

## Directors' Report 董事會報告書

The Directors herein submit their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2006.

### Principal Activities

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 32 to the financial statements.

### Segment Information

An analysis of the performance of the Group by principal activities is set out in note 9 to the financial statements. No geographical analysis is shown as the turnover and loss from operations of the Group are all derived from activities in The People's Republic of China (the "PRC").

### Five-year Financial Summary

A five year financial summary of the Group is set out on page 96.

### Results and Appropriations

The results of the Group for the year ended 31 December 2006 and the state of affairs of the Group are set out in the financial statements on pages 35 to 95 respectively.

No dividend was recommended for the year (2005: Nil).

### Reserves

Movements in reserves of the Group during the year is set out in the financial statements on page 39.

### Distributable Reserves of the Company

At 31 December 2006, the Company had no reserves (2005: Nil) available for distribution to shareholders.

董事會謹提呈本集團截至二零零六年十二月三十一日止年度之董事會報告書及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載列於財務報表附註32。

### 分類資料

本集團以主要業務分類之業務分析載列於財務報表附註9。由於本集團之營業額及經營虧損全由中華人民共和國（「中國」）業務產生，因此並無載列以地域劃分之分析。

### 五年財務概要

本集團之五年財務概要載於第96頁。

### 業績及分配

本集團截至二零零六年十二月三十一日止年度之業績及本集團之財務狀況分別載列於財務報表第35至95頁。

本年度不建議派發股息（二零零五年：無）。

### 儲備

本集團於年內之儲備變動載列於財務報表第39頁。

### 本公司可分派儲備

於二零零六年十二月三十一日，本公司並無可供分派予股東之儲備（二零零五年：無）。



## Directors' Report 董事會報告書

### Donations

No donations were made to charities by the Group during the year (2005: Nil).

### Property, Plant and Equipment

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

### Investment Properties

Movements in investment properties of the Group including pledge of assets during the year are set out in note 17 to the financial statements. Particulars of investment properties of the Group are set out on page 28.

### Properties Under Development

Movements in properties under development of the Group during the year are set out in note 18 to the financial statements. Particulars of properties under development of the Group are set out on page 28.

### Share Capital

Details of share capital of the Company are set out in note 25 to the financial statements.

### Borrowings and Interest Capitalised

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

No borrowing cost was capitalized in respect of property development projects during the year (2005: Nil).

### Retirement Benefits Scheme

The Group contributes to defined contribution retirement schemes which are available to all employees.

### 慈善捐款

本年度本集團並無作出任何慈善捐款(二零零五年：無)。

### 物業、廠房及設備

本集團於年內之物業、廠房及設備變動載列於財務報表附註16。

### 投資物業

本集團於年內之投資物業(包括資產抵押)變動，載列於財務報表附註17。本集團之投資物業資料載列於第28頁。

### 發展中物業

本集團於年內之發展中物業變動載列於財務報表附註18。本集團之發展中物業資料載列於第28頁。

### 股本

本公司之股本詳情載列於財務報表附註25。

### 借貸及撥作資本之利息

本集團之借貸詳情載列於財務報表附註24。

本年內並無物業發展項目之借貸成本撥作資本(二零零五年：無)。

### 退休金計劃

本集團為所有僱員提供定額供款退休計劃。

### Disposal of a Subsidiary

Details of disposal of a subsidiary are set out in note 26 to the financial statements.

Details of the assets of a disposal group classified as held for sale/liabilities associated with assets of a disposal group classified as held for sale are set out in note 22 to the financial statements.

### Events after the Balance Sheet Date

Details of the events after the balance sheet date are set out in note 30 to the financial statements.

### Major Customers and Suppliers

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

Turnover	銷售
The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總額
Purchases	採購
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總額

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

### 出售一間附屬公司

出售附屬公司之詳情載於財務報表附註26。

列為持有作出售之出售組合資產／列為持有作出售之出售組合資產之相關負債之詳情載於財務報表附註22。

### 結算日後事項

結算日後事項之詳情載於財務報表附註30。

### 主要客戶及供應商

本集團主要客戶及供應商於本年度佔本集團銷售及採購之詳情如下：

	2006 二零零六年 %	2005 二零零五年 %
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概無本公司董事及其聯繫人士，或任何股東（據董事所知擁有本公司5%以上之股本）於本年度任何時間擁有上述客戶及供應商之權益。



## Directors' Report 董事會報告書

### Directors

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

Tong Shi Jun, *Chairman*  
Zhang Jian, *Deputy Chairman* (Resigned on 1 October 2006)  
Zhao Lishen  
Chiu Kong  
Huang Ling  
Zhu Jun  
Chen Song Sheng\*  
Zhou Mei Zhen\*  
Wang Li Yun\*

\* *Independent Non-executive Director*

Mr. Zhao Lishen and Ms. Huang Ling retire from office by rotation at the forthcoming annual general meeting in accordance with bye-laws No. 87 of the Company, being eligible, offer themselves for re-election.

### Directors' Service Contracts

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

### Directors' Interests in Shares

As at 31 December 2006, none of the Directors and chief executive of the Company had, under Part XV of the Securities and Futures Ordinance, nor were they taken to or deemed to have under such provisions of the Securities and Futures Ordinance, any interests in the shares of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) or any interests which are

### 董事

本年度及截至本報告日期止，本公司之董事為：

佟世均 (主席)  
張健 (副主席) (於二零零六年十月一日請辭)  
趙立申  
趙鋼  
黃玲  
朱軍  
陳頌聲\*  
周美珍\*  
王凌雲\*

\* 獨立非執行董事

根據本公司之章程細則第87條，趙立申先生及黃玲小姐於即將召開之股東週年大會上輪值告退，惟願意膺選連任。

### 董事之服務合約

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

### 董事於股份之權益

於二零零六年十二月三十一日，本公司之董事及主要行政人員概無根據證券及期貨條例第XV部於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份中擁有(或根據證券及期貨條例的有關規定被認為或被視作擁有)任何權益，或任何必須列入本公司根據證券及期貨條例第352條予以存置的登記冊內的權益，或任何根據上市規則所載上市公司董事進行證券交易的標準守則



## Directors' Report 董事會報告書

required to be entered into the register kept by the Company pursuant to section 352 of the Securities and Futures Ordinance or any interests which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

### Directors' Interests in Contracts

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

### Competing Interests

As at 31 December 2006, none of the Directors or the Managing Shareholders or any of their respective associates of the Company had an interest in a business that competed or might compete with the business of the Group directly or indirectly.

### Substantial Shareholders

As at 31 December 2006, according to the register of interests kept by the Company under section 336 of Securities and Futures Ordinance, and so far as was known to the Directors or chief executive of the Company, the following persons had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance:

必須向本公司及香港聯合交易所有限公司申報的權益。

### 董事於合約之權益

於本年內任何時間，概無任何董事於本公司或其任何附屬公司所訂立之重大合約中直接或間接擁有重大權益。

### 競爭權益

於二零零六年十二月三十一日，本公司董事及主要股東或彼等各自的聯繫人士概無在與本集團業務上直接或間接構成競爭或可能構成競爭的業務中擁有任何權益。

### 主要股東

於二零零六年十二月三十一日，根據本公司按證券及期貨條例第336條存置之權益登記冊所示及據董事或本公司行政總裁所知，下列人士於股份或相關股份擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露之權益或淡倉：

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



## Directors' Report 董事會報告書

### Notes:

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

Save as disclosed above, so far as are known to the Directors, the Company has not been notified of any interest in the issued share capital of the Company required to be recorded under section 336 of the Securities and Futures Ordinance as at 31 December 2006.

### Pre-emptive Rights

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

### Purchase, Sale or Redemption of Shares

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

### Management Discussion and Analysis

A management discussion and analysis of the Group's annual results is shown on pages 7 to 10.

### Corporate Governance Report

A corporate governance report is shown on pages 14 to 20.

### 附註：

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

除上文所披露外，就董事所知，於二零零六年十二月三十一日，本公司並無獲知會任何須按證券及期貨條例第336條予以登記之本公司已發行股本權益。

### 優先購買權

本公司之章程細則或百慕達法例概無優先購買權之條款。

### 購買、出售或贖回股份

本年內本公司或其任何附屬公司概無購買、出售或贖回本公司之任何股份。

### 管理層討論及分析

有關本集團年度業績之管理層討論及分析列於第7至10頁。

### 公司管治報告書

公司管治報告書列於第14至20頁。

## Directors' Report 董事會報告書

### Audit Committee

The audit committee of the Company comprises three independent non-executive directors. The committee has reviewed the accounting principles and practice adopted by the Group and discussed with the management regarding auditing, internal control and financial reporting matters including the review of the Company's audited results for the year ended 31 December 2006.

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirmed that the Company has maintained the amount of public float as required under the Listing Rules during the year and up to the date of this report.

### Suspension of Trading of Shares

Trading of shares on the Stock Exchange will remain suspended until further notices.

### Auditor

CCIF CPA Limited was auditor of the Company for the three years ended 31 December 2003, 2004 and 2005.

CCIF CPA Limited resigned as the auditor of the Company with effect from 6 February 2007.

RSM Nelson Wheeler was appointed as auditor of the Company in March 2007 to fill the casual vacancy left by the resignation of CCIF CPA Limited.

A resolution for re-appointment of RSM Nelson Wheeler as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board  
**Tong Shi Jun**  
Chairman

Hong Kong, 30 May 2007

### 審核委員會

本公司之審核委員會由三名獨立非執行董事組成。委員會已審閱本集團採用之會計原則和政策並與管理層討論有關稽核、內部監控及財務報告事項，包括審閱本公司截至二零零六年十二月三十一日止之已審核業績。

### 足夠公眾持股量

基於公開所得之資料及據董事所知，董事確認於本年度內及截至本年度報告日期為止，本公司有足夠公眾持股量。

### 暫停股份買賣

股份於聯交所之買賣將維持暫停，直至另行通知為止。

### 核數師

陳葉馮會計師事務所有限公司為本公司於截至二零零三年、二零零四年及二零零五年十二月三十一日止三個年度之核數師。

陳葉馮會計師事務所有限公司已於二零零七年二月六日起，辭任本公司之核數師職務。

於二零零七年三月，羅申美會計師行獲委任為本公司核數師，以填補陳葉馮會計師事務所有限公司辭任而出現的空缺。

即將召開之股東週年大會，將提呈一項決議案續聘羅申美會計師行為本公司核數師。

承董事會命  
主席  
**佟世均**

香港，二零零七年五月三十日

