

Directors' Report 董事局報告書

The directors have pleasure in presenting their annual report and the audited consolidated financial statements for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The activities of its principal subsidiaries, associates and jointly controlled entities as at 31 March 2007 are set out in note 57 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year ended 31 March 2007 are set out in the consolidated income statement on page 106 of the annual report and in the accompanying notes to the consolidated financial statements.

An interim dividend of HK1.5 cents per share amounting to HK\$22,069,000 was paid to the shareholders during the year. In addition, the directors had resolved the payment of a special dividend of HK22.2 cents per share by way of distribution of the value derived from the Group's divestment of China Strategic Holdings Limited to shareholders whose names appeared on the register of member on 26 May 2006, amounting to a total sum of approximately HK\$325,660,000.

The directors further recommended for shareholders' approval the payment of a final dividend of HK1.5 cents per share in the form of scrip, with an option to elect cash, to shareholders whose names appear on the register of members on 10 October 2007. The estimated total sum payable in respect of this final dividend is approximately HK\$22,393,000.

Details of the distribution are set out in note 16 to the consolidated financial statements.

董事局欣然提呈截至2007年3月31日止年度之年報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。

本公司各主要附屬公司、聯營公司及共同控制機構於2007年3月31日之業務載列於綜合財務報表附註57。

業績及利潤分配

截至2007年3月31日止年度本集團之業績及本公司之利潤分配載列於本年報第106頁綜合收益表及連帶之綜合財務報表附註。

年內已派發予股東每股1.5港仙之中期股息，為數22,069,000港元。此外，董事已議決以分派中策集團有限公司撤資所得價值之方式向2006年5月26日名列股東名冊之股東派付特別股息每股22.2港仙，合共派息約325,660,000港元。

董事亦建議股東批准派發每股1.5港仙之末期股息(以股代息方式連同現金選擇權)予2007年10月10日名列股東名冊之股東。就此末期股息估計應付總額約為22,393,000港元。

股息詳情載列於綜合財務報表附註16。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2007, the five largest customers and the single largest customer of the Group accounted for approximately 68% and 30% of the turnover of the Group, respectively. The aggregate purchases attributable to the five largest suppliers of the Group during the year were less than 30% of the purchases of the Group.

Save as disclosed above, as far as the directors are aware, none of the directors, their associates, within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), or those shareholders which to the knowledge of the directors own more than 5% of the Company's share capital, have an interest in any of the five largest customers of the Group for the year ended 31 March 2007.

LIQUIDITY AND CAPITAL RESOURCES

The Group currently maintains a variety of credit facilities to meet its working capital requirements. As at 31 March 2007, the Group's total borrowings amounted to approximately HK\$1,024,137,000, with approximately HK\$597,386,000 repayable within one year, approximately HK\$426,751,000 repayable after one year. Cash, bank balances and deposits as at 31 March 2007 amounted to approximately HK\$779,367,000. The Group's current ratio was 1.3 and the debt to equity ratio was 0.4 as at 31 March 2007.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK\$50,077,000 on property, plant and equipment to expand and upgrade its operating capacity.

In addition, the Group acquired property, plant and equipment with an aggregate amount of HK\$457,644,000 through acquisition of a business.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the issued share capital of the Company during the year are set out in note 43 to the consolidated financial statements.

主要客戶及供應商

於截至2007年3月31日止年度內，本集團之五大客戶及單一最大客戶分別佔本集團營業額約68%及30%。本集團之五大供應商年內合共佔本集團之購貨量並不超逾本集團購貨量之30%。

除上述披露外，就董事所知，概無董事、彼等之聯繫人士（按香港聯合交易所有限公司證券上市規則（「上市規則」）所界定）或據董事所知擁有本公司股本逾5%之股東於截至2007年3月31日止年度在本集團五大客戶其中任何一家中擁有權益。

流動資金及資本來源

本集團現時設有多項融資信貸額以應付其營運資金所需。於2007年3月31日，本集團之借款總額約達1,024,137,000港元，其中約597,386,000港元須於一年內償還，約426,751,000港元須於一年後償還。於2007年3月31日，現金、銀行結存及存款約達779,367,000港元。於2007年3月31日，本集團之流動比率為1.3，而負債與資本比率則為0.4。

物業、機械及設備

於本年內，本集團動用約50,077,000港元購置物業、機械及設備，以擴展及提升經營能力。

此外，本集團通過業務收購共購得總額457,644,000港元之物業、機械及設備。

上述及本集團年內之物業、機械及設備之其他變動詳情載列於綜合財務報表附註18。

股本

年內本公司已發行股本之變動詳情載列於綜合財務報表附註43。

SHARE INCENTIVE SCHEMES

1. Share option scheme

Particulars of the Company's share option scheme adopted on 27 August 2002 (the "Share Option Scheme") are set out in note 44 to the consolidated financial statements.

Details of the share options granted under the Share Option Scheme to certain directors of the Company to subscribe for shares in the Company are as follows:

| Name of director | Date of grant | Exercisable period | Exercise price per share | Outstanding as at 01.04.2006 於01.04.2006 | Granted during the year 於年內授出 | Exercised during the year 於年內行使 | Outstanding as at 31.03.2007 於31.03.2007 |
|---------------------------------------|--|---|--------------------------------------|---|---|------------------------------------|---|
| 董事姓名 | 授出日期 | 行使期 | 每股行使價 HK\$ 港元 | 尚未行使 | | | 尚未行使 |
| Chow Ming Kuen, Joseph 周明權 | 28.12.2004 28.12.2004 | 28.12.2004 – 26.08.2012 28.12.2004 – 26.08.2012 | 1.24 1.50 | 650,000 650,000 | – – | (650,000) (650,000) | – – |
| Lau Ko Yuen, Tom 劉高原 | 28.12.2004 28.12.2004 08.09.2006 08.09.2006 08.09.2006 | 28.12.2004 – 26.08.2012 28.12.2004 – 26.08.2012 08.09.2006 – 07.09.2007 08.09.2007 – 07.09.2008 08.09.2008 – 07.09.2009 | 1.24 1.50 2.48 2.48 2.48 | 6,500,000 6,500,000 – – – | – – 4,600,000 4,600,000 4,600,000 | – – – – – | 6,500,000 6,500,000 4,600,000 4,600,000 4,600,000 |
| Kwok Shiu Keung, Ernest 郭少強 | 28.12.2004 28.12.2004 | 28.12.2004 – 26.08.2012 28.12.2004 – 26.08.2012 | 1.24 1.50 | 650,000 650,000 | – – | – – | 650,000 650,000 |
| Chan Shu Kin 陳樹堅 | 28.12.2004 28.12.2004 | 28.12.2004 – 26.08.2012 28.12.2004 – 26.08.2012 | 1.24 1.50 | 650,000 650,000 | – – | – – | 650,000 650,000 |
| Leung Po Wing, Bowen Joseph 梁寶榮 | 08.09.2006 | 08.09.2006 – 26.08.2012 | 2.43 | – | 1,300,000 | – | 1,300,000 |
| Li Chang An 李昌安 | 06.02.2007 | 06.02.2007 – 26.08.2012 | 3.00 | – | 1,300,000 | – | 1,300,000 |
| | | | | 16,900,000 | 16,400,000 | (1,300,000) | 32,000,000 |

股份獎賞計劃

1. 購股權

有關本公司於2002年8月27日採納之購股權計劃(「購股權計劃」)之詳情載於綜合財務報表附註44。

根據購股權計劃授予本公司若干董事可認購本公司股份之購股權之變動如下表披露：

SHARE INCENTIVE SCHEMES – continued

1. Share option scheme – continued

As at the date of this report, the above share options granted under the Share Option Scheme to certain directors of the Company in respect of a total of 32,000,000 underlying shares of the Company remain outstanding, representing 2.14% of the issued share capital of the Company (i.e. 1,492,848,407 shares) on that date.

During the year, options in respect of an aggregate of 36,575,000 shares of the Company were exercised and options in respect of an aggregate of 1,726,000 shares were lapsed.

Particulars of the share option scheme of Paul Y. Engineering Group Limited (“Paul Y. Engineering”), a subsidiary of the Company, are set out in note 44 to the consolidated financial statements.

2. Share award scheme

This scheme adopted by the Company on 23 February 2006 allows the Company to make bonus payments to eligible persons (including employees, directors, consultants, advisers and agents of the Group) by way of the Company's shares acquired by and held through an independent trustee until fulfillment of conditions before vesting.

During the year, a total of 1,050,000 shares of the Company became vested in 69 employees (including 120,000 the Company's shares to Mr Lau Ko Yuen, Tom, the Deputy Chairman and Managing Director) under the scheme. In addition, a total of 160,000 shares of the Company were awarded to eight employees in February 2007. These shares, subject to a vesting period until 7 August 2007, are being held by the trustee, BOCI-Prudential Trustee Limited.

A share award scheme was also adopted by Paul Y. Engineering on 6 September 2006. This incentive scheme allows Paul Y. Engineering to make bonus payments to eligible persons (including employees, directors, consultants, advisers and agents of Paul Y. Engineering) by way of shares of Paul Y. Engineering acquired by and held through an independent trustee until fulfillment of specified conditions before vesting.

股份獎賞計劃(續)

1. 購股權(續)

於本報告日期，以上根據購股權計劃授予本公司若干現任董事之尚未行使購股權涉及合共32,000,000股本公司相關股份，佔本公司於該日之已發行股本（即1,492,848,407股股份）的2.14%。

年內，涉及合共36,575,000股本公司股份之購股權已予行使，另涉及合共1,726,000股股份之購股權失效。

本公司附屬公司保華建業集團有限公司（「保華建業」）購股權計劃之詳情載於綜合財務報表附註44。

2. 股份獎勵計劃

根據本公司於2006年2月23日採納之計劃，本公司可向合資格人士（包括本集團之僱員、董事、諮詢、顧問及代理）以本公司股份的形式派發花紅，此等股份將由一名獨立受託人購入及持有直至歸屬條件達成為止。

年內，合共1,050,000股之本公司股份（包括授予副主席兼董事總經理劉高原先生之120,000股本公司股份）已根據該計劃歸屬予69位僱員。此外，於2007年2月，已向8位僱員授出共160,000股之本公司股份。該等股份由受託人中銀國際英國保誠信託有限公司所持有，直至2007年8月7日歸屬期為止。

此外，保華建業亦於二零零六年九月六日採納了一項股份獎勵計劃，據此，保華建業可向合資格人士（包括保華建業之僱員、董事、顧問、諮詢人及代理人）授出保華建業之股份作花紅。該等股份將由一名獨立受託人購入及持有，直至指定的歸屬條件達成為止。

3. Share financing plan

This plan adopted by the Company on 14 February 2006 allows eligible persons (including employees, directors, consultants, advisers and agents of the Group) to borrow funds from the Company to acquire new or old shares of the Company on a non-recourse basis with the subject shares pledged to the Company as security, subject always to connected transaction and other relevant provisions under the Listing Rules.

During the year, no financing was provided by the Group to employees under this plan.

A share financing plan was also adopted by Paul Y. Engineering on 6 September 2006. This incentive plan allows eligible persons (including employees, directors, consultants, advisers and agents of Paul Y. Engineering) to borrow funds from Paul Y. Engineering on a non-recourse basis, for the purpose of acquiring new or old shares of Paul Y. Engineering with the subject shares pledged to Paul Y. Engineering as security and subject always to connected transaction and other relevant provisions under the Listing Rules.

3. 股份融資計劃

根據本公司於2006年2月14日採納之計劃，合資格人士(包括本集團之僱員、董事、諮詢、顧問及代理)可在不被追索的基礎下，向本公司借款以收購新或舊本公司股份，而將此等股份抵押本公司作為保證，惟須符合關連交易及其他上市規則之相關規定。

年內，本集團並無根據此計劃向僱員提供任何融資。

此外，保華建業亦於2006年9月6日採納了一項股份融資計劃，容許合資格人士(包括保華建業之僱員、董事、顧問、諮詢人及代理人)在不被追溯的基礎下向其借款以購買保華建業新或舊的股份。該等股份需質押予保華建業作為抵押品，並須符合上市規則有關關連交易及其他相關條文之規定。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share incentive schemes disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements 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.

DISTRIBUTABLE RESERVE

The Company's reserves available for distribution to shareholders as at 31 March 2007 amounted to approximately HK\$1,150,805,000 (2006: HK\$1,505,813,000).

DIRECTORS

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

Independent non-executive directors

Chow Ming Kuen, Joseph *OBE, JP (Chairman)*
Kwok Shiu Keung, Ernest
Chan Shu Kin
Leung Po Wing, Bowen Joseph *GBS, JP (appointed on 1 August 2006)*
Li Chang An *(appointed on 8 January 2007)*

Executive director

Lau Ko Yuen, Tom *(Deputy Chairman & Managing Director)*

Non-executive director

Chan Kwok Keung, Charles

In accordance with bye-laws 87(1) and 87(2) of the Company's bye-laws, Mr Lau Ko Yuen, Tom and Mr Chan Shu Kin will retire by rotation and, both being eligible, will stand for re-election at the forthcoming annual general meeting.

In addition, Mr Li Chang An, being director appointed by the Board during the year, shall retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

Non-executive directors are subject to retirement by rotation requirements under the Company's bye-laws, and they are appointed for a specific term of approximately three years.

購買股份或債券之安排

除上述披露之股份獎賞計劃之外，於年內任何時間本公司或其任何附屬公司概無訂立任何安排而使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利。

可供分配儲備

於2007年3月31日，可供分派予股東之本公司儲備約為1,150,805,000港元(2006: 1,505,813,000港元)。

董事

年內及截至本報告日期止，本公司之董事如下：

獨立非執行董事

周明權 *OBE, JP (主席)*
郭少強
陳樹堅
梁寶榮 *GBS, JP (於2006年8月1日獲委任)*
李昌安 *(於2007年1月8日獲委任)*

執行董事

劉高原 *(副主席兼董事總經理)*

非執行董事

陳國強

根據本公司之公司細則第87(1)條及87(2)條，劉高原先生及陳樹堅先生於即將舉行之股東週年大會上將輪席退任，並符合資格膺選連任。

此外，年內獲董事局委任之董事李昌安先生於即將舉行之股東週年大會上將退任，並符合資格膺選連任。

非執行董事須根據本公司細則輪席退任，其指定任期不得多於三年左右。

DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2007, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company 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 Companies (the "Model Code") in the Listing Rules were as follows:

(1) Shares of the Company

| Name of director/chief executive | Capacity | Long position /short position | Number of shares of the Company held | Approximate percentage of the then existing issued share capital of the Company |
|----------------------------------|--|-------------------------------|--------------------------------------|---|
| 董事/主要行政人員姓名 | 身份 | 好倉/淡倉 | 持有本公司股份數目 | 佔本公司當時現有已發行股本之概約百分比 |
| Chow Ming Kuen, Joseph 周明權 | Beneficial owner 實益擁有人 | Long position 好倉 | 1,300,000 | 0.087% |
| Lau Ko Yuen, Tom 劉高原 | Beneficial owner 實益擁有人 | Long position 好倉 | 120,671 | 0.008% |
| Chan Kwok Keung, Charles 陳國強 | Interest of controlled corporation (Note) 受控制法團權益(附註) | Long position 好倉 | 402,368,507 | 26.97% |
| | Beneficial owner 實益擁有人 | Long position 好倉 | 11,915,186 | 0.80% |

董事之服務合約

擬於即將舉行之股東週年大會上膺選連任之董事並無與本集團訂立本集團於一年內不可無須補償(法定補償除外)而終止之服務合約。

董事及主要行政人員於證券、相關股份及債券之權益及淡倉

於2007年3月31日，本公司董事及主要行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第十五部)之股份、相關股份及債券中持有必須列入根據證券及期貨條例第352條予以存置之本公司登記冊內或根據上市規則中上市公司董事進行證券及交易的標準守則(「標準守則」)必須向本公司及香港聯合交易所有限公司(「聯交所」)申報之權益及淡倉如下：

(1) 本公司之股份

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – continued

(1) Shares of the Company – continued

Note: Dr Chan Kwok Keung, Charles was deemed to be interested in 402,368,507 shares in the Company by virtue of his 100% shareholding in Chinaview International Limited (“Chinaview”). Galaxyway Investments Limited (“Galaxyway”), a wholly-owned subsidiary of Chinaview, owned approximately 34.33% of the issued ordinary share capital of ITC Corporation Limited (“ITC”) which in turn owned the entire issued share capital of ITC Investment Holdings Limited (“ITC Investment”). Hollyfield Group Limited (“Hollyfield”), a wholly-owned subsidiary of ITC Investment, owned these shares.

(2) Options to subscribe for shares of the Company

董事及主要行政人員於證券、相關股份及債券之權益及淡倉(續)

(1) 本公司之股份(續)

附註：陳國強博士由於擁有Chinaview International Limited(「Chinaview」)之100%股權而被視為擁有402,368,507股本公司股份。Chinaview之全資附屬公司Galaxyway Investments Limited(「Galaxyway」)擁有德祥企業集團有限公司(「德祥企業」)已發行普通股股本約34.33%，而德祥企業繼而擁有ITC Investment Holdings Limited(「ITC Investment」)全部已發行股本。ITC Investment之全資附屬公司Hollyfield Group Limited(「Hollyfield」)則擁有該等股份。

(2) 可認購本公司股份之購股權

| Name of director/chief executive | Date of grant | Exercisable period | Exercise price per share | Number of underlying shares comprised in the options | Approximate percentage of the then existing issued share capital of the Company |
|---|----------------------|---------------------------|---------------------------------|---|--|
| 董事姓名/主要行政人員姓名 | 授出日期 | 行使期 | 每股行使價 HK\$ 港元 | 購股權涉及之 相關股份數目 | 佔本公司當時 現有已發行股本 之概約百分比 |
| Lau Ko Yuen, Tom 劉高原 | 28.12.2004 | 28.12.2004 – 26.08.2012 | 1.24 | 6,500,000 | 0.436% |
| | 28.12.2004 | 28.12.2004 – 26.08.2012 | 1.50 | 6,500,000 | 0.436% |
| | 08.09.2006 | 08.09.2006 – 07.09.2007 | 2.48 | 4,600,000 | 0.308% |
| | 08.09.2006 | 08.09.2007 – 07.09.2008 | 2.48 | 4,600,000 | 0.308% |
| | 08.09.2006 | 08.09.2008 – 07.09.2009 | 2.48 | 4,600,000 | 0.308% |
| Kwok Shiu Keung, Ernest 郭少強 | 28.12.2004 | 28.12.2004 – 26.08.2012 | 1.24 | 650,000 | 0.044% |
| | 28.12.2004 | 28.12.2004 – 26.08.2012 | 1.50 | 650,000 | 0.044% |
| Chan Shu Kin 陳樹堅 | 28.12.2004 | 28.12.2004 – 26.08.2012 | 1.24 | 650,000 | 0.044% |
| | 28.12.2004 | 28.12.2004 – 26.08.2012 | 1.50 | 650,000 | 0.044% |
| Leung Po Wing, Bowen Joseph 梁寶榮 | 08.09.2006 | 08.09.2006 – 26.08.2012 | 2.43 | 1,300,000 | 0.087% |
| Li Chang An 李昌安 | 06.02.2007 | 06.02.2007 – 26.08.2012 | 3.00 | 1,300,000 | 0.087% |

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – continued

(2) Options to subscribe for shares of the Company – continued

Save as disclosed above, as at 31 March 2007, none of the directors or chief executives of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 March 2007, none of the directors of the Company is interested in any business (apart from the Group's businesses) which competes or is likely to compete, either directly and indirectly, with the businesses of the Group.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Connected Transactions" below, 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.

董事及主要行政人員於證券、相關股份及債券之權益及淡倉 (續)

(2) 認購本公司股份之購股權 (續)

除上文所披露者外，於2007年3月31日，各董事或本公司主要行政人員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十五部)之股份、相關股份或債券中擁有任何必須列入根據證券及期貨條例第352條予以存置之本公司登記冊內或根據標準守則必須向本公司及聯交所申報之權益及淡倉。

董事於競爭業務之權益

於2007年3月31日，如不計本集團業務，本公司各董事概無在任何直接或間接與本集團業務構成競爭或可能構成競爭之業務擁有任何權益。

董事於重要合約中之權益

除下文「關連交易」一節所披露者外，本公司各董事在本公司或其任何附屬公司於本年度結算日或年內任何時間訂立之重要合約中概無直接或間接擁有重大權益。

CONNECTED TRANSACTIONS

During the year, the Group entered into the following connected transactions, details of which are required to be set out below pursuant to rule 14A.45 of the Listing Rules:

關連交易

本集團於年內進行下述關連交易，根據上市規則第14A.45條所須資料詳情如下：

| Transaction date 交易日期 | Parties to the transaction 交易各方 | Connected person 關連人士 | Description of connected relationship 關聯關係的描述 | Description of transaction and purpose 交易及目的之簡述 | Total consideration 總代價 HK\$'000 千港元 |
|--------------------------|--|--------------------------|---|--|---|
| 01.06.2006 | 如東縣東泰社會發展投資 責任有限公司 as vendor Glory Well Property Investment Limited, a wholly owned subsidiary of the Company as purchaser 如東縣東泰社會發展投資 責任有限公司作為賣方 本公司之全資附屬公司創華 地產投資有限公司作為買方 | 如東縣東泰社會發展 投資責任有限公司 | A substantial shareholder of certain subsidiaries of the Company 本公司若干附屬公司 之主要股東 | Acquisition of an additional 15% equity interest in a non-wholly owned subsidiary 增購一間非全資 附屬公司之15% 股本權益 | 2,910 |
| 28.12.2006 | 如東縣東泰社會發展投資 責任有限公司 as vendor Glory Well Property Investment Limited, a wholly owned subsidiary of the Company as purchaser 如東縣東泰社會發展投資 責任有限公司作為賣方 本公司之全資附屬公司創華 地產投資有限公司作為買方 | 如東縣東泰社會發展 投資責任有限公司 | A substantial shareholder of certain subsidiaries of the Company 本公司若干附屬公司 之主要股東 | Acquisition of the remaining 25% interest in a non-wholly owned subsidiary 增購一間非全資 附屬公司餘下 之25%股本權益 | 4,880 |

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 31 March 2007, so far as is known to the directors and the chief executive of the Company, the interests and short positions of the substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

列入根據證券及期貨條例第336條予以存置之登記冊內之主要股東／其他人士權益

於2007年3月31日，據本公司董事及主要行政人員所知，下列主要股東／其他人士於本公司股份及相關股份中擁有必須列入根據證券及期貨條例第336條予以存置之登記冊內之權益及淡倉：

(1) 主要股東：

(1) Substantial shareholders:

| Name of shareholder | Capacity | Long position/ short position | Number of shares of the Company held | Approximate percentage of the then existing issued share capital of the Company |
|---------------------------------|---|----------------------------------|--------------------------------------|---|
| 股東姓名 | 身份 | 好倉／淡倉 | 持有本公司 股份數目 | 佔本公司當時 現有已發行股本 之概約百分比 |
| Chan Kwok Keung, Charles 陳國強 | Interest of controlled corporation (Note) | Long position 好倉 | 402,368,507 | 26.97% |
| | 受控制法團權益 (附註) Beneficial owner 實益擁有人 | Long position 好倉 | 11,915,186 | 0.80% |
| Ng Yuen Lan, Macy 伍婉蘭 | Interest of spouse (Note) 配偶權益 (附註) | Long position 好倉 | 414,283,693 | 27.77% |
| Chinaview | Interest of controlled corporation (Note) 受控制法團權益 (附註) | Long position 好倉 | 402,368,507 | 26.97% |
| Galaxyway | Interest of controlled corporation (Note) 受控制法團權益 (附註) | Long position 好倉 | 402,368,507 | 26.97% |
| ITC 德祥企業 | Interest of controlled corporation (Note) 受控制法團權益 (附註) | Long position 好倉 | 402,368,507 | 26.97% |
| ITC Investment | Interest of controlled corporation (Note) 受控制法團權益 (附註) | Long position 好倉 | 402,368,507 | 26.97% |
| Hollyfield | Beneficial owner (Note) 實益擁有 (附註) | Long position 好倉 | 402,368,507 | 26.97% |

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO – continued

(1) Substantial shareholders: – continued

Note: Hollyfield, a wholly-owned subsidiary of ITC Investment (which was, in turn, a wholly-owned subsidiary of ITC), owned 402,368,507 shares in the Company. Galaxyway, a wholly-owned subsidiary of Chinaview, owned 34.33% of the issued ordinary share capital of ITC. Dr Chan Kwok Keung, Charles owned the entire issued share capital of Chinaview. ITC Investment was deemed to be interested in the said 402,368,507 shares in the Company held by Hollyfield. Ms Ng Yuen Lan, Macy, the spouse of Dr Chan Kwok Keung, Charles, was deemed to be interested in the said 402,368,507 shares in the Company held by Hollyfield and 11,915,186 shares in the Company held directly by Dr Chan Kwok Keung, Charles.

(2) Other persons:

列入根據證券及期貨條例第336條予以存置之登記冊內之主要股東／其他人士權益(續)

(1) 主要股東：(續)

附註： ITC Investment之全資附屬公司 Hollyfield擁有402,368,507股本公司股份，而ITC Investment則為德祥企業之全資附屬公司。Chinaview之全資附屬公司Galaxyway擁有34.33%德祥企業已發行普通股本。陳國強博士擁有Chinaview全部已發行股本。故此ITC Investment被視作於上述 Hollyfield持有之402,368,507股本公司股份中擁有權益。陳國強博士之配偶伍婉蘭女士被視作於上述Hollyfield持有之402,368,507股本公司股份中及陳國強博士直接持有之11,915,186股本公司股份中擁有權益。

(2) 其他人士：

| Name of person | Capacity | Long position/ short position | Number of shares of the Company held | Approximate percentage of the then existing issued share capital of the Company |
|--|---|----------------------------------|--|---|
| | | | | 佔本公司當時 現有已發行股本 之概約百分比 |
| 姓名 | 身份 | 好倉／淡倉 | 持有本公司 股份數目 | |
| Gandhara Advisors Asia Ltd. a/c Gandhara Master Fund Ltd. | Investment manager 投資經理 | Long position 好倉 | 139,617,997 ordinary shares 139,617,997普通股 | 9.36% |
| OZ Management, L.L.C. | Investment manager 投資經理 | Long position 好倉 | 133,671,722 ordinary shares 133,671,722普通股 | 8.96% |
| The Children's Investment Fund Management (UK) LLP | Investment manager (Note) 投資經理 (附註) | Long position 好倉 | 117,732,000 ordinary shares 117,732,000普通股 | 7.89% |
| The Children's Investment Master Fund | Beneficial owner 實益擁有人 | Long position 好倉 | 117,732,000 ordinary shares 117,732,000普通股 | 7.89% |
| Christian Emil Toggenburger | Beneficial owner 實益擁有人 | Long position 好倉 | 84,244,397 ordinary shares 84,244,397普通股 | 5.65% |

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO – continued

(2) Other persons: – continued

Note: The Children's Investment Master Fund was accustomed or obliged to act in accordance with the directions or instructions of The Children's Investment Fund Management (UK) LLP. Therefore, The Children's Investment Fund Management (UK) LLP was deemed to be having the same interests in the Shares as The Children's Investment Master Fund.

Save as disclosed above, as at 31 March 2007, the Company has not been notified of any interests or short positions in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

Including the directors of the Group, as at 31 March 2007, the Group employed a total of approximately 1,927 full time employees (2006: 1,294). Remuneration packages consisted of salary as well as performance-based and equity-based bonuses. In appreciation of our employees' continuing support, a bonus payment to employees was made during the year.

Further, the Company has implemented three share-related incentive schemes as mentioned above to provide alternative means to motivate employees and promote their loyalty in line with the Group's strategy. Such schemes benefited the Group's staff both in Hong Kong and the Mainland.

RETIREMENT BENEFIT SCHEMES

Information on the Group's retirement benefit schemes is set out in note 49 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders although there are no restrictions against such rights under the laws of Bermuda.

列入根據證券及期貨條例第336條予以存置之登記冊內之主要股東／其他人士權益(續)

(2) 其他人士：(續)

附註： The Children's Investment Master Fund一向或必須遵從The Children's Investment Fund Management (UK) LLP之指示或指令。由此，The Children's Investment Fund Management (UK) LLP被視作與The Children's Investment Master Fund享有同等股份權益。

除上文所披露者外，於2007年3月31日，本公司並未獲知會有任何其他人士擁有須列入根據證券及期貨條例第336條予以存置之登記冊內於本公司之股份及相關股份之權益或淡倉。

僱員數目及薪酬政策

於2007年3月31日，本集團僱用合共約1,927名全職僱員(包括本集團董事)(2006：1,294名)。薪酬組合由薪金及表現掛鈎及權益掛鈎之花紅所組成。為感謝我們僱員之一直以來的支持以及貢獻，年內已向僱員支付一筆花紅。

此外，本公司已實行上文所述之三項股份相關之獎勵計劃，以提供不同方案激勵僱員，並提升其歸屬感配合集團策略。本集團之香港及大陸僱員均受惠於此類計劃。

退休福利計劃

本集團退休福利計劃之資料載列於綜合財務報表附註49。

股本優先購買權

本公司之公司細則或百慕達法例中並無股本優先購買權之條文，規定本公司須按持股比例向現有股東提呈發售新股，惟百慕達法例並無限制此等權利。

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year, the Company had repurchased a total of 2,000,000 ordinary shares on the Stock Exchange at an aggregate price of HK\$4,381,000 (including transaction costs), representing an average price of HK\$2.19 paid for each share purchased. All of these shares were cancelled upon repurchase.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 56 to 83 of the annual report.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the directors acknowledge that approximately 72% of the issued share capital of the Company is held by the public.

POST BALANCE SHEET EVENTS

Details of the major subsequent events are set out in note 56 to the consolidated financial statements.

DONATIONS

During the year, the Group made charitable and other donations of approximately HK\$20,000.

DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

(1) Advances to entities

As at 31 March 2007, advances to entities did not individually exceed 8% under the assets ratio as defined under rule 14.07(1) of the Listing Rules.

(2) Financial assistance and guarantees given to affiliated companies

As at 31 March 2007, the aggregate amount of the financial assistance provided by the Group to its associated companies and jointly controlled entities (collectively the "Affiliated Companies" within the meaning under Chapter 13 of the Listing Rules) and the guarantees given by the Group for facilities granted to the Affiliated Companies did not exceed 8% under the assets ratio as defined under rule 14.07(1) of the Listing Rules.

上市證券之買賣及贖回

年內，本公司已在聯交所以合共4,381,000(包括交易費用)港元的價格(相當於每股已購回股份之2.19港元已付平均價)購回合共2,000,000股普通股，而該等股份已於購回時全數註銷。

企業管治

本公司之企業管治原則及常規載於本年報第56至83頁之企業管治報告內。

足夠公眾持股量

於本報告日期，董事確認本公司約72%之已發行股本乃由公眾所持有。

結算日後事項

有關主要結算日後事項之詳情載於綜合財務報表之附註56內。

捐款

本集團年內之慈善及其他捐款共約20,000港元。

根據《上市規則》第13.20及13.22條作出披露

(1) 為若干實體提供貸款

於2007年3月31日，向實體提供之貸款個別並不超逾《上市規則》第14.07(1)條所界定資產比率之8%。

(2) 給予聯屬公司之財務資助及擔保

於2007年3月31日，本集團給予其聯營公司及共同控制實體(按上市規則第13章之界定，統稱「聯屬公司」)之財務資助及本集團就授予聯屬公司之融資所作出之擔保合共並不超逾《上市規則》第14.07(1)條所界定資產比率之8%。

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Joseph Chow OBE, JP

Chairman

Hong Kong

20 July 2007

核數師

一項為續聘德勤•關黃陳方會計師行為本公司核數師之決議案將提呈於股東週年大會上。

代表董事局

主席

周明權 OBE, JP

香港

2007年7月20日