

The Directors present to the shareholders their report together with the audited financial statements of the Group for the year ended 31st December, 2004 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities and other particulars of its principal subsidiaries and associates as at 31st December, 2004 are set out in notes 36 and 37 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 27.

No interim dividend was declared for the Year (2003: Nil) and the Board did not recommend any payment of final dividend for the Year (2003: Nil).

SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to loss from operations by principal activities is set out in note 5 to the financial statements.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 79.

INVESTMENT PROPERTIES

During the year, cost of investment properties of approximately HK\$32.2 million was disposed of at a consideration of approximately HK\$34.7 million.

Details of these and other movements in investment properties during the year are set out in note 15 to the financial statements.

PROPERTY AND OTHER FIXED ASSETS

Movements in the property and other fixed assets of the Group and the Company during the year are set out in note 16 to the financial statements.

本董事會謹向股東提呈董事會報告書及本集團截至二零零四年十二月三十一日止年度（「本年度」）之經審核財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司及聯營公司於二零零四年十二月三十一日之主要業務及其他資料載於財務報表附註36及37。

業績及分配

本集團於本年度之業績載於第27頁之綜合收益表。

本年度並無宣派中期股息（二零零三年：無）而董事會亦不建議派付本年度之末期股息（二零零三年：無）。

分類資料

本集團按主要業務劃分之營業額及經營虧損分析載於財務報表附註5。

財務概要

本集團過往五個財政年度之業績、資產與負債概要載於第79頁內。

投資物業

年內，成本約32,200,000港元之投資物業已以約34,700,000港元之代價售出。

年內有關投資物業之上述及其他變動詳情載於財務報表附註15。

物業及其他固定資產

本集團及本公司於年內之物業及其他固定資產變動情況載於財務報表附註16。

PROPERTIES HELD FOR DEVELOPMENT

Movements in properties held for development during the year are set out in note 17 to the financial statements.

PROPERTY INTERESTS HELD FOR DEVELOPMENT

Movements in property interests held for development during the year are set out in note 18 to the financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group as at 31st December, 2004 are set out on pages 80 to 84.

SHARE CAPITAL

Movements in share capital of the Company during the year are set out in note 27 to the financial statements respectively.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 28 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers contributed approximately 49% and 96% of the Group's total purchases for the Year.

The aggregate turnover attributable to the Group's largest customer and five largest customers accounted for 70% and 86% of the Group's total turnover for the Year.

持作發展物業

持作發展物業於年內之變動載於財務報表附註17。

持作發展之物業權益

持作發展之物業權益於年內之變動載於財務報表附註18。

主要物業

本集團於二零零四年十二月三十一日之主要物業詳情載於第80至84頁內。

股本

本公司之股本於年內之變動情況分別載於財務報表附註27。

儲備

本集團及本公司之儲備於本年內之變動情況載於財務報表附註28。

購買、出售或贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

主要供應商及客戶

本年度本集團之最大供應商及五大供應商應佔之購貨總額分別佔本集團購貨總額約49%及96%。

本年度本集團之最大客戶及五大客戶應佔之營業總額分別佔本集團之營業總額70%及86%。

MAJOR SUPPLIERS AND CUSTOMERS (cont'd)

None of the Company's directors, their associates, or any shareholders of the Company (which to the knowledge of the Company's directors owned more than 5% of the Company's issued shares) had a beneficial interest in any of the Group's five largest suppliers and customers.

DIRECTORS

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

Executive Directors:

Mr. Thomas Lau, Luen-hung (*Chairman*)

Mr. Joseph Lau, Luen-hung

Independent Non-executive Directors:

Mr. Chan, Kwok-wai (resigned on 28th September 2004)

Mr. Shum, Man-wai (resigned on 28th September 2004)

Mr. Wang, Jian-guo (appointed on 28th September, 2004)

Mr. Mok, Hon-sang (appointed on 28th September, 2004)

Mr. Wong, Tik-tung (appointed on 28th September, 2004)

In accordance with Articles 92 and 101 of the Company's Articles of Association, Mr. Wang, Jian-guo, Mr. Mok, Hon-sang, Mr. Wong, Tik-tung and Mr. Joseph Lau, Luen-hung will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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

主要供應商及客戶(續)

本公司董事、彼等之聯繫人士或本公司任何股東(據本公司董事所知擁有本公司已發行股份逾5%者)概無擁有本集團五大供應商及客戶之實益權益。

董事

於年內及直至本報告日期止，董事為：

執行董事：

劉鑾鴻先生(主席)

劉鑾雄先生

獨立非執行董事：

陳國偉先生(於二零零四年九月二十八日辭任)

岑文偉先生(於二零零四年九月二十八日辭任)

王建國先生(於二零零四年九月二十八日委任)

莫漢生先生(於二零零四年九月二十八日委任)

汪滌東先生(於二零零四年九月二十八日委任)

根據本公司組織章程細則第92及101條之規定，王建國先生、莫漢生先生、汪滌東先生及劉鑾雄先生將告退，惟彼等願於即將舉行之股東週年大會上膺選連任。

擬於即將舉行之股東週年大會上膺選連任之董事概無訂立本集團不可於一年內毋須支付賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

董事及最高行政人員於本公司及相聯法團之證券權益

As 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 Part XV of the Securities and Futures Ordinance (the "SFO") 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies were as follows:-

於二零零四年十二月三十一日，本公司董事及最高行政人員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、相關股份及債券中擁有根據證券及期貨條例第352條置存之登記冊所載錄或根據上市公司董事證券交易標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

I. The Company 本公司

Name of Director 董事姓名	Number of Shares (ordinary share) 股份數目(普通股)	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Joseph Lau, Luen-hung 劉鑾雄	209,811,186	1	Interest in Controlled Corporation 於受控制公司 之權益	74.32%

II. Associated Corporation of the Company 本公司之相聯法團

Chinese Estates 華人置業

Name of Director 董事姓名	Number of Shares (ordinary share) 股份數目(普通股)	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Joseph Lau, Luen-hung 劉鑾雄	1,000,000,000	2	Other Interests 其他權益	
	275,143,456	3	Other Interests 其他權益	
	1,275,143,456			62.81%
Thomas Lau, Luen-hung 劉鑾鴻	199,207,187	4	Other Interests 其他權益	9.81%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (cont'd)

董事及最高行政人員於本公司及相聯法團之證券權益 (續)

G-Prop 金匡

Name of Director 董事姓名	Number of Shares (ordinary share) 股份數目 (普通股)	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Joseph Lau, Luen-hung 劉鑾雄	397,858,761	5	Interest in Controlled Corporation 於受控制公司 之權益	57.56%

Notes:

- Mr. Joseph Lau, Luen-hung, by virtue of his 62.81% interest in the issued share capital of Chinese Estates as disclosed in paragraph II above, was deemed to be interested in these shares of the Company under the provisions of the SFO.
- The 1,000,000,000 shares of Chinese Estates were held by a unit trust of which Mr. Joseph Lau, Luen-hung was a unit holder. These shares were indirectly owned by a discretionary trust of which Mr. Joseph Lau, Luen-hung was the founder and certain family members of Mr. Joseph Lau, Luen-hung were eligible beneficiaries.
- The 275,143,456 shares of Chinese Estates were held by another discretionary trust of which certain family members of Mr. Joseph Lau, Luen-hung were eligible beneficiaries.
- These shares were indirectly owned by another discretionary trust of which certain family members of Mr. Thomas Lau, Luen-hung were eligible beneficiaries.
- Mr. Joseph Lau, Luen-hung, by virtue of his 62.81% interest in the issued share capital of Chinese Estates as disclosed in paragraph II above, was deemed to be interested in 397,858,761 shares of G-Prop under the provisions of the SFO. Chinese Estates was interested in 397,858,761 shares of G-Prop of which 170,000,000 shares, 113,818,911 shares, 37,162,165 shares and 76,877,685 shares were issued shares respectively held by Million Point Limited ("Million Point"), Paul Y. Holdings Company Limited ("Paul Y."), Great Empire International Ltd. ("Great Empire") and Luckpoint Investment Limited ("Luckpoint").

Chinese Estates was deemed to be interested in the 170,000,000 shares of G-Prop by virtue of the SFO as Chinese Estates owned the entire issued share capital of Chinese Estates, Limited, which owned the entire issued share capital of Cosmos Success Limited which in turn owned the entire issued share capital of Million Point.

附註:

- 正如上文第II段所披露，劉鑾雄先生擁有華人置業已發行股本中之62.81%權益，故根據證券及期貨條例之規定，被視為擁有該等本公司股份。
- 該等1,000,000,000股華人置業股份由一項以劉鑾雄先生為單位持有人之單位信託基金持有。該等股份由一項以劉鑾雄先生為創立人及劉鑾雄先生之若干家族成員為合資格受益人之全權信託間接擁有。
- 該等275,143,456股華人置業股份由另一項以劉鑾雄先生之若干家族成員為合資格受益人之全權信託持有。
- 該等股份由另一項以劉鑾鴻先生之若干家族成員為合資格受益人之全權信託間接擁有。
- 正如上文第II段所披露，劉鑾雄先生擁有華人置業已發行股本中之62.81%權益，故根據證券及期貨條例之規定，被視為擁有金匡之397,858,761股股份。華人置業擁有397,858,761股金匡股份，其中170,000,000股、113,818,911股、37,162,165股及76,877,685股之已發行股份分別由Million Point Limited (「Million Point」)、Paul Y. Holdings Company Limited (「Paul Y.」)、Great Empire International Ltd. (「Great Empire」)及樂邦投資有限公司 (「樂邦」)持有。

由於華人置業擁有華人置業有限公司之全部已發行股本，而華人置業有限公司擁有Cosmos Success Limited之全部已發行股本，後者則擁有Million Point之全部已發行股本，華人置業根據證券及期貨條例被視為擁有上述170,000,000股金匡股份。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (cont'd)

Chinese Estates was also deemed to be interested in the 113,818,911 shares of G-Prop by virtue of the SFO as Chinese Estates owned the entire issued share capital of Paul Y.

Chinese Estates was also deemed to be interested in the 37,162,165 shares of G-Prop by virtue of the SFO as Chinese Estates owned the entire issued share capital of Paul Y., which owned the entire issued share capital of Goldstance Group Limited, which in turn owned the entire issued share capital of Great Empire.

Chinese Estates was also deemed to be interested in the 76,877,685 shares of G-Prop by virtue of the SFO as Chinese Estates owned the entire issued share capital of China Entertainment and Land Investment Company, Limited, which in turn owned the entire issued share capital of Luckpoint.

All the interests stated above represent long positions. The percentage shown was the number of shares the relevant director of the Company was interested expressed as a percentage of the number of issued shares as at 31st December, 2004.

Save as disclosed above, none of the other directors and chief executives of the Company had or were deemed under the SFO to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within Part XV of the SFO) as at 31st December, 2004, and none of the directors or chief executives of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations during the year.

董事及最高行政人員於本公司及相聯法團之證券權益(續)

由於華人置業擁有Paul Y.之全部已發行股本，華人置業根據證券及期貨條例亦被視為擁有上述113,818,911股金匡股份。

由於華人置業擁有Paul Y.之全部已發行股本，而Paul Y.擁有Goldstance Group Limited之全部已發行股本，後者則擁有Great Empire之全部已發行股本，華人置業根據證券及期貨條例亦被視為擁有上37,162,165股金匡股份。

由於華人置業擁有中華娛樂置業有限公司之全部已發行股本，而中華娛樂置業有限公司擁有樂邦之全部已發行股本，華人置業根據證券及期貨條例亦被視為擁有上述76,877,685股金匡股份。

上述所有權益均為好倉。所顯示的百分比為本公司有關董事於二零零四年十二月三十一日擁有之股份數目佔已發行股份數目之百分比。

除上文所披露者外，於二零零四年十二月三十一日，本公司其他董事及最高行政人員概無擁有或根據證券及期貨條例被視為擁有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、相關股份或債券之任何權益或淡倉，並於本年度內，本公司之董事或最高行政人員或彼等之配偶或未滿十八歲之子女概無獲授予或已行使任何可認購本公司或其任何相聯法團之證券之任何權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 31st December, 2004, so far as are known to the directors of the Company, the following parties (other than a director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

主要股東於本公司證券之權益

據本公司董事會所知悉，於二零零四年十二月三十一日，本公司根據證券及期貨條例第336條須置存之登記冊所載錄，直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益之人士(本公司之董事或最高行政人員除外)如下：

Name 名稱	Number of Shares (ordinary share) 股份數目(普通股)	Capacity 身份	Percentage of issued share capital 已發行股本百分比
Billion Up Limited	209,811,186 (notes 1 & 2) (附註1及2)	Beneficial Owner 實益擁有人	74.32%
Lucky Years Ltd.	209,811,186 (notes 1 & 2) (附註1及2)	Interest in Controlled Corporation 受控制公司之權益	74.32%
Chinese Estates 華人置業	209,811,186 (notes 1 & 2) (附註1及2)	Interest in Controlled Corporation 受控制公司之權益	74.32%
Global King Ltd.	209,811,186 (notes 1 & 3) (附註1及3)	Trustee 信託人	74.32%
Credit Suisse Trust Limited	209,811,186 (notes 1 & 3) (附註1及3)	Trustee and Beneficiary of a Trust 信託人及一項信託之受益人	74.32%
Li Ka-shing 李嘉誠	21,833,142 (notes 4 & 5) (附註4及5)	Founder of Discretionary Trusts and Interest of Controlled Corporations 全權信託之創立人及 受控制公司之權益	7.73%
Li Ka-Shing Unity Trustcorp Limited	21,833,142 (notes 4 & 5) (附註4及5)	Trustee and Beneficiary of a Trust 信託人及一項信託之受益人	7.73%
Li Ka-Shing Unity Trustee Corporation Limited	21,833,142 (notes 4 & 5) (附註4及5)	Trustee and Beneficiary of a Trust 信託人及一項信託之受益人	7.73%
Li Ka-Shing Unity Trustee Company Limited	21,833,142 (notes 4 & 5) (附註4及5)	Trustee 信託人	7.73%

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd)

主要股東於本公司證券之權益 (續)

Name 名稱	Number of Shares (ordinary share) 股份數目 (普通股)	Capacity 身份	Percentage of issued share capital 已發行股本百分比
Cheung Kong (Holdings) Limited 長江實業(集團)有限公司	21,833,142 (notes 4 & 5) (附註4及5)	Interest of Controlled Corporations 受控制公司之權益	7.73%
Hutchison Whampoa Limited 和記黃埔有限公司	21,833,142 (note 4) (附註4)	Interest of Controlled Corporations 受控制公司之權益	7.73%
Hutchison International Limited 和記企業有限公司	21,833,142 (note 4) (附註4)	Interest of a Controlled Corporation 受控制公司之權益	7.73%
Primetek Holdings Limited	21,833,142 (note 4) (附註4)	Beneficial Owner 實益擁有人	7.73%

Notes:

- These shares were the same parcel of shares referred to in "Interest in Controlled Corporation" of Mr. Joseph Lau, Luen-hung under "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations" as disclosed in paragraph I above.
- Billion Up Limited was a wholly-owned subsidiary of Lucky Years Ltd., which in turn was a wholly-owned subsidiary of Chinese Estates, and its interests in the shares of the Company were duplicated and included in the shareholding stated against Lucky Years Ltd. and Chinese Estates.
- Credit Suisse Trust Limited as trustee of a discretionary trust held units in a unit trust of which Global King Ltd. was the trustee. Global King Ltd. was entitled to exercise more than one-third of the voting power at the general meetings of Chinese Estates. Accordingly, Global King Ltd. and Credit Suisse Trust Limited were deemed to be interested in the same interests stated against Chinese Estates.
- Primetek Holdings Limited ("Primetek") is a wholly-owned subsidiary of Hutchison International Limited ("HIL"), which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"). By virtue of the SFO, HWL and HIL are deemed to be interested in the 21,833,142 shares of the Company held by Primetek.

附註:

- 該等股份為上文第I段所披露「董事及最高行政人員於本公司及相聯法團之證券權益」中所述劉鑾雄先生「於受控制公司之權益」中所指之同一批股份。
- Billion Up Limited為Lucky Years Ltd.之全資附屬公司，Lucky Years Ltd.為華人置業之全資附屬公司，其於本公司股份之權益已重複計入，並包括在Lucky Years Ltd.及華人置業所述之股權內。
- Credit Suisse Trust Limited (作為一項全權信託之信託人) 持有一項以Global King Ltd.為信託人之單位信託基金之單位。Global King Ltd.有權在華人置業之股東大會上行使三分之一以上之投票權。因此，Global King Ltd.及Credit Suisse Trust Limited被視為擁有華人置業所擁有之權益。
- Primetek Holdings Limited (「Primetek」) 為和記企業有限公司 (「和記企業」) 之全資附屬公司，而後者為和記黃埔有限公司 (「和黃」) 之全資附屬公司。根據證券及期貨條例，和黃及和記企業被視為擁有Primetek持有之21,833,142股本公司股份。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd)

5. Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, 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 ("TUT1"). TUT1 as trustee of The Li Ka-Shing Unity Trust ("UT1"), together with certain companies which TUT1 as trustee of UT1 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 Cheung Kong (Holdings) Limited ("CKH"). Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

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 UT1.

By virtue of the SFO, each of Mr. Li Ka-shing being the settlor and may being regarded as a founder of DT1 and DT2 for the purpose of the SFO, TDT1, TDT2, TUT1 and CKH was deemed to be interested in the 21,833,142 shares of the Company held by Primetek.

All the interests stated above represent long positions. As at 31st December, 2004, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no arrangements to which the Company, its ultimate holding company, or any of its ultimate holding company's subsidiaries was a party 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 during the year.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There were no contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the year or at any time during the year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

主要股東於本公司證券之權益 (續)

5. 由李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有全部已發行股本之三分之一權益之Li Ka-Shing Unity Holdings Limited，擁有Li Ka-Shing Unity Trustee Company Limited (「TUT1」) 之全部已發行股本。TUT1以The Li Ka-Shing Unity Trust (「UT1」) 信託人之身份，連同若干公司 (TUT1以UT1信託人之身份有權在其股東大會上行使或控制行使三分之一以上之投票權之公司) 合共持有長江實業 (集團) 有限公司 (「長實」) 三分之一以上之已發行股本。長實之附屬公司有權在和黃之股東大會上行使或控制行使三分之一以上之投票權。

此外，Li Ka-Shing Unity Holdings Limited亦擁有Li Ka-Shing Unity Trustee Corporation Limited (「TDT1」) (The Li Ka-Shing Unity Discretionary Trust (「DT1」) 之信託人)，及Li Ka-Shing Unity Trustcorp Limited (「TDT2」) (另一全權信託 (「DT2」) 之信託人) 之全部已發行股本。TDT1及TDT2各持有UT1之單位。

根據證券及期貨條例，李嘉誠先生為DT1及DT2之託管人，就證券及期貨條例而言被視為DT1及DT2之創立人，TDT1、TDT2、TUT1及長實被視為擁有Primetek持有之21,833,142股本公司股份。

上述所有權益均為好倉。於二零零四年十二月三十一日，本公司按證券及期貨條例第336條置存之登記冊上概無任何淡倉。

購買股份或債券之安排

本公司、其最終控股公司或其最終控股公司之任何附屬公司概無於本年度內作出任何安排，以使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

董事及控權股東於合約之權益

本公司或本公司之任何附屬公司概無於年結時或本年度內任何時間訂立與本公司業務有關之重大合約而董事於其中直接或間接擁有重大權益，亦概無與控權股東或其任何附屬公司訂立與本公司業務有關之重大合約。

CONNECTED TRANSACTIONS

During the year, there were no discloseable connected transactions.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Listing Rule, as at 31st December, 2004, the following Directors of the Company had declared their interests in the following companies with businesses, which compete or are likely to compete, either directly or indirectly with the businesses of the Group:

關連交易

於年內概無須予披露之關連交易。

董事於競爭性業務之權益

於二零零四年十二月三十一日，根據上市規則第8.10條，本公司下列董事申報於下列與本集團業務直接或間接構成競爭或可能構成競爭之業務之公司中擁有權益：

Name of Directors 董事姓名	Name of companies 公司名稱	Nature of business considered to compete or likely to compete with the business of the Group 被認為與本集團業務 構成競爭或可能構成 競爭之業務性質	Nature of Interest of the Directors in companies 董事於該等公司之 權益性質
Joseph Lau, Luen-hung 劉鑾雄	Chinese Estates* and its subsidiaries 華人置業* 及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Chinese Estates 董事及於華人置業擁有 若干被視為擁有之權益
	The Kwong Sang Hong International Limited ("Kwong Sang Hong") ^ and its subsidiaries The Kwong Sang Hong International Limited (「廣生行」) ^ 及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Kwong Sang Hong 董事及於廣生行擁有 若干被視為擁有之權益
	G-Prop and its subsidiaries 金匡及其附屬公司	Property investment 物業投資	Having certain deemed interests in G-Prop 於金匡擁有若干被視為 擁有之權益

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (cont'd)

董事於競爭性業務之權益 (續)

Name of Directors 董事姓名	Name of companies 公司名稱	Nature of business considered to compete or likely to complete with the business of the Group 被認為與本集團業務 構成競爭或可能構成 競爭之業務性質	Nature of Interest of the Directors in companies 董事於該等公司之 權益性質
Thomas Lau, Luen-hung 劉鑾鴻	Chinese Estates* and its subsidiaries 華人置業* 及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Chinese Estates 董事及於華人置業擁有 若干被視為擁有之權益
	Kwong Sang Hong^ and its subsidiaries 廣生行^ 及其附屬公司	Property investment and development 物業投資及發展	Director 董事

* listed holding company of the Company

^ privatized on 2nd February, 2005

* 本公司之上市控股公司

^ 於二零零五年二月二日私有化

Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung are brothers (collectively the "Lau Brothers") and also have personal interest in private companies engaged in businesses consisting of property development and investment in Hong Kong. As such, they are regarded as being interested in such businesses, which compete or may compete with the Group.

劉鑾雄先生及劉鑾鴻先生為兄弟(統稱「劉氏兄弟」)，並於經營業務包括於香港從物業發展及投資之私人公司中擁有個人權益，因此，彼等被視為於與本集團構成競爭或可能構成競爭之業務擁有權益。

Other than the businesses of the private companies of the Lau Brothers, the above-mentioned businesses are managed by separate publicly listed companies with independent management and administration. For better delineation of property investment business, Chinese Estates, the controlling shareholder of the Company, will give the Company the priority over the future property investment project with the value of less than or equal to 50% of the net asset value of the Company with reference to the latest published account and subject to the financial resources of the Company from time to time.

除劉氏兄弟之私人公司之業務外，上述業務乃由獨立上市公司管理，該等獨立上市公司擁有獨立管理及行政程序。為了更清晰地劃分物業投資業務，本公司之控股股東華人置業將參考最近期公布之賬目及因應本公司不時具備之財政資源，將價值少於或相當於本公司資產淨值50%之未來物業投資項目優先給予本公司考慮。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (cont'd)

In this respect, coupled with the diligence of its Independent Non-executive Directors (whose views carry significant weight in the Board's decisions) and the independent Audit Committee, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above companies.

Other than as disclosed above, none of the Directors are interested in any business, which competes or is likely to compete, either directly or indirectly, with the Company's business.

ADVANCES TO ENTITIES

As at 31st December, 2004, the Group had made advances to associated companies of approximately HK\$216.8 million (before provision). The shareholder loans had been granted either for financing their acquisition of assets or daily operations. The shareholder loans are unsecured, with no specific maturity dates and are repayable on demand.

Pursuant to Listing Rule 13.20, the Company disclose details of the loans advanced to the entities which individually exceeds 8% of the Company's market capitalization as at 31st December, 2004 as below:

Name of associated companies 聯營公司名稱	Attributable Interest held by the Group 本集團持有 之應佔權益 %	Interest rates 利率 %	Interest bearing 計息 (HK\$'000) 千港元	Non-interest bearing 不計息 (HK\$'000) 千港元	Total advances 墊款總額 (HK\$'000) 千港元
Finedale Industries Limited 廣坤實業有限公司	33 1/3	2.25	98,367	1,345	99,712
Canaria Holding Limited	50	N/A	—	53,651	53,651
Tianjin Winson Real Estate Development Co., Ltd. 天津華盛房地產發展有限公司	50	N/A	—	54,519	54,519
			98,367	109,515	207,882

董事於競爭性業務之權益 (續)

就此而言，結合其對董事會決策有重大影響力之獨立非執行董事及獨立審計委員會之努力，本集團有能力獨立並按公平磋商原則從事其業務，而不受上述公司之業務所影響。

除上文所披露者外，董事概無於與本公司業務直接或間接構成競爭或可能競爭之任何業務中擁有權益。

向實體提供之墊款

於二零零四年十二月三十一日，本集團向聯營公司提供之墊款約為216,800,000港元(未扣除撥備)。該等股東貸款乃供應付其收購資產或日常營運所需。該等股東貸款乃無抵押、無特定到期日並須於通知時償還。

根據上市規則第13.20條，本公司披露向個別實體提供單獨金額超過本公司於二零零四年十二月三十一日之市值8%之貸款詳情如下：

PROFORMA COMBINED BALANCE SHEET OF THE AFFILIATED COMPANIES

Pursuant to Listing Rule 13.22, a proforma combined balance sheet of the affiliated companies with financial assistance from the Group as at 31st December, 2004 is presented below:

		(Note) Combined total (附註) 合併總值 HK\$ '000 千港元	Interest attributable to the Group 本集團 應佔權益 HK\$ '000 千港元
Non-current assets	非流動資產	770,509	270,588
Current assets	流動資產	13,368	5,877
Current liabilities	流動負債	(23,492)	(8,480)
Non-current liabilities	非流動負債	(540,621)	(220,454)
Net assets	資產淨值	219,764	47,531

Note: Proforma combined balance sheet has been realigned with the Group's accounting policies.

CORPORATE GOVERNANCE

The audit committee of the Company (the "Audit Committee") comprised Mr. Wang, Jian-guo ("Mr. Wang"), Mr. Mok, Hon-sang ("Mr. Mok") and Mr. Wong, Tik-tung ("Mr. Wong") and the annual results of the Group for the year ended 31st December, 2004 has been reviewed by the Audit Committee. The Company has complied throughout the Year with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") except that the Independent Non-executive Directors have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association. Each of Mr. Wang, Mr. Mok and Mr. Wong is entitled to an annual remuneration of HK\$100,000.

聯繫公司之備考合併資產負債表

根據上市規則第13.22條，獲本集團財政援助之聯繫公司於二零零四年十二月三十一日之備考合併資產負債表如下：

	(Note) Combined total (附註) 合併總值 HK\$ '000 千港元	Interest attributable to the Group 本集團 應佔權益 HK\$ '000 千港元
Non-current assets	770,509	270,588
Current assets	13,368	5,877
Current liabilities	(23,492)	(8,480)
Non-current liabilities	(540,621)	(220,454)
Net assets	219,764	47,531

附註：備考合併資產負債表已作調整，以配合本集團之會計政策。

公司管治

本公司之審計委員會（「審計委員會」）由王建国先生（「王先生」）、莫漢生先生（「莫先生」）及汪滌東先生（「汪先生」）組成。審計委員會已經審閱本集團截至二零零四年十二月三十一日止年度之全年業績。除獨立非執行董事須根據本公司之組織章程細則在本公司之股東週年大會上輪值告退及重選而並無任何特定任期外，本公司於本年度內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之最佳應用守則。王先生、莫先生及汪先生每位可收取每年100,000港元之酬金。

CORPORATE GOVERNANCE (cont'd)

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

AUDITORS

The financial statements for the Year were audited by Messrs. Deloitte Touche Tohmatsu who will retire at the conclusion of the forthcoming Annual General Meeting, and being eligible, will offer themselves for re-appointment.

On behalf of the Board
Thomas Lau, Luen-hung
Chairman

Hong Kong, 22nd March, 2005

公司管治 (續)

本公司已就董事進行證券交易採納了一套不低於上市規則附錄十所規定標準(「標準守則」)之操守準則。在向所有董事作出具體查詢後，所有董事確認彼等已遵守標準守則以及本公司就董事進行證券交易所採納之操守準則之規定標準。

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

核數師

本年度之財務報表已由德勤•關黃陳方會計師行審核。德勤•關黃陳方會計師行於即將舉行之股東週年大會結束時將任滿告退，並符合資格及願獲續聘。

代表董事會
 主席
劉鑾鴻

香港，二零零五年三月二十二日