 2006. HIL or its nominee(s) is entitled to convert the HIL Note into 253,164,556 new shares of par value of HK\$0.10 each in the capital of the Company on full conversion at an initial conversion price of HK\$0.79 per share (subject to adjustment).

附註:

- (1) 李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有Li Ka-Shing Unity Holdings Limited全部已發行股本的三分之一，而該公司則擁有Li Ka-Shing Unity Trustee Company Limited全部已發行股本。Li Ka-Shing Unity Trustee Company Limited以The Li Ka-Shing Unity Trust信託人的身份，連同若干公司合共持有長實集團三分之一以上的已發行股本，而Li Ka-Shing Unity Trustee Company Limited以The Li Ka-Shing Unity Trust信託人的身份有權在該等公司的股東大會上行使或控制行使三分之一以上的投票權。

此外，Li Ka-Shing Unity Holdings Limited亦擁有Li Ka-Shing Unity Trustee Corporation Limited (「TDT1」) (作為The Li Ka-Shing Unity Discretionary Trust (「DT1」)的信託人) 以及Li Ka-Shing Unity Trustcorp Limited (「TDT2」) (作為另一項全權信託 (「DT2」) 的信託人) 的全部已發行股本。TDT1及TDT2各持有The Li Ka-Shing Unity Trust的信託單位。DT1及DT2的可能受益人為 (其中包括) 李澤鉅先生、其配偶及子女，以及李澤楷先生。

長實集團的若干附屬公司有權於和黃的股東大會上行使或控制行使三分之一或以上的投票權。和黃持有HIL的全部已發行股本。

根據證券及期貨條例，和黃、長實集團、Li Ka-Shing Unity Trustee Company Limited、TDT1、TDT2及李嘉誠先生 (被視為財產授予人及就證券及期貨條例而言，可能被視為DT1及DT2的成立人) 均被視為於HIL持有的253,164,556股相關股份 (有關本公司非上市股本衍生工具) 中擁有權益。

根據HIL與本公司訂立日期為二零零六年三月二十三日之認購協議，HIL已有條件地同意於認購協議完成時認購將由本公司發行本金額為200,000,000港元於二零一一年到期的2%可換股可交換票據 (「HIL票據」)。認購協議於二零零六年六月八日完成。HIL或其代名人有權按每股0.79港元 (可予調整) 的初步換股價，將HIL票據全數兌換為253,164,556股本公司股本中每股面值0.10港元的新股份。

Report of the Directors

董事會報告

- (2) (a) Million Good is a wholly-owned subsidiary of CEL, whose shares are traded on the OTC Bulletin Board in the US, which in turn is a company owned as to approximately 55.22% effective equity interest and approximately 88.79% effective voting interest by China Strategic BVI. China Strategic BVI is wholly-owned by Group Dragon.

Group Dragon is owned as to 98.92% by Well Orient. Well Orient is a wholly-owned subsidiary of Powervote which in turn is a wholly-owned subsidiary of Hanny Magnetics. Hanny Megnetics is a wholly-owned subsidiary of Hanny Holdings which in turn is owned as to 63.98% by Famex Investment Limited. Hanny Holdings, Hanny Magnetics, Powervote, Well Orient, Group Dragon, China Strategic BVI and CEL are deemed to be interested in 124,334,481 shares held by Million Good by virtue of the SFO.

11,406,000 shares were held by Asia Will Limited. Asia Will Limited is a wholly-owned subsidiary of Leaptop Investments Limited which in turn is a wholly-owned subsidiary of ITC Investment Holdings Limited. Famex Investment Limited is a wholly-owned subsidiary of Mankar Assets Limited which in turn is a wholly-owned subsidiary of ITC Investment Holdings Limited. ITC Investment Holdings Limited is a wholly-owned subsidiary of ITC Corporation Limited which in turn is owned as to 34.5% by Galaxyway Investments Limited. Galaxyway Investments Limited is a wholly-owned subsidiary of Chinaview International Limited which in turn is wholly-owned by Dr. Chan Kwok Keung, Charles. Ms. Ng Yuen Lan, Macy is the wife of Dr. Chan.

- (b) Pursuant to the subscription agreement dated 23 March 2006 entered into between CEL and the Company, the Company issued a 2% convertible exchangeable note due 2011 with a principal amount of HK\$300 million (the "CEL Note") to CEL entitling the holder to convert the CEL Note into 379,746,835 new shares of the Company at an initial conversion price of HK\$0.79 per share (subject to adjustment).

- (2) (a) Million Good乃CEL的全資附屬公司，其股份於美國場外交易議價板買賣，而CEL則由China Strategic BVI擁有約55.22%實際股本權益及約88.79%實際投票權益。China Strategic BVI乃由群龍全資擁有。

威倫擁有群龍98.92%權益。威倫為Powervote之全資附屬公司，Powervote則為Hanny Magnetics之全資附屬公司。Hanny Magnetics為錦興集團之全資附屬公司，而後者則由其威投資有限公司擁有63.98%權益。根據證券及期貨條例，錦興集團、Hanny Magnetics、Powervote、威倫、群龍、China Strategic BVI及CEL均被視為擁有由Million Good所持的124,334,481股股份的權益。

Asia Will Limited持有11,406,000股股份，該公司乃Leaptop Investments Limited之全資附屬公司，而後者則為ITC Investment Holdings Limited之全資附屬公司。其威投資有限公司為Mankar Assets Limited之全資附屬公司，而Mankar Assets Limited則為ITC Investment Holdings Limited之全資附屬公司。ITC Investment Holdings Limited為德祥企業集團有限公司之全資附屬公司，而後者則由Galaxyway Investments Limited擁有34.5%權益。Galaxyway Investments Limited乃Chinaview International Limited之全資附屬公司，而後者則由陳國強博士全資擁有。伍婉蘭女士為陳博士之妻子。

- (b) 根據日期為二零零六年三月二十三日由CEL及本公司訂立之認購協議，本公司向CEL發行二零一一年到期金額為300,000,000港元2%可換股可交換票據（「CEL票據」），賦予持有人有權以初步兌換價每股0.79港元（可予調整）將CEL票據兌換為379,746,835股本公司的新股份。

- (3) PMA Capital Management Limited (“PMA Capital”) manages, on a discretionary basis, the PMA Asian Opportunities Fund, PMA Prospect Fund and Diversified Asian Strategies Fund. PMA Capital was deemed to be interested in the shareholding of the funds managed by PMA Capital for the purposes of the SFO.

PMA Asian Opportunities Fund has total interest in 42,131,266 shares (representing 6.9% shareholding interest), of which 38,101,266 shares relate to its derivative interests.

PMA Prospect Fund has total interest in 77,394,456 shares (representing 12.68% shareholding interest), of which 65,316,456 shares relate to its derivative interests.

Diversified Asian Strategies Fund has total interest in 78,655,076 shares (representing 12.88% shareholding interest), of which 70,886,076 shares relate to its derivative interests.

PMA Capital Management Limited has total interest in 213,067,304 shares (representing 34.90% shareholding interest), of which 183,544,304 shares relate to its derivative interests.

- (4) DKR Oasis Management Co. LP is controlled as to 49% by Oasis Management Holdings LLC and as to 51% by DKR Capital Partners LP which is controlled as to 50% by DKR Management Co. Inc.. DKR Management Co. Inc. is controlled as to 100% by DKR Capital Inc..

DKR Capital Inc., DKR Management Co. Inc., DKR Capital Partners LP, DKR Oasis Management Co. L.P., Oasis Management Holdings LLC and DKR SoundShore Oasis Holding Fund Ltd. have total interest in 128,514,278 shares (representing 21.05% shareholding interest), of which 126,582,278 shares relate to its derivative interests.

- (5) Highbridge GP, Ltd. is controlled as to 50% by Richard Crawshaw and 50% by Clive Harris. Highbridge Master L.P. and Highbridge Asia Opportunities Master L.P. are wholly-controlled by Highbridge GP, Ltd.

- (3) PMA Capital Management Limited (「PMA Capital」) 全權管理 PMA Asian Opportunities Fund, PMA Prospect Fund and Diversified Asian Strategies Fund。就證券及期貨條例而言，PMA Capital 被視為擁有其管理之基金之權益。

PMA Asian Opportunities Fund 於本公司 42,131,266 股股份 (佔 6.9% 股權) 中擁有總權益，其中 38,101,266 股股份為其有關的衍生權益。

PMA Prospect Fund 於本公司 77,394,456 股股份 (佔 12.68% 股權) 中擁有總權益，其中 65,316,456 股股份為其有關的衍生權益。

Diversified Asian Strategies Fund 於本公司 78,655,076 股股份 (佔 12.88% 股權) 中擁有總權益，其中 70,886,076 股股份為其有關的衍生權益。

PMA Capital Management Limited 於本公司 213,067,304 股股份 (佔 34.90% 股權) 中擁有總權益，其中 183,544,304 股股份為其有關的衍生權益。

- (4) DKR Oasis Management Co. LP 乃由 Oasis Management Holdings LLC 控制有 49% 權益，而 51% 權益則由 DKR Capital Partners LP 擁有。DKR Capital Partners LP 乃由 DKR Management Co. Inc. 控制有 50% 權益，而 DKR Management Co. Inc. 乃由 DKR Capital Inc. 控制有 100% 權益。

DKR Capital Inc.、DKR Management Co. Inc.、DKR Capital Partners LP、DKR Oasis Management Co. L.P.、Oasis Management Holdings LLC 及 DKR SoundShore Oasis Holding Fund Ltd. 於本公司 128,514,278 股股份 (佔 21.05% 股權) 中擁有總權益，其中 126,582,278 股股份為其有關的衍生權益。

- (5) Highbridge GP, Ltd. 分別由 Richard Crawshaw 及 Clive Harris 各自控制有 50% 權益。Highbridge Master L.P. 及 Highbridge Asia Opportunities Master L.P. 乃由 Highbridge GP, Ltd. 完全控制。

Report of the Directors

董事會報告

Save as disclosed above, as at 31 December 2006, the directors or chief executive of the Company were not notified of any other persons who had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, a subsidiary of the Company repurchased the shares of the Company on the Stock Exchange, all of which shares were cancelled. Particulars of the shares repurchased are as follows:

Month	Number of shares of HK\$0.10 each repurchased 購回每股0.10港元 股份數目	Price per share		Aggregate consideration 總額 HK\$
		Lowest HK\$ 最低價 港元	Highest HK\$ 最高價 港元	
September 九月	2,000,000	0.55	0.55	1,100,000

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2006.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-Laws although there are no restrictions against such rights under the laws in Bermuda.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of purchases and turnover attributable to the Group's five largest suppliers and customers were less than 30% of the total value of the Group's purchases and turnover respectively.

除上文披露者外，於二零零六年十二月三十一日，本公司董事或行政總裁並無獲通知任何其他人士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）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部須向本公司及聯交所披露之權益或淡倉。

購買、出售或贖回上市證券

本年度內，本公司之一間附屬公司在聯交所購回本公司股份，該等股份已全部註銷。購回股份之詳情如下：

除上文披露者外，本公司或其任何附屬公司於截至二零零六年十二月三十一日止年度內概無購買、出售或贖回本公司任何上市證券。

優先購買權

雖然百慕達法律並無對優先購買權加以限制，惟本公司之公司細則亦無有關該等權利之條文。

主要客戶及供應商

本集團五大供應商及客戶之採購及營業總額分別少於本集團採購及營業總額之30%。

Report of the Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

DONATIONS

During the year, the Group made charitable donations amounting to HK\$122,000.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 51 to the consolidated financial statements.

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

YU KAM KEE, LAWRENCE

CHAIRMAN

Hong Kong, 24 April 2007

公眾持股量充足

根據本公司可公開獲得之資料及據董事所知，於本報告日期，本公司具備上市規則規定之足夠公眾持股量。

捐獻

年內，本集團作出總額為122,000港元之慈善捐獻。

結算日後事項

重大結算日後事項之詳情載於綜合財務報表附註51。

核數師

董事會將於本公司股東週年大會上提呈續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

主席

余錦基

香港，二零零七年四月二十四日