

The Directors submit herewith their annual report together with the audited accounts for the year ended 31st December 2004.

董事會全人謹此提呈截至二零零四年十二月三十一日止年度之年報及經審核之賬目。

PRINCIPAL ACTIVITIES

主要業務

The principal activities of the Company are construction, property development and investment. The principal activities of the principal subsidiaries are set out in pages 108 to 110 on the accounts.

本公司之主要業務是承建工程、物業發展及投資。主要附屬公司之主要業務載於第108頁至第110頁之賬目內。

Analysis of the Group's performance for the year by geographical and business is set out in note 2 to the accounts.

年內，本集團按地域性及業務劃分之業績分析列於賬目附註2。

RESULTS AND APPROPRIATIONS

業績及分派

The results of the Group for the year are set out in the consolidated profit and loss account on page 52.

本集團於本年度之業績載於第52頁綜合損益表。

The Directors do not recommend the payment of a final dividend.

董事會不建議派發末期股息。

SHARE CAPITAL

股本

Details of the movements in share capital of the Company during the year are set out in note 26 to the accounts.

年內，本公司之股本變動詳情載於賬目附註26。

FIXED ASSETS

固定資產

Details of the movements in fixed assets of the Group and the Company are set out in note 14 to the accounts.

本集團及本公司之固定資產變動詳情載於賬目附註14。

DIRECTORS

董事

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

年內及於本報告日期之董事如下：

- * OEI Tjie Goan (Chairman)
(appointed on 23rd April 2004)
- * OEI Kang Eric (Managing Director and Chief Executive Officer)
(appointed on 23rd April 2004)
- * CHEN Libo
- * TANG Sau Wai Tom (appointed on 23rd April 2004)
- * SO Hang Selina (appointed on 23rd April 2004)
- * TSANG Sai Chung Kirk (appointed on 23rd April 2004)
- ** CHUNG Cho Yee Mico (appointed on 27th April 2004)
- * FAN Yan Hok Philip
- ** Albert Thomas (appointed on 27th September 2004)
DA ROSA, Junior
- ** CHENG Yuk Wo Erik (appointed on 14th July 2004)
- * LI Xueming (Deputy Chairman)
(re-designated from executive director to non-executive director with effect from 1st August 2004)
- * XU Zheng (Deputy Chairman)
(appointed on 23rd April 2004)
- * LIU Guolin (re-designated from executive director to non-executive director with effect from 23rd April 2004)

- * 黃志源 (主席)
(於二零零四年四月二十三日獲委任)
- * 黃剛 (董事總經理兼行政總裁)
(於二零零四年四月二十三日獲委任)
- * 陳立波
- * 鄧守偉 (於二零零四年四月二十三日獲委任)
- * 蘇荇 (於二零零四年四月二十三日獲委任)
- * 曾細忠 (於二零零四年四月二十三日獲委任)
- ** 鍾楚義 (於二零零四年四月二十七日獲委任)
- * 范仁鶴
- ** 羅凱栢 (於二零零四年九月二十七日獲委任)
- ** 鄭毓和 (於二零零四年七月十四日獲委任)
- * 李學明 (副主席)
(由執行董事調任為非執行董事，自二零零四年八月一日起生效)
- * 徐征 (副主席)
(於二零零四年四月二十三日獲委任)
- * 劉國林 (由執行董事調任為非執行董事，自二零零四年四月二十三日起生效)

Messrs. *JIANG Zhiquan, *YAO Jianping, *FAN Zhongwei and **LI Zhong Yuan resigned as directors on 23rd April 2004.

*蔣志權先生、*姚建平先生、*范忠偉先生及**李重遠先生於二零零四年四月二十三日辭任董事一職。

** Dr. CHOI Yu Leuk resigned as a director on 30th April 2004.

** 蔡宇畧博士於二零零四年四月三十日辭任董事一職。

* Mr. MU Shicheng appointed as a director on 23rd April 2004 and passed away on 24th May 2004.

* 穆世誠先生於二零零四年四月二十三日獲委任為董事，惟已於二零零四年五月二十四日身故。

* Mr. TSANG Hin Wai Dennis resigned as a director on 1st June 2004.

* 曾顯偉先生於二零零四年六月一日辭任董事一職。

* Executive Director

* 執行董事

* Non-executive Director

* 非執行董事

** Independent Non-executive Director

** 獨立非執行董事

DIRECTORS (continued)

The Company has received the annual confirmation of independence from all the Independent Non-executive Directors pursuant to the Listing Rules and consider them to be independent.

At the forthcoming annual general meeting ("AGM"), Mr. LI Xueming, Mr. TSANG Sai Chung Kirk, Ms. SO Hang Selina and Mr. TANG Sau Wai Tom will retire from office by rotation in accordance with Article 116 of the Articles of Association of the Company ("Articles") and will offer themselves for re-election to serve for another term. Further, Mr. CHENG Yuk Wo Erik and Mr. Albert Thomas DA ROSA, Junior who were newly appointed by the Board respectively will also retire from office in accordance with Article 117 of the Articles and will offer themselves for re-election for the forthcoming AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

董事 (續)

本公司已根據上市規則收到全部獨立非執行董事之年度確認函，並視彼等為獨立人士。

於應屆股東週年大會上，李學明先生、曾細忠先生、蘇荇女士及鄧守偉先生將根據本公司組織章程細則（「細則」）第116條輪席告退，並同意膺選連任。此外，董事會新委任之成員鄭毓和先生及羅凱栢先生亦將根據細則第117條告退，並同意於應屆股東週年大會膺選連任。

董事服務合約

概無董事與本公司訂立本公司不可於一年內予以終止而毋須賠償之服務合約（法定賠償除外）。

SHARE OPTION SCHEMES

購股權計劃

The share option scheme of the Company adopted on 22nd January 1998 (the "Old Option Scheme") was terminated on 3rd June 2004 and a new share option scheme was adopted on 3rd June 2004 (the "New Option Scheme"). Summary of the Option Schemes are set out below:

本公司於一九九八年一月二十二日採納了一項購股權計劃(「舊購股權計劃」)，該計劃已於二零零四年六月三日終止，而一項新購股權計劃已於二零零四年六月三日獲採納(「新購股權計劃」)。該等購股權計劃現概述如下：

	New Option Scheme 新購股權計劃	Old Option Scheme 舊購股權計劃
Purpose 目的	<p>To recruit and retain high caliber Eligible Persons (as defined below) and attract human resources that are valuable to the Group or any entity in which any member of the Group holds an equity interest ("Invested Entity")</p> <p>聘請及挽留優秀之合資格人士(定義見下文)及吸引對本集團有價值之人力資源或任何實體，而本集團旗下任何成員公司持有該等實體之股本權益(「投資實體」)</p> <p>To recognise the significant contributions of the Eligible Persons to the growth of the Group or Invested Entity by rewarding them with opportunities to obtain ownership interest in the Company</p> <p>透過提供機會讓合資格人士取得本公司之擁有權權益，確認彼等對本集團或投資實體之增長所作出之重大貢獻</p> <p>To further motivate and to give incentives to these Eligible Persons to continue to contribute to the long term success and prosperity of the Group or Invested Entity</p> <p>進一步鼓勵及獎勵該等合資格人士繼續為本集團或投資實體之長遠成功作出貢獻</p>	<p>As incentive to employees</p> <p>作為僱員之獎勵</p>

SHARE OPTION SCHEMES (continued)

購股權計劃 (續)

	New Option Scheme 新購股權計劃	Old Option Scheme 舊購股權計劃
Eligible Persons 合資格人士	Any employee, senior executive or officer, manager, director or consultant of any member of the Group or any Invested Entity have contributed or will contribute to the growth and development of the Group or any Invested Entity 任何曾經或將會對本集團或任何投資實體之增長及發展作出貢獻之本集團旗下任何成員公司或投資實體之僱員、高級行政人員或職員、經理、董事或顧問	Any employee of the Group, including directors of any company in the Group 本集團任何僱員，包括本集團任何成員公司之董事
Total number of shares available for issue under the Schemes and percentage on issued share capital as at 31st December 2004 根據該等計劃可供發行之股份總數，以及佔二零零四年十二月三十一日已發行之股本之百分比	194,840,927 shares (10%) 194,840,927股(10%)	N/A 不適用
Maximum entitlement of each Eligible Person 各合資格人士之最高配額	In any 12-month period: 於任何十二個月期間： (a) 1% of the issued share capital (excluding substantial shareholders and independent non-executive directors) 佔已發行股本之1% (不包括主要股東及獨立非執行董事) (b) 0.1% of the issued share capital and not exceed HK\$5 million in aggregate value (for substantial shareholders and independent non-executive directors) 佔已發行股本之0.1%，但總值不超過5,000,000港元 (就主要股東及獨立非執行董事而言)	25% of the aggregate number of shares for the time being issued and issuable under the Old Option Scheme 根據舊購股權計劃當時已發行及可發行之股份總數之25%。

SHARE OPTION SCHEMES (continued) 購股權計劃 (續)

	New Option Scheme 新購股權計劃	Old Option Scheme 舊購股權計劃
The period within which the shares must be taken up 須認購股份之期間	Not earlier than the date on which the option is granted or deemed to be grant and not be more than 10 years from the date of grant 不得早於購股權授予日期或視作授予日期，以及自授予日期起計不得超過十年	The options vests after 6 months and are exercisable for not exceeding 9½ years commencing 6 months after the date on which the grant of the option is accepted, or up to 21st January 2008, whichever is earlier 購股權於六個月後歸屬，並可於授予購股權獲接納日期後六個月起計不多於九年六個月之期間內或至二零零八年一月二十一日止（以較早者為準）
The minimum period for which an option must be held 持有購股權之最短期限	Nil 無規定	6 months 六個月
The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid 申請或接納購股權之應付金額以及付款或通知付款之期限或償還申請購股權貸款之期限	Payment of HK\$1.00 within 10 business days from the date of offer 自提呈日期起計十個營業日內支付1.00港元	Payment of HK\$1.00 within 28 days from the date of offer 自提呈日期起計28日內支付1.00港元

SHARE OPTION SCHEMES (continued)

購股權計劃 (續)

	New Option Scheme 新購股權計劃	Old Option Scheme 舊購股權計劃
<p>The basis of determining the exercise price 釐定行使價之基準</p>	<p>The higher of: 以下較高者:</p> <p>(a) the closing price of the shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer 股份於提呈日期在香港聯合交易所有限公司(「聯交所」)之收市價</p> <p>(b) the average closing prices of the shares on the Stock Exchange for 5 business days immediately preceding the date of offer 股份緊接於提呈日期前五個營業日在聯交所之平均收市價</p> <p>(c) the nominal value of a share 股份之面值</p>	<p>The higher of: 以下較高者:</p> <p>(a) 80% of the average closing prices of the shares on the Stock Exchange for 5 business days immediately preceding the date of offer 股份緊接於提呈日期前五個營業日在聯交所平均收市價之80%</p> <p>(b) the nominal value of a share 股份之面值</p>
<p>The remaining life 餘下年期</p>	<p>Until 2nd June 2014 直至二零一四年六月二日</p>	<p>Terminated on 3rd June 2004 於二零零四年六月三日終止</p>

董事會報告書 (續)

REPORT OF THE DIRECTORS (CONTINUED)

SHARE OPTION SCHEMES (continued) 購股權計劃 (續)

At 31st December 2004, details of the share options granted under the Old Option Scheme are as follows: 於二零零四年十二月三十一日，根據舊購股權計劃授予之購股權詳情如下：

		Number of options outstanding at 1st January 2004 於二零零四年 一月一日 未行使之 購股權數目	Number of options cancelled during the year 於二零零四年 十二月三十一日 未行使之 購股權數目	Number of options outstanding at 31st December 2004 於二零零四年 十二月三十一日 未行使之 購股權數目	Date of grant 授予日期	Exercise period 可行使期間	Exercise price per share 每股行使價 HK\$ 港元	Closing price per share immediately before the date of grant 緊接於購股權 授予日期前之 每股收市價 HK\$ 港元
CHEN Libo	陳立波	4,000,000	-	4,000,000	20/5/1998	20/11/1998 - 19/5/2005	3.48	4.28
		2,000,000	-	2,000,000	18/6/1998	18/12/1998 - 18/6/2005	2.29	2.90
		3,000,000	-	3,000,000	28/9/1998	28/3/1999 - 28/9/2005	1.48	1.88
Employees	僱員	4,240,000	(2,790,000)	1,450,000	20/5/1998	20/11/1998 - 19/5/2005	3.48	4.28
		950,000	-	950,000	18/6/1998	18/12/1998 - 18/6/2005	2.29	2.90
Other participants	其他 參與者	3,000,000	-	3,000,000	20/5/1998	20/11/1998 - 19/5/2005	3.48	4.28

Note: No options were granted nor exercised under the Option Schemes during the year ended 31st December 2004.

附註：截至二零零四年十二月三十一日止年度內，並無根據該等購股權計劃授予或行使任何購股權。

DIRECTORS' INTERESTS

董事權益

At 31st December 2004, the interests and short positions of the Directors and Chief Executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

於二零零四年十二月三十一日，(a)根據證券及期貨條例（「證券及期貨條例」）第XV部第7及第8分部須向本公司及聯交所作出之通知（包括根據證券及期貨條例該等條文彼等被當作或視為擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條規定存置之登記冊記錄；或(c)根據聯交所證券上市規則（「上市規則」）所載之上市公司董事進行證券交易之標準守則須向本公司及聯交所作出之通知，本公司董事及行政總裁於本公司及其聯繫公司（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益及淡倉如下：

(i) Interests of the Directors in shares and underlying shares of the Company:

(i) 董事於本公司股份及相關股份之權益：

Name of Directors	Nature of interests	Long position	Note	Approximate % of the issued share capital	Short position	Approximate % of the issued share capital
董事姓名	權益性質	好倉	附註	佔已發行股本之概約百分比	淡倉	佔已發行股本之概約百分比
OEI Kang Eric 黃剛	Corporate 公司	1,617,287,276	1	83%	76,628,000	3.93%
	Family 家族	1,118,000	2	0.06%		
CHEN Libo 陳立波	Personal 個人	59,300,000	3	3.04%		
TSANG Sai Chung Kirk 曾細忠	Personal 個人	150,000		0.01%		
TANG Sau Wai Tom 鄧守偉	Personal 個人	242,000		0.01%		

董事會報告書 (續)

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' INTERESTS (continued)

董事權益 (續)

(i) Interests of the Directors in shares and underlying shares of the Company: (continued)

(i) 董事於本公司股份及相關股份之權益：(續)

Notes:-

附註：-

1. The corporate interest of Mr. Oei represents the interest in 1,138,993,905 shares held by Creator, a call option for Creator to subscribe at no consideration for 380,000,000 underlying bonus shares credited as fully paid at HK\$1.00 per share in whole or in part during the period of 5 years from 13th April 2004 and a put option for Creator to buy back 98,293,371 underlying shares from the creditors and FRN holders, pursuant to Debt Transfer and Exchange Agreement dated 20th December 2003 entered into between Creator, bank creditors and the FRN holders.
2. The family interest of Mr. Oei represents the shares jointly held with his wife.
3. The personal interest of Mr. Chen represents the interest in 19,300,000 shares, an interest in 31,000,000 underlying shares pursuant to the placing agreement dated 19th October 2004 made with Creator and an interest in 9,000,000 underlying shares in respect of the share option granted by the Company as stated below.

1. 黃先生擁有之公司權益指於創達持有之1,138,993,905股股份權益、創達可自二零零四年四月十三日起五年期間無償認購全部或部分380,000,000股按每股面值1.00港元入賬列作繳足之相關紅股之認購期權權益、以及根據創達、債權銀行及浮息票據持有人於二零零三年十二月二十日訂立之債務轉讓及交換協議，於創達可向債權人及浮息票據持有人回購98,293,371股相關股份之認沽期權權益。
2. 黃先生之家族權益指與其妻子共同持有之股份。
3. 陳先生之個人權益指於19,300,000股股份之權益、與創達於二零零四年十月十九日訂立之配售協議項下31,000,000股相關股份之權益、以及於下述與本公司授予之購股權有關之9,000,000股相關股份之權益。

DIRECTORS' INTERESTS (continued)

董事權益 (續)

(ii) Options to subscribe for shares of HK\$1.00 each in the Company granted under the Old Option Scheme:

(ii) 根據舊購股權計劃所授予認購本公司每股面值 1.00 港元之股份之購股權：

Name of Director	Number of options outstanding at 1st January 2004 於二零零四年一月一日未行使之購股權數目	Number of options outstanding at 31st December 2004 於二零零四年十二月三十一日未行使之購股權數目	Date of grant 授予日期	Exercise period 可行使期間	Number of options exercised during the year 年內已行使之購股權數目	Exercise price per share 每股行使價	Closing price per share immediately before the date of grant 緊接於購股權授予日期前之每股收市價	Consideration paid for the options granted 支付授予購股權之代價
董事姓名	購股權數目	購股權數目	授予日期	可行使期間	購股權數目	每股行使價 HK\$ 港元	每股收市價 HK\$ 港元	之代價 HK\$ 港元
CHEN Libo 陳立波	4,000,000	4,000,000	20/5/1998	20/11/1998 - 19/5/2005	-	3.48	4.28	1
	2,000,000	2,000,000	18/6/1998	18/12/1998 - 18/6/2005	-	2.29	2.90	1
	3,000,000	3,000,000	28/9/1998	28/3/1999 - 28/9/2005	-	1.48	1.88	1

Note: The options are held by the Director under personal interests.

附註：該等購股權乃董事以個人權益持有。

(iii) Interests of the Directors in shares and underlying shares in associated corporation of the Company:

(iii) 董事於本公司聯繫公司之股份及相關股份之權益：

Mr. OEI Kang Eric owns 1 ordinary share (representing 100% interest) in Creator Holdings Limited as his personal interests.

黃剛先生於創達集團有限公司擁有 1 股普通股 (佔 100% 權益) 作為其個人權益。

Save as disclosed above, at no time during the year was the Company, its subsidiaries, its associated companies, its holding company or its fellow subsidiaries a party to any arrangement to enable the Directors to hold any interests or short positions in the shares or underlying shares in, or debentures of, the company or its associated corporation.

除上文所披露者外，於年內，本公司、其附屬公司、聯營公司、控股公司或其同系附屬公司概無參與訂立致使董事可藉獲取本公司或其聯繫公司之股份、相關股份或債券之權益或淡倉之任何安排。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

主要股東權益

The register of substantial shareholders maintained under Section 336 of the SFO showed that as at 31st December 2004, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital.

於二零零四年十二月三十一日，根據證券及期貨條例第336條存置之主要股東登記冊，顯示本公司已獲通知下列主要股東擁有本公司已發行股本5%或以上之權益及淡倉。

These interests are in addition to those disclosed above in respect of the Directors and chief executives.

此等權益乃上文就董事及最高行政人員披露之權益以外之權益。

Name of Shareholders	Long position	Approximate %		Approximate %	
		of the issued share capital	Short position	of the issued share capital	of the issued share capital
股東名稱	好倉	佔已發行股本之概約百分比	淡倉	佔已發行股本之概約百分比	
Creator Holdings Limited 創達集團有限公司	1,617,287,276	Note 附註	83%	76,628,000	3.93%
Shanghai Construction (Group) General Corporation 上海建工(集團)總公司	149,000,000		7.65%		

Note:-

附註：—

The interest represents the interest in 1,138,993,905 shares, a call option to subscribe at no consideration for 380,000,000 underlying bonus shares credited as fully paid at HK\$1.00 per share in whole or in part during the period of 5 years from 13th April 2004 and a put option to buy back 98,293,371 underlying shares from the creditors and FRN holders, pursuant to Debt Transfer and Exchange Agreement dated 20th December 2003 entered into between Creator, bank creditors and the FRN holders.

權益指於1,138,993,905股股份權益，可自二零零四年四月十三日起五年期間無償認購全部或部分380,000,000股按每股面值1.00港元入賬列作繳足之相關紅股之認購期權權益，以及根據創達、債權銀行及浮息票據持有人於二零零三年十二月二十日訂立之債務轉讓及交換協議，可向債權人及浮息票據持有人回購98,293,371股相關股份之認沽期權權益。

Save as stated above, no other person had any interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under Part XV of the SFO.

除上述者外，概無其他人士擁有股份或相關股份中之權益或淡倉而須根據證券及期貨條例第XV部向本公司披露。

DIRECTORS' INTERESTS IN CONTRACTS

Other than the service contracts, there is no contracts of significance in relation to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Mr. LI Xueming and Mr. FAN Yan Hok Philip are directors and senior management in the China Everbright Group of companies which is carrying on a variety of businesses. One of its business activities is property development/investments.

Mr. LIU Guolin and Mr. XU Zheng are directors and senior management in the Shanghai Construction Group which is a sub-contractor and a joint venture partner for certain construction projects of the Company. One of its business activities is construction business in PRC.

Having considered that the Company itself has its own management supervising the daily operation and making financial and business decisions, the Company can operate its business independently from China Everbright Group and Shanghai Construction Group.

MANAGEMENT CONTRACTS

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

董事之合約權益

除服務合約外，於年結日或年內任何時間，本公司或其任何附屬公司概無訂立任何董事在其中擁有重大權益之重要合約。

董事在競爭業務之權益

李學明先生及范仁鶴先生為中國光大集團之董事及高級管理人員。中國光大集團經營多元化之業務，當中包括物業發展／投資。

劉國林先生及徐征先生為上海建工（集團）之董事及高級管理人員。該公司為本公司若干建築項目之分包商及合營夥伴，其業務包括在中國從事工程承建。

然而，本公司擁有本身之管理層管理日常業務運作及作出財務和商業決策，本公司之業務經營能夠獨立於中國光大集團及上海建工（集團）。

管理合約

本公司於年內並無訂立或擁有任何有關本公司全部或其中任何重大部分業務之管理及行政合約。

MAJOR CUSTOMERS AND SUPPLIERS 主要客戶及供應商

The percentages of the Group's purchases and sales for the year attributable to major suppliers and customers were as follows:

主要供應商及客戶佔本集團購貨額及銷售量之百分比如下：

Purchases	購貨額	
the largest supplier	最大供應商	17.15%
five largest suppliers	五大供應商	33.11%
Sales	銷售量	
the largest customer	最大客戶	34.90%
five largest customers	五大客戶	92.82%

None of the Directors, their associated companies or shareholders, which the knowledge of the Directors, held any interests in the share capital of the suppliers or customers noted above.

據董事會所知，概無董事、其聯營公司或股東於上述供應商或客戶之股本中擁有任何權益。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

購買、出售或贖回上市證券

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

本公司或各附屬公司於本財政年度內並無購買、出售或贖回其任何上市證券。

BANK LOANS AND OTHER BORROWINGS

銀行貸款及其他借款

Particulars of bank loans and other borrowings of the Group and the Company at 31st December 2004 are set out in note 30 to the accounts.

本集團及本公司於二零零四年十二月三十一日之銀行貸款及其他借款詳情，列於賬目附註30。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

A five-year financial summary of the results and of the assets and liabilities of the Group is set out on pages 113 and 114.

本集團業績、資產及負債之五年概要刊載於年報第113頁及第114頁。

LIQUIDITY

As of the balance sheet date, the Group's unpledged cash and bank deposits were HK\$378.4 million (2003: HK\$164.6 million). The directors anticipate that the Group will utilise the available cash balances, the proceeds from its construction contracts and future sales of properties, and rental income together with any new loans which is expected to be available from the banks to meet its funding requirements of its major construction contracts and working capital requirements in both Hong Kong and China.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group are set out on page 115 and 116.

DONATIONS

During the year, the Group made charitable and other donations of approximately HK\$430,000.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 27 to the accounts.

RETIREMENT SCHEMES

The Group operates a Mandatory Provident Fund Scheme. Particulars of the retirement schemes are set out in note 9 to the accounts.

CODE OF BEST PRACTICE

During the year, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that the independent non-executive directors are not appointed for specific terms.

現金流動

於結算日，本集團未抵押之現金及銀行存款合共為378,400,000港元（二零零三年：164,600,000港元）。董事會預料本集團將從可用現金結餘、建築工程和將來物業出售之所得款項、租金收入和預期可以從銀行獲得之新貸款，以應付香港和中國之主要建築工程合約和日常營運資金之資金需要。

主要物業

本集團之主要物業詳情載於第115頁及第116頁。

捐款

年內，本集團捐出約430,000港元作慈善及其他捐贈用途。

儲備

本集團及本公司於年內之儲備變動載於賬目附註27。

退休金計劃

本集團設有一項強制性公積金退休福利計劃。退休福利計劃詳情列於賬目附註9內。

最佳應用守則

年內，除獨立非執行董事並無特定任期外，本公司遵守上市規則附錄14所載之最佳應用守則。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specified employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code. A Code for Securities Dealings by Employees has also been adopted in this regard.

ADVANCES AND GUARANTEES TO AFFILIATED COMPANIES AND OTHER ENTITY – DISCLOSURE PURSUANT TO RULES 13.13 TO 13.22 OF THE LISTING RULES

AFFILIATED COMPANIES

The Company itself and through its subsidiaries have entered into contractual joint venture agreements with several joint venture members and have undertaken substantial investments for development of certain properties and infrastructure projects, and construction works. Pursuant to these agreements, investments were made to joint venture companies in the form of capital and advances in proportion to the respective joint venture members' capital contribution ratios or in accordance with the terms of the joint venture agreements. These investments were classified under the headings "jointly controlled entities" and "associated companies" in the consolidated balance sheet of the Group. Details of such investments as at 31st December 2004 are disclosed below:

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載董事進行證券交易之標準守則作為其本身董事進行證券交易之守則。特定僱員若可能擁有本集團尚未公開之股價敏感資料，亦須符合一套內容不比標準守則寬鬆之指引。本公司亦已就此採納僱員買賣證券之守則。

對聯屬公司及其他實體之墊款及擔保 – 根據上市規則第 13.13 條至第 13.22 條作出披露

聯屬公司

本公司本身及透過其附屬公司與數位合營業務夥伴簽訂合約合營協議，並承諾相當數額之投資以發展若干物業、基建項目及建築工程。根據該等協議，各合營業務夥伴須按各自之出資比例或按合營協議之條款，以資本及墊款方式注資合營業務公司。有關投資在本集團之綜合資產負債表中列入「合營公司」及「聯營公司」兩項內。有關投資截至二零零四年十二月三十一日之詳情現披露如下：

AFFILIATED COMPANIES (continued)

聯屬公司 (續)

Affiliated companies 聯屬公司	% interest attributable to the Group 本集團應佔權益 百分比率	Amounts due from affiliated companies 應收 聯屬公司款項 HK\$ Million 百萬港元	Annual interest rate on advances 墊款年息率
Hong Kong Construction SMC Development Limited (note d and e) 香港建設蜆殼發展有限公司 (附註d及e)	40%	90.2	Interest bearing 帶息
Hong Kong Construction Kam Lung Limited (note d) (附註d)	45%	468.2	Interest free 免息
Right Choice International Limited (note d) (附註d)	27.5%	226.7	Interest free 免息
Dorboy Investment Limited (note d) 禧發投資有限公司 (附註d)	50%	469.9	Partial interest free/ Partial bearing interest at HK\$ prime rate +1% 部分免息／部分帶息，按港元 最優惠利率加一厘計息
Quick Wealth Investments Limited (note d) 快富投資有限公司 (附註d)	50%	455.2	Partial interest free/ Partial bearing interest at HK\$ prime rate 部分免息／部分帶息， 按港元最優惠利率計息
Hong Kong Construction-AMEC Joint Venture (note d) (附註d)	55%	99.9	Interest free 免息
	Total 合計	<u>1,810.1</u>	

AFFILIATED COMPANIES (continued)

聯屬公司 (續)

Notes:

附註:

- | | |
|--|---|
| (a) The advances are unsecured, without fixed repayment terms and are repayable in cash out of the net cash surplus from operation of the affiliated companies. | (a) 墊款均無抵押及無固定還款期，還款方式是從聯屬公司業務之現金盈餘淨額中以現金償還。 |
| (b) The advances made were funded by internal resources and by bank borrowings for general working capital purposes. | (b) 墊款乃從內部資源及銀行借款撥付作一般營運資金用途。 |
| (c) Save for those mentioned above, no guarantee has been given by the Group for facilities granted to the above mentioned affiliated companies. | (c) 除上文所述者外，本集團並無就授予上述聯屬公司之融資作出任何擔保。 |
| (d) The amounts due from these affiliated companies, which individually exceed 8% of the Company's market capitalisation as at 31st December 2004, are related to these companies' property development/investment projects and/or working capital funds. | (d) 應收上述聯屬公司款項（個別總額超過本公司於二零零四年十二月三十一日之市值總額8%）是有關於這些公司之物業發展／投資項目及／或營運資金。 |
| (e) Save as stated above, the Group has provided construction services to Hong Kong Construction SMC Development Limited for the development of a property in Guangzhou in prior years. The Group is still in the process of assessing the final payments due from them. | (e) 除上文所述者外，本集團向香港建設蜆殼發展有限公司提供建築服務，以於過往年度發展廣州一幢物業。本集團現在仍然評估最終應收該公司之款額。 |

As at 31st December 2004, total advances made to affiliated companies given by the Group for facilities utilised by affiliated companies, in aggregate, amounted to approximately HK\$1,810.1 million which represented approximately 52.1% of the total assets of the Group as at 31st December 2004.

於二零零四年十二月三十一日，本集團支付予聯屬公司作為聯屬公司融資之墊款總額合共約達1,810,100,000港元，佔本集團截至二零零四年十二月三十一日之資產總值約52.1%。

As the circumstances giving rise to this disclosure will probably continue to exist, the Board will ensure that the required details will be disclosed in the subsequent interim reports and annual reports providing adequate and sufficient information to allow investors to make an informed assessment of the financial position of the Group.

由於導致上述披露之情況應會繼續存在，董事會將確保在其後之中期報告及年報內披露所需詳情，以提供適當及充足之資料供投資者對本集團之財務狀況作出知情之評估。

PRO FORMA COMBINED BALANCE SHEET OF AFFILIATED COMPANIES **聯屬公司之備考合併資產負債表**

A pro forma combined balance sheet of certain affiliated companies with major financial assistance from the Group and the Group's attributable interest in these affiliated companies as at 31st December 2004 is presented below:

若干聯屬公司獲得本集團重大財務資助，其備考合併資產負債表及本集團應佔有關聯屬公司之權益於二零零四年十二月三十一日載述如下：

		Combined total 合併總數	
		HK\$ Million 百萬港元	HK\$ Million 百萬港元
Fixed assets	固定資產		
Investment properties	投資物業		1,426.3
Hotel properties	酒店物業		2,221.0
Others	其他		1.3
			<u>3,648.6</u>
Other non-current assets	其他非流動資產		817.6
Current assets	流動資產		
Properties held for sale	作銷售用途之物業	10.8	
Other current assets	其他流動資產	417.8	
			<u>428.6</u>
Total assets	資產總值		<u><u>4,894.8</u></u>
Capital and reserves	資本及儲備		
Share capital	股本	10.1	
Reserves	儲備	(1,129.3)	(1,119.2)
Non-current liabilities	非流動負債		
Advances from shareholders	股東墊款	2,900.4	
Bank and other loans	銀行及其他貸款	230.0	
Other non-current liabilities	其他非流動負債	408.2	3,538.6
Current liabilities	流動負債		
Amounts due to shareholders/ joint venturers	應付股東/ 合營者款項	842.7	
Current portion of bank loans	銀行貸款之流動部分	308.6	
Other current liabilities	其他流動負債	1,324.1	2,475.4
Equity and liabilities	股東權益及負債總額		<u><u>4,894.8</u></u>

Attributable interest of the affiliated companies to the Group as at 31st December 2004 amounted to a deficit of HK\$649.9 million.

於二零零四年十二月三十一日，本集團佔有聯屬公司之虧絀共649,900,000港元。

OTHER ENTITY

On 8th June 2004, Hong Kong Construction (Shenzhen) Limited ("HKC (Shenzhen)"), a subsidiary of the Group entered into an agreement with Xing Ye Bank, Shenzhen Branch ("Xing Ye Bank"), pursuant to which Xing Ye Bank agreed to act as the entrustment agent of HKC (Shenzhen) to on-lend a sum of RMB160.0 million to 海南漿林貿易有限公司, an independent third party in the PRC for the purpose of generating higher interest income. The advance was unsecured with interest charged at a rate of 4.779% per annum and repayable on the expiry of a three-month period following the drawdown on 9th June 2004. The advance of RMB160.0 million, together with interest accrued thereon up to 27th July 2004 of approximately RMB1,040,000, was fully settled on 28th July 2004.

AUDIT COMMITTEE

The audit committee comprises two independent non-executive directors and one non-executive director with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the board of directors. The audit committee has reviewed the Group's annual results for the year of 2004.

AUDITORS

KPMG acted as auditors of the Company up to and including the ended 31st December 2003. KPMG resigned on 3rd June 2004 and the Directors appointed PricewaterhouseCoopers to fill the casual vacancy effective 20th July 2004.

The accounts have been audited by PricewaterhouseCoopers who will retire upon the conclusion of the forthcoming annual general meeting, being eligible, offer themselves for re-appointment.

By order of the board

OEI Kang Eric

Managing Director and Chief Executive Officer

Hong Kong, 7th April 2005

其他實體

於二零零四年六月八日，本集團附屬公司香港建設(深圳)有限公司(「香港建設(深圳)」)與興業銀行深圳分行(「興業銀行」)訂立一份協議，據此，興業銀行同意就向海南漿林貿易有限公司(於中國之獨立第三方)提供人民幣160,000,000元之貸款，出任香港建設(深圳)之信託代理，以增加利息收入。該筆墊款未經抵押，以年息4.779%計息，並於二零零四年六月九日提取後三個月內到期償還。人民幣160,000,000元之墊款連同截至二零零四年七月二十七日之累計利息約為人民幣1,040,000元，全部已於二零零四年七月二十八日悉數償還。

審核委員會

審核委員會成員包括兩名獨立非執行董事及一名非執行董事，是根據上市規則之規定而成立，其職權範圍以書面列出，並向董事會匯報。審核委員會已審閱本集團二零零四年年度業績。

核數師

畢馬威會計師事務所於截至二零零三年十二月三十一日止年度(包括該年度)擔任本公司之核數師。畢馬威會計師事務所於二零零四年六月三日辭任，董事會委聘羅兵咸永道會計師事務所填補臨時空缺，自二零零四年七月二十日起生效。

賬目經由羅兵咸永道會計師事務所審核，該核數師將於應屆股東週年大會任滿告退，但表示願意應聘連任。

承董事會命

黃剛

董事總經理兼行政總裁

香港，二零零五年四月七日