

本公司董事（「董事」）謹此提呈截至二零零五年十二月三十一日止年度之報告及經審核財務報表。

## 主要業務

本公司為一間投資控股公司，其主要附屬公司、共同控制機構及聯營公司於二零零五年十二月三十一日之業務分別載於財務報表附註35、16及17。

## 附屬公司、共同控制機構及聯營公司

本公司於二零零五年十二月三十一日之主要附屬公司、共同控制機構及聯營公司之詳情分別載於財務報表附註35、16及17。

## 業績及溢利分配

本集團截至二零零五年十二月三十一日止年度之業績載於第57頁之綜合收益表。

董事建議不派發截至二零零五年十二月三十一日止年度之末期股息。

## 管理層討論與分析

管理層討論與分析載於第9至15頁。

## 物業、廠房及設備以及預付租賃款項

本集團於年內之物業、廠房及設備以及預付租賃款項之變動詳情分別載於財務報表附註12及13。

The directors of the Company (the "Directors") present their report and the audited financial statements for the year ended 31st December, 2005.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of the principal subsidiaries, jointly controlled entity and associate as at 31st December, 2005 are set out in notes 35, 16 and 17 to the financial statements respectively.

## SUBSIDIARIES, JOINTLY CONTROLLED ENTITY AND ASSOCIATE

Details of the Company's principal subsidiaries, jointly controlled entity and associate as at 31st December, 2005 are set out in notes 35, 16 and 17 to the financial statements respectively.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2005 are set out in the consolidated income statement on page 57.

The Directors do not recommend the payment of a final dividend for the year ended 31st December, 2005.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is set out on pages 9 to 15.

## PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

Details of movements in the property, plant and equipment and prepaid lease payments of the Group during the year are set out in notes 12 and 13 to the financial statements respectively.

## 股本及購股權

本公司股本及購股權於年內之變動詳情分別載於財務報表附註25及26。

## 儲備

本集團及本公司儲備於年內之變動詳情分別載於第60頁及財務報表附註34。

## 財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第124頁。

## 借款

須於一年內償還或應要求下償還之銀行貸款、透支及其他借款均歸納為流動負債內。長期借款之詳情載於財務報表附註24。

## 董事

於年內及截至本報告日期為止之董事如下：

### 執行董事：

黃清海  
高成明  
李志剛

### 非執行董事：

李兆忠

### 獨立非執行董事：

陳 靜  
金惠志  
李澤雄

## SHARE CAPITAL AND SHARE OPTIONS

Details of movements during the year in the share capital and share options of the Company are set out in notes 25 and 26 to the financial statements respectively.

## RESERVES

Movements in the reserves of the Group and the Company during the year are set out on page 60 and in note 34 to the financial statements respectively.

## FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 124.

## BORROWINGS

Bank loans and overdrafts and other borrowings repayable within one year or on demand are classified under current liabilities. Details of long term borrowings are set out in note 24 to the financial statements.

## DIRECTORS

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

### Executive Directors:

Ng Qing Hai  
Ko Sing Ming  
Li Chi Kong

### Non-Executive Director:

Lee Siu Chung, Steven

### Independent Non-Executive Directors:

Chen Ching  
Jin Hui Zhi  
Li Chak Hung

## 董事 (續)

根據本公司細則第87(2)條之規定，黃清海先生及李兆忠先生於將召開之股東週年大會輪席告退，惟有資格並願膺選連任。

董事履歷之詳情載於第18及19頁。

## 董事權益

根據證券及期貨條例(「證券及期貨條例」)第352條保存之登記名冊所載或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須通知本公司及香港聯合交易所有限公司(「聯交所」)之資料，董事於二零零五年十二月三十一日擁有本公司或其任何相聯法團(定義見證券及期貨條例XV部)之股份、債券或相關股份之權益及淡倉如下：

## 本公司

董事姓名 Name of Directors	權益性質 Nature of interests	根據購股權持有 之相關股份數目 Number of underlying shares held pursuant to share options	佔已發行股本 之百分比 Percentage to the issued share capital
黃清海 Ng Qing Hai	個人 Personal	4,000,000	0.54%
高成明 Ko Sing Ming	個人 Personal	1,500,000	0.21%
李志剛 Li Chi Kong	個人 Personal	600,000	0.08%

董事及最高行政人員於本公司購股權之權益詳情載於下文購股權一節中。

上述所有權益均為好倉。於二零零五年十二月三十一日，董事概無擁有載於董事及最高行政人員之權益及淡倉之登記名冊內之任何淡倉(定義見證券及期貨條例)。

## DIRECTORS (Continued)

In accordance with the Bye-law 87(2) of the Company's Bye-laws, Messrs. Ng Qing Hai and Lee Siu Chung, Steven shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Directors' biographical details are set out on pages 18 and 19.

## DIRECTORS' INTERESTS

As at 31st December, 2005, the interests and short positions of the Directors in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) or which were required, pursuant to section 352 of the SFO to be entered in the register referred therein or which were required to be 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 Issuers (the "Model Code") were as follows:

## The Company

董事姓名 Name of Directors	權益性質 Nature of interests	根據購股權持有 之相關股份數目 Number of underlying shares held pursuant to share options	佔已發行股本 之百分比 Percentage to the issued share capital
黃清海 Ng Qing Hai	個人 Personal	4,000,000	0.54%
高成明 Ko Sing Ming	個人 Personal	1,500,000	0.21%
李志剛 Li Chi Kong	個人 Personal	600,000	0.08%

The interests of the Directors and chief executives in the share options of the Company are detailed in the share options section below.

All the interests stated above represent long positions. As at 31st December, 2005, none of the Directors held any short positions as defined under SFO as recorded in the register of directors and chief executives' interests and short positions.

## 購股權

本公司購股權計劃之詳情載於財務報表附註26。

根據購股權計劃所授出及於二零零五年十二月三十一日尚未行使之購股權詳情如下：

## SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 26 to the financial statements.

Details of the options granted under the share option scheme and remain outstanding as at 31st December, 2005 are as follows:

購股權 授出日期 Date of grant of share options	行使期間 Exercisable period	每股行使價 Exercise price per share 港幣 HK\$	購股權數目 Number of share options				
			於二零零五年 一月一日 尚未行使 Outstanding as at 1st January, 2005	年內授出 Granted during the year	年內失效 Lapsed during the year	於二零零五年 十二月三十一日 尚未行使 Outstanding as at 31st December, 2005	
<b>董事姓名</b> Name of Directors							
黃清海	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	4,000,000	-	-	4,000,000
Ng Qing Hai	28th July, 2003	28th January, 2004 to 27th July, 2013					
高成明	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	1,500,000	-	-	1,500,000
Ko Sing Ming	28th July, 2003	28th January, 2004 to 27th July, 2013					
李志剛	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	600,000	-	-	600,000
Li Chi Kong	28th July, 2003	28th January, 2004 to 27th July, 2013					
<b>僱員</b> Employees	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	15,600,000	-	600,000	15,000,000
	28th July, 2003	28th January, 2004 to 27th July, 2013					
合計 Total				21,700,000	-	600,000	21,100,000

上述所有購股權均受六個月歸屬期規限。

All share options referred to above are subject to 6 months vesting period.

截至二零零五年十二月三十一日止年度，概無根據本公司購股權計劃授出、行使或註銷任何購股權。

No share options were granted, exercised or cancelled under the share option scheme of the Company during the year ended 31st December, 2005.

## 購買股份或債券之安排

除上文「購股權」一段所披露者外，本公司、其任何控股公司、其任何附屬公司或其任何同系附屬公司於年內任何時間並無參與任何安排，致使董事可藉認購本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益，而各董事、最高行政人員或彼等之配偶或十八歲以下之子女於年內亦無擁有或行使任何該等權利。

## 重要合約之董事權益

於年終時或年內任何時間概無存在任何由本公司、其任何控股公司、其任何附屬公司或任何同系附屬公司參與訂立，而董事直接或間接擁有重大利益之重要合約。

## 董事之服務合約

並無擬於即將召開之股東週年大會上膺選連任之董事與本公司或其任何附屬公司簽訂僱主一方須付出賠償金(法定賠償除外)始能於一年內終止之服務合約。

## 主要客戶及供應商

本集團五大客戶佔銷售總額約44%，而最大客戶則佔本集團年內總營業額約15%。

本集團五大供應商佔採購總額約45%，而最大供應商則佔本集團年內總採購額約14%。

據董事所知，持有本公司已發行股本5%以上之董事、彼等之聯繫人士或任何股東並無在本集團五大客戶及五大供應商擁有任何實益權益。

## ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Share Options" above, at no time during the year was the Company, any of its holding companies, any of its subsidiaries or any of its fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors, chief executive or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company, any of its holding companies, any of its subsidiaries or any of its fellow subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## DIRECTORS' SERVICE CONTRACTS

No 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 by the employing company within one year without payment of compensation (other than statutory compensation).

## MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers accounted for approximately 44% and the largest customer accounted for approximately 15% of the Group's total turnover for the year.

The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 45% and the largest supplier accounted for approximately 14% of the Group's total purchases for the year.

None of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers and five largest suppliers.

## 主要股東權益

於二零零五年十二月三十一日，根據證券及期貨條例第336條本公司須予保存之登記名冊所載，下列人士擁有本公司股份之權益或淡倉：

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2005, the following persons had interests or short positions in the shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

股東名稱	Name of Shareholders	所持股份數目 Number of shares held	附註 Notes	佔已發行股本 之百分比 Percentage to the issued share capital
天安中國酒店房地產投資有限公司 (「天安中國酒店」)	Tian An China Hotel and Property Investments Company Limited ("TACHP")	500,000,000	1, 8	68.54%
Oasis Star Limited (「OSL」)	Oasis Star Limited ("OSL")	43,485,640	2	5.96%
天安工業投資有限公司 (「天安工業」)	Tian An Industrial Investments Company Limited ("TAIICL")	43,485,640	2	5.96%
天安中國投資有限公司 (「天安」)	Tian An China Investments Company Limited ("Tian An")	543,485,640	3	74.51%
新鴻基有限公司(「新鴻基」)	Sun Hung Kai & Co. Limited ("SHK")	543,485,640	4	74.51%
聯合地產(香港)有限公司 (「聯合地產」)	Allied Properties (H.K.) Limited ("APL")	543,485,640	5	74.51%
聯合集團有限公司(「聯合集團」)	Allied Group Limited ("AGL")	543,485,640	6	74.51%
Lee and Lee Trust (「LL Trust」)	Lee and Lee Trust ("LL Trust")	543,485,640	7	74.51%
Best Advantage Limited (「BAL」)	Best Advantage Limited ("BAL")	144,000,000	8	19.74%
吳小俊	Ng Siu Chun	144,000,000	8	19.74%
Honest Opportunity Limited (「HOL」)	Honest Opportunity Limited ("HOL")	73,042,680	9	10.01%
Classic Fortune Limited (「CFL」)	Classic Fortune Limited ("CFL")	73,042,680	10	10.01%
中國網絡資本有限公司(「中國網絡」)	COL Capital Limited ("COL")	73,042,680	11	10.01%

## 主要股東權益 (續)

附註：

1. 該數字指天安之全資附屬公司天安中國酒店所實益擁有之356,000,000股股份以及由吳小俊先生(「吳先生」)向BAL抵押而被視為擁有之144,000,000股股份權益之總和。
2. 由OSL持有之股份乃以實益擁有人之身份持有。OSL為天安工業之全資附屬公司，而天安工業則是天安之全資附屬公司。天安工業因此被視為於OSL持有的同一批43,485,640股股份中擁有權益。
3. 該數字指OSL所持有之43,485,640股股份，天安中國酒店所持有之356,000,000股股份，及由吳先生向BAL抵押而被認為擁有之144,000,000股股份之總和。
4. 新鴻基擁有天安已發行股本約48.60%權益，因此被視為於天安持有之同一批543,485,640股股份中擁有權益。
5. 聯合地產透過AP Jade Limited及AP Emerald Limited (聯合地產直接及間接全資擁有之附屬公司)擁有新鴻基已發行股本約74.99%權益，因此被視為於新鴻基所持有之同一批股份中擁有權益。
6. 聯合集團擁有聯合地產已發行股本約74.93%權益，因此被視為於聯合地產持有之同一批股份中擁有權益。
7. 全權信託LL Trust之信託人(即李成輝先生、李淑慧女士及李成煌先生)合共擁有聯合集團已發行股本約40.06%權益，因此被視為於聯合集團持有之同一批股份中擁有權益。
8. 於二零零一年十二月二十日，吳先生與天安中國酒店之全資附屬公司BAL訂立股份抵押協議，據此吳先生將7,200,000,000股(自二零零二年十二月二十日起因股份50合1而調整為144,000,000股)本公司股份抵押予BAL，作為吳先生適當遵守及履行由(其中包括)吳先生與BAL所訂立買賣協議及補充協議之保證。
9. 由HOL持有之股份乃以實益擁有人之身份持有。
10. CFL擁有HOL已發行股本之全部權益，因此被視為於HOL持有之同一批股份中擁有權益。
11. 中國網絡擁有CFL已發行股本之全部權益，因此被視為於CFL持有之同一批股份中擁有權益。

上文所列之全部權益皆屬好倉。於二零零五年十二月三十一日，本公司根據證券及期貨條例第336條所存置之登記冊內並無淡倉記錄。

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

1. The figure referred to the aggregate holding of 356,000,000 shares beneficially held by TACHP, a wholly-owned subsidiary of Tian An, and also included the deemed interest in the 144,000,000 shares charged by Mr. Ng Siu Chun ("Mr. Ng") to BAL.
2. The shares held by OSL were held in the capacity of beneficial owner. OSL was a wholly-owned subsidiary of TAIICL which in turn was a wholly-owned subsidiary of Tian An. TAIICL was therefore deemed to have an interest in the same 43,485,640 shares held by OSL.
3. The figure referred to the aggregate holding of 43,485,640 shares held by OSL, 356,000,000 shares held by TACHP and also included the deemed interest in the 144,000,000 shares charged by Mr. Ng to BAL.
4. SHK owned approximately 48.60% interest in the issued share capital of Tian An and was therefore deemed to have an interest in the same 543,485,640 shares held by Tian An.
5. Through AP Jade Limited and AP Emerald Limited, direct and indirect wholly-owned subsidiaries of APL respectively, APL owned approximately 74.99% interest in the issued share capital of SHK and was therefore deemed to have the same interest held by SHK.
6. AGL owned approximately 74.93% interest in the issued share capital of APL and was therefore deemed to have the same interest held by APL.
7. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of LL Trust, being a discretionary trust. They together owned approximately 40.06% interest in the issued share capital of AGL and were therefore deemed to have the same interest held by AGL.
8. On 20th December, 2001, Mr. Ng entered into a share charge with BAL, a wholly-owned subsidiary of TACHP whereby Mr. Ng charged his 7,200,000,000 shares (adjusted to 144,000,000 shares for the share consolidation of 50 to 1 with effect from 20th December, 2002) in the Company to BAL to secure the due observance and performance by Mr. Ng of his obligations under a sale and purchase agreement and a supplemental agreement entered among, inter alia, Mr. Ng and BAL.
9. The shares held by HOL were held in the capacity of beneficial owner.
10. CFL owned 100% interest in the issued share capital of HOL and was therefore deemed to have the same interest held by HOL.
11. COL owned 100% interest in the issued share capital of CFL and was therefore deemed to have the same interest held by CFL.

All the interests disclosed above represent long positions. As at 31st December, 2005, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

## 董事於競爭業務之權益

除本集團業務外，董事並無在與本集團業務存在競爭或極可能直接或間接存在競爭之任何業務擁有權益。

## 優先購買權

本公司細則或百慕達法例並無有關本公司須按比例向現有股東發售新股之優先購買權規定。

## 持續關連交易

截至二零零五年十二月三十一日止年度，本公司進行以下持續關連交易，有關詳情載列如下：

1. 根據上海聯合水泥有限公司(「上海水泥」)(修訂其合營合同及合營細則後於二零零二年三月十四日成為本公司之附屬公司)及上海水泥之主要股東上海水泥廠(「上海水泥廠」)於一九九五年十二月十六日訂立之租約協議，上海水泥廠將若干器材及設施租予上海水泥使用(「交易」)。截至二零零五年十二月三十一日止年度之交易總額達港幣5,852,000元。本公司獲聯交所豁免，無須就有關交易嚴格遵守聯交所證券上市規則(「上市規則」)之規定。

獨立非執行董事已審閱於二零零五年該交易及確認該交易乃：

- (i) 於本集團之一般及日常業務範圍內訂立；
- (ii) 按一般商業條款進行；

## DIRECTORS' INTEREST IN COMPETING BUSINESSES

None of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

## 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 the existing shareholders.

## CONTINUING CONNECTED TRANSACTIONS

During the year ended 31st December, 2005, the Company had the following continuing connected transactions, details of which are set out below:

1. Pursuant to the leasing agreement dated 16th December, 1995 entered into between Shanghai Allied Cement Co., Ltd. ("Shanghai SAC"), which became a subsidiary of the Company on 14th March, 2002 subsequent to the amendment of its joint venture contract and joint venture articles, and Shanghai Cement Factory ("SCF"), a substantial shareholder of Shanghai SAC, certain equipments and facilities were leased from SCF for the use of Shanghai SAC (the "Transaction"). The aggregate amount of the Transaction for the year ended 31st December, 2005 amounted to HK\$5,852,000. The Company has been granted a waiver by the Stock Exchange from the strict compliance of the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in respect of the Transaction.

The Independent Non-Executive Directors have reviewed the Transaction for 2005 and confirmed that the Transaction was:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms;



持續關連交易  
(續)

- (iii) 根據規管該交易之租約協議條款訂立，屬公平合理，且符合本公司股東之整體利益；及
- (iv) 該交易於二零零五年全年之總額在聯交所同意之有關最高限額範圍之內。
2. 根據本公司與本公司之最終控股公司天安中國投資有限公司(「天安」)於二零零二年七月八日訂立之協議(「總協議」)，本公司與天安同意作出對應安排，促使彼等各自於中華人民共和國(「中國」)之附屬公司就其他中國附屬公司之借款提供擔保(「聯合水泥擔保」及「天安擔保」)。訂約方同意每年就天安之附屬公司以聯合水泥擔保獲得之借款收取本金總額之1%作為擔保費，而天安之附屬公司亦同意就所提供之天安擔保收取相同比率之擔保費。本公司獲聯交所豁免，於截至二零零四年十二月三十一日止三個財政年度期間無須就聯合水泥擔保嚴格遵守上市規則之規定。

CONTINUING CONNECTED TRANSACTIONS  
(Continued)

- (iii) entered into in accordance with the terms of the leasing agreement governing the Transaction and was fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) the aggregate annual amount of the Transaction in 2005 was within the relevant maximum amount as agreed by the Stock Exchange.
2. Pursuant to the agreement dated 8th July, 2002 (the "Master Agreement") entered into between the Company and Tian An China Investments Company Limited ("Tian An"), the ultimate holding company of the Company, the Company and Tian An agreed to have a reciprocal arrangement to procure their respective subsidiaries in the People's Republic of China (the "PRC") to provide guarantee(s) to secure the borrowings of other subsidiaries in the PRC (the "SAC Guarantees" and "Tian An Guarantees"). A guarantee fee of 1% per annum was agreed to be charged on the aggregate principal amount of borrowings of Tian An's subsidiaries secured by SAC Guarantees. Same rate of guarantee fee was also agreed to be charged by Tian An's subsidiaries for Tian An's Guarantees provided vice versa. The Company has been granted a waiver by the Stock Exchange from the strict compliance of the requirements of the Listing Rules in respect of the Master Agreement and the SAC Guarantees for a period of three financial years ended 31st December, 2004.

## 持續關連交易 (續)

總協議已於二零零四年十二月三十一日到期。於二零零四年十二月三十一日，本公司與天安訂立補充協議(「補充協議」)，據此，總協議之條款將延長至二零零七年十二月三十一日，而聯合水泥擔保所包括天安附屬公司之借款本金總額則減至人民幣80,000,000元。補充協議及聯合水泥擔保構成本公司之須予披露及持續關連交易。批准交易之普通決議案於二零零五年二月七日獲本公司股東批准。

獨立非執行董事已審閱於二零零五年之補充協議及聯合水泥擔保及確認補充協議及聯合水泥擔保乃：

- (i) 於本集團之一般及日常業務範圍內訂立；
- (ii) 按一般商業條款進行；
- (iii) 根據規管有關交易之總協議(經補充協議補充)訂立，屬公平合理，且符合本公司股東之整體利益；及
- (iv) 天安之附屬公司於截至二零零五年十二月三十一日止年度內任何時間因聯合水泥擔保而獲得之借款本金總額並無超過補充協議規定的限額人民幣80,000,000元。

## CONTINUING CONNECTED TRANSACTIONS (Continued)

The Master Agreement expired on 31st December, 2004. On 31st December, 2004, a supplemental agreement (the "Supplemental Agreement") was entered into between the Company and Tian An, pursuant to which the term of the Master Agreement was extended to 31st December, 2007 and to reduce the aggregate principal amount of borrowings of Tian An's subsidiaries to be covered by SAC Guarantees to RMB80,000,000. The Supplemental Agreement and the SAC Guarantees constituted discloseable and continuing connected transactions of the Company. The ordinary resolution to approve the transaction was approved by the shareholders of the Company on 7th February, 2005.

The Independent Non-Executive Directors have reviewed the Supplemental Agreement and the SAC Guarantees for 2005 and confirmed that the Supplemental Agreement and the SAC Guarantees were:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms;
- (iii) entered into in accordance with the Master Agreement as supplemented by the Supplemental Agreement governing the transactions and was fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) the aggregate principal amount of borrowings of Tian An's subsidiaries covered by the SAC Guarantees at any time during the year ended 31st December, 2005 did not exceed RMB80,000,000, the limit as specified in the Supplemental Agreement.

### 持續關連交易 (續)

3. 於年內，本集團向天安多間附屬公司供應各種建材產品，包括石材及瓷磚。截至二零零五年十二月三十一日止年度之交易總額達港幣 2,095,000 元。本公司獲聯交所豁免，於截至二零零五年十二月三十一日止三個財政年度期間無須就有關交易嚴格遵守上市規則之規定。

獨立非執行董事已審閱於二零零五年之有關交易及確認有關交易乃：

- (i) 於本集團之一般及日常業務範圍內訂立；
- (ii) 按一般商業條款進行；
- (iii) 根據規管有關交易之協議條款訂立，屬公平合理，且符合本公司股東之整體利益；及
- (iv) 該交易於二零零五年全年之總額在聯交所同意之有關最高限額範圍之內。

### 根據上市規則第 13.20 條 作出披露

於二零零五年十二月三十一日，應收下列實體之貿易結餘 (各超過本公司市值 8%) 載列如下：

實體	Entity	貿易結餘額 Amount of trading balances 港幣 HK\$
上海建工物資公司	Shanghai Construction Materials Company	54,551,000
龍元建設集團股份有限公司	Longyuan Construction Group Co., Ltd.	17,130,000
上海揚帆建築 物資供應有限公司	Shanghai Yangfan Construction Materials Supply Company Limited	11,649,000

### CONTINUING CONNECTED TRANSACTIONS (Continued)

3. During the year, the Group had supplied a range of building material products including stones and ceramic tiles to a number of subsidiaries of Tian An. The aggregate amount of the transactions for the year ended 31st December, 2005 amounted to HK\$2,095,000. The Company has been granted a waiver by the Stock Exchange from the strict compliance of the requirements of the Listing Rules in respect of the transactions for a period of three financial years ended 31st December, 2005.

The Independent Non-Executive Directors have reviewed the transactions for 2005 and confirmed that the transactions were:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms;
- (iii) entered into in accordance with the terms of the agreements governing the transactions and were fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) the aggregate annual amount of the transactions in 2005 were within the relevant maximum amount as agreed by the Stock Exchange.

### DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As at 31st December, 2005, trading balances due from the following entities which individually have exceeded 8% of the market capitalisation of the Company are set out as follows:

## 購買、出售或贖回股份

本公司或其任何附屬公司概無於截至二零零五年十二月三十一日止年度內購回、出售或贖回本公司之任何股份。

## 企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規之資料，載於第28至42頁之企業管治報告內。

## 公眾持股量

於本報告刊發日期，根據本公司從公開獲得之資料及據董事所知，本公司已按上市規則維持足夠之公眾持股量。

## 核數師

截至二零零五年十二月三十一日止年度之財務報表由德勤•關黃陳方會計師行審核。一項關於重新委聘德勤•關黃陳方會計師行為本公司核數師之決議案，將於即將舉行之股東週年大會上提呈。

代表董事會

行政總裁  
黃清海

香港，二零零六年三月二十三日

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2005.

## CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 28 to 42.

## PUBLIC FLOAT

As at the date of this report, the Company has maintained a sufficient public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of its Directors.

## AUDITORS

The financial statements for the year ended 31st December, 2005 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as Auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

**Ng Qing Hai**  
Chief Executive Officer

Hong Kong, 23rd March, 2006