

董事會同寅欣然將本集團及本公司截至二零零五年十二月三十一日止年度之報告書連同經審核之財務報表呈覽。

主要業務

本公司為一間投資控股公司，其主要附屬公司、聯營公司及共同控制公司於二零零五年十二月三十一日之主要業務已分別載於財務報表附註51、52及53。

本集團於年內之營業額主要來自中華人民共和國（「中國」）之業務。本集團截至二零零五年十二月三十一日止年度之營業額及除稅前之溢利貢獻按主要業務已載於財務報表附註7。

附屬公司、聯營公司及共同控制公司

有關本公司於二零零五年十二月三十一日之主要附屬公司、聯營公司及共同控制公司之詳情已分別載於財務報表附註51、52及53。

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已載於第87頁之綜合利潤表。

董事會建議不會就截至二零零五年十二月三十一日止年度派發末期股息並保留本年度溢利。

管理層討論及分析

管理層討論及分析已載於第12頁至第28頁。

The Board is pleased to present the annual report and the audited financial statements of the Group and the Company for the year ended 31st December, 2005.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, associates and jointly controlled entities as at 31st December, 2005 are set out in notes 51, 52 and 53 to the financial statements respectively.

The Group's turnover for the year was derived mainly from activities carried out in the People's Republic of China (the "PRC"). The breakdown by principal activities of the Group's turnover and the contribution to profit before taxation for the year ended 31st December, 2005 is set out in note 7 to the financial statements.

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Details of the Company's principal subsidiaries, associates and jointly controlled entities as at 31st December, 2005 are set out in notes 51, 52 and 53 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 87.

The Board do not recommend the payment of a final dividend for the year ended 31st December, 2005 and recommend the profit for the year be retained.

MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis is set out on pages 12 to 28.

物業、廠房及設備

於年內，本集團購入之物業、廠房及設備總值約46,008,000港元。

本集團於年內之物業、廠房及設備及其他變動之詳情已載於財務報表附註16。

投資物業

於年內，本集團收購投資物業總值約47,272,000港元，而若干已建成待售物業及發展中物業於完工時分別為344,327,000港元及557,941,000港元轉為投資物業。本集團重估所有投資物業截至年底之價值，因重新估價而引起的盈餘為132,285,000港元，已於綜合利潤表內確認。

本集團於年內之投資物業及其他變動之詳情已載於財務報表附註17。

物業權益

本集團於二零零五年十二月三十一日之物業權益已載於第29頁至第37頁。

股本、認股權證及購股權

股本、認股權證及購股權之變動已載於財務報表附註37。

儲備

本集團及本公司於年內之儲備變動已分別載於第92頁之綜合權益變動表及財務報表附註38。

財務摘要

本集團於過去五個財政年度之業績及資產與負債概要已載於第208頁。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment totalling approximately HK\$46,008,000.

Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

INVESTMENT PROPERTIES

During the year, the Group acquired investment properties totalling approximately HK\$47,272,000 and certain completed properties for sale and properties under development upon completion of HK\$344,327,000 and HK\$557,941,000 respectively were transferred to investment properties. The Group revalued all of its investment properties as at the year end date. The surplus arising on the revaluation amounted to HK\$132,285,000 and has been recognised in the consolidated income statement.

Details of these and other movements during the year in the investments properties of the Group are set out in note 17 to the financial statements.

INTEREST IN PROPERTIES

Particulars of the Group's interests in properties as at 31st December, 2005 are set out on pages 29 to 37.

SHARE CAPITAL, WARRANTS AND OPTIONS

Movements in share capital, warrants and options are set out in note 37 to the financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 92 and note 38 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 208.

借款及資本化之利息

須於一年內償還或應要求下償還之銀行貸款、透支及其他借款歸納於流動負債內。有關附息及免息貸款之還款詳情已分別載於財務報表附註39及40。本集團於年內就發展中物業而轉作資本化之利息為29,786,000港元，詳情已載於財務報表附註10。

董事

在本年度及截至本報告書日期為止之董事如下：

執行董事

李成偉
黃清海
馬申
勞景祐
李志剛

非執行董事

鄭慕智
楊麗琛

獨立非執行董事

鄭鑄輝
吳繼偉
魏華生
徐溯經

根據本公司組織章程細則第105(A)條，李成偉先生、黃清海先生、鄭慕智先生及楊麗琛小姐於將召開之股東週年大會任期屆滿，按序退任，如再獲選，均願繼續連任。

BORROWINGS AND INTEREST CAPITALISED

Bank loans, overdrafts and other borrowings which are repayable within one year or on demand are classified as current liabilities. Repayment analysis of interest-bearing and interest-free borrowings are set out in notes 39 and 40 to the financial statements respectively. Interest capitalised by the Group during the year in respect of properties under development amounted to HK\$29,786,000, details of which are set out in note 10 to the financial statements.

DIRECTORS

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

Executive Directors

Patrick Lee Seng Wei
Ng Qing Hai
Ma Sun
Edwin Lo King Yau
Li Chi Kong

Non-Executive Directors

Moses Cheng Mo Chi
Lisa Yang Lai Sum

Independent Non-Executive Directors

Francis J. Chang Chu Fai
Goodwin Gaw
Ngai Wah Sang
Xu Su Jing

In accordance with Article 105(A) of the Company's Articles of Association, Mr. Patrick Lee Seng Wei, Mr. Ng Qing Hai, Mr. Moses Cheng Mo Chi and Miss Lisa Yang Lai Sum shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

董事及高級管理人員之個人資料

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

李成偉，五十四歲，一九九六年六月獲委任為本公司之執行董事，並分別於二零零四年二月及二零零五年十二月出任為本公司之董事會主席及代理董事總經理。李先生為一名建築師，曾於澳洲IBM服務，其後在馬來西亞及香港參與地產發展工作超過二十年，彼於物業發展具廣泛經驗。李先生亦為本公司兩名主要股東聯合地產(香港)有限公司之行政總裁及新鴻基有限公司之執行董事。

黃清海，四十九歲，於二零零三年四月獲委任為本公司之執行董事，並於二零零三年十月出任本公司之董事總經理。彼於二零零五年十二月改任為本公司之副董事總經理。黃先生於一九八三年畢業於上海建材學院會計系，於一九九四年為中國註冊會計師協會會員，亦於一九八八年獲法國高等商學院集團(Group ESSEC)授予管理諮詢顧問資格。彼於二零零四年成為中國建材企業管理協會副會長，並於二零零六年成為亞洲知識管理協會院士。黃先生在管理企業方面擁有豐富經驗。彼亦為本公司之非全資附屬公司上海聯合水泥股份有限公司之總裁及行政總裁。

馬申，六十五歲，於二零零三年四月獲委任為本公司之執行董事。馬先生於一九八四年加入新鴻基證券有限公司，一九八五年轉調本集團。除擁有機電工程學士學位外，馬先生擁有豐富機電工程經驗及超過二十年的中國商貿、金融投資及物業發展經驗。

Executive Directors

Patrick Lee Seng Wei, aged 54, was appointed an Executive Director of the Company in June 1996 and became the Chairman of the Board and the Acting Managing Director of the Company in February 2004 and December 2005 respectively. Mr. Lee is an architect and worked for IBM Australia before becoming involved in property development in Malaysia and Hong Kong for more than twenty years. He has extensive experience in the property field. Mr. Lee is also the chief executive of Allied Properties (H.K.) Limited and an executive director of Sun Hung Kai & Co. Limited, both are substantial shareholders of the Company.

Ng Qing Hai, aged 49, was appointed an Executive Director of the Company in April 2003 and became the Managing Director of the Company in October 2003. He was re-designated as the Deputy Managing Director of the Company in December 2005. Mr. Ng graduated from the Accounting Department of Shanghai Institute of Building Materials in 1983 and became a member of the Association of Registered Accountants of the PRC in 1994. He was admitted as Management Consultant by Group ESSEC of France in 1988. He became the vice chairman of China Building Materials Enterprises Management Association in 2004 and a fellow of Asian Knowledge Management Association in 2006. Mr. Ng has extensive experience in managing enterprises. He is also the president and chief executive officer of Shanghai Allied Cement Limited, a non-wholly owned subsidiary of the Company.

Ma Sun, aged 65, was appointed an Executive Director of the Company in April 2003. Mr. Ma joined Sun Hung Kai Securities Limited in 1984 and was then transferred to the Group in 1985. Besides holding a Bachelor's Degree of Electrical Engineering, he has extensive experience in electrical engineering and over twenty years of experience in China commercial business, financial investment and property development.

董事及高級管理人員之個人資料
(續)

執行董事 (續)

勞景祐，四十五歲，為特許公司秘書，並為澳洲Macquarie University之應用財務碩士，於一九九九年八月獲委任為本公司之執行董事。彼曾於香港多間公司履任多項行政職位，包括在上市公司出任公司秘書。勞先生現為本公司之主要股東聯合集團有限公司以及香港建屋貸款有限公司之執行董事。

李志剛，五十二歲，為蘇格蘭特許會計師公會會員及香港會計師公會資深會員，於二零零四年二月獲委任為本公司之執行董事。彼於財務及會計行業具有豐富經驗，曾任職於兩間大型核數師事務所及擔任多間頗具規模之香港上市公司之集團財務總監。彼亦為本公司之主要股東聯合地產(香港)有限公司及本公司之間接非全資附屬公司上海聯合水泥股份有限公司之執行董事，亦為本公司另一主要股東聯合集團有限公司之集團財務總監。

非執行董事

鄭慕智，五十六歲，一九九七年五月獲委任為本公司獨立非執行董事，並於二零零四年九月改任為本公司非執行董事。鄭先生乃本公司其中一間法律顧問香港胡百全律師事務所之資深合夥人。鄭先生於一九九一年至一九九五年間為香港立法局議員。彼為香港董事學會之創會主席，現為該會之榮譽會長及榮譽主席。彼同時亦為其他多間上市公司之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Executive Directors (continued)

Edwin Lo King Yau, aged 45, a chartered company secretary and holder of a Master's Degree in Applied Finance from Macquarie University, Australia, was appointed an Executive Director of the Company in August 1999. He had served in various executive roles in several companies in Hong Kong including company secretary for publicly listed companies. He is currently an executive director of Allied Group Limited, a substantial shareholder of the Company, and The Hong Kong Building and Loan Agency Limited.

Li Chi Kong, aged 52, a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants, was appointed an Executive Director of the Company in February 2004. He has broad experience in the finance and accounting field, having worked in two major audit firms and as group financial controller for several sizeable listed companies in Hong Kong. He is also an executive director of Allied Properties (H.K.) Limited, a substantial shareholder of the Company, and Shanghai Allied Cement Limited, an indirect non-wholly owned subsidiary of the Company, and the group financial controller of Allied Group Limited, another substantial shareholder of the Company.

Non-Executive Directors

Moses Cheng Mo Chi, aged 56, was appointed an Independent Non-Executive Director of the Company in May 1997 and was re-designated as Non-Executive Director of the Company in September 2004. Mr. Cheng is the senior partner of P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong and one of the legal advisors of the Company. Mr. Cheng was a member of the Legislative Council of Hong Kong between 1991 and 1995. He is the Founder Chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. He also serves on the boards of various listed companies as an independent non-executive director.

董事及高級管理人員之個人資料
(續)

非執行董事 (續)

楊麗琛，三十九歲，一九九九年十一月獲委任為本公司獨立非執行董事，並於二零零四年九月改任為本公司非執行董事。彼現為香港執業律師，亦為李梅生律師行之顧問。楊小姐畢業於澳洲雪梨大學，取得法律及經濟學士學位，亦取得澳洲及英國之律師資格。

獨立非執行董事

鄭鑄輝，五十一歲，二零零四年九月獲委任為本公司獨立非執行董事。彼現時為金豐21投資控股有限公司及卓施金網有限公司之執行董事，以及卓健亞洲有限公司及中意控股有限公司之獨立非執行董事。鄭先生現為根據證券及期貨條例註冊之投資顧問。自二零零零年，鄭先生擔任昱豐融資有限公司之董事總經理。彼擁有逾二十八年銀行、企業融資、投資及企業管理之經驗。鄭先生於一九七六年取得加拿大蒙特利爾孔科爾迪亞大學之商學學士學位，並於一九七七年畢業於加拿大多倫多約克大學，取得工商管理碩士學位。

吳繼偉，三十七歲，二零零四年九月獲委任為本公司獨立非執行董事。彼現時為建生國際集團有限公司之副主席，並為Global Gateway, L.P. (由建生集團及Morgan Stanley Real Estate Funds組成之電信基建合營公司) 之主席及行政總裁和基匯資本(地產基金管理公司) 之主席。彼亦為Downtown Properties Holdings之總裁。吳先生畢業於美國賓夕凡尼亞大學，取得土木工程學士學位，其後取得Wharton Business School財務學位及史丹福大學建築管理科碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Non-Executive Directors (continued)

Lisa Yang Lai Sum, aged 39, was appointed an Independent Non-Executive Director of the Company in November 1999 and was re-designated as Non-Executive Director of the Company in September 2004. She is a practising solicitor in Hong Kong and is a consultant of Maurice Lee, Tsang, Ng-Quinn & Tang. Miss Yang graduated from the University of Sydney with a Bachelor's Degree in Law and Economics and is also qualified as a solicitor in Australia and England.

Independent Non-Executive Directors

Francis J. Chang Chu Fai, aged 51, was appointed an Independent Non-Executive Director of the Company in September 2004. He is currently an executive director of Golden 21 Investment Holdings Limited and Trasy Gold Ex Limited; and an independent non-executive director of Quality HealthCare Asia Limited and Chitaly Holdings Limited. Mr. Chang is a registered person under the Securities and Futures Ordinance and since 2000 has been the managing director of Ceres Capital Limited. He has over twenty-eight years of experience in banking, corporate finance, investment and management. Mr. Chang holds a Bachelor's Degree in Commerce from Concordia University in Montreal, Canada since 1976 and a Master's Degree in Business Administration from York University in Toronto, Canada since 1977.

Goodwin Gaw, aged 37, was appointed an Independent Non-Executive Director of the Company in September 2004. He is currently the vice chairman of Pioneer Global Group Limited, and the chairman and chief executive officer of Global Gateway, L.P., a telecom infrastructure joint venture between Pioneer Group and Morgan Stanley Real Estate Funds, and the chairman of Gateway Capital, a real estate fund management company. He is also the president of Downtown Properties Holdings. Mr. Gaw graduated with a Bachelor of Science Degree in Civil Engineering from the University of Pennsylvania, a Finance Degree from Wharton Business School and a Master of Science Degree in Construction Management from Stanford University.

董事及高級管理人員之個人資料
(續)

獨立非執行董事 (續)

魏華生，四十七歲，二零零四年九月獲委任為本公司獨立非執行董事。彼現時為安利時投資控股有限公司之行政總裁。彼在核數、會計、財務管理及處理業務發展及投資方面擁有逾二十年經驗，並曾任職香港及海外多間國際會計師事務所及上市公司。魏先生取得英國倫敦大學之理學士學位。彼亦為澳洲特許會計師公會資深會員及香港會計師公會資深會員。

徐溯經，六十一歲，二零零四年九月獲委任為本公司獨立非執行董事。彼曾任中國石化集團公司企業改革部主任，但已於二零零五年六月退休。彼具有豐富之石化企業宏觀管理經驗。徐先生於一九八三年畢業於北京勞動保護研究所，主修安全技術工程，擁有工程學碩士學位及教授級高級經濟師職稱。

高級管理人員

高成明，三十八歲，於一九九八年三月加入本集團。現為本集團副總經理，負責中國法律及公司事務。高先生擁有工商數量分析學士學位及公司行政深造文憑，並為英國公認會計師公會之資深會員，具有超過十年會計及國內投資管理經驗。彼亦是上海聯合水泥股份有限公司之董事。

宋珠峰，四十五歲，本集團合約部總經理，於二零零三年十二月加入本集團。宋先生畢業於北京清華大學土木工程系，擁有工程學學士學位。彼具有超過二十年工程管理及房地產發展經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Independent Non-Executive Directors (continued)

Ngai Wah Sang, aged 47, was appointed an Independent Non-Executive Director of the Company in September 2004. He is currently the chief executive officer of Earnest Investments Holdings Limited. He has over twenty years of experience in auditing, accounting, financial management and dealing with business development and investments and previously worked for international accounting firms and listed companies in Hong Kong and overseas. Mr. Ngai holds a Bachelor's Degree in Science from the University of London in United Kingdom. He is a fellow of The Institute of Chartered Accountants in Australia and also a fellow of the Hong Kong Institute of Certified Public Accountants in Hong Kong.

Xu Su Jing, aged 61, was appointed an Independent Non-Executive Director of the Company in September 2004. He was the director of the Department of Enterprise Reform of Sinopec Group Company and has retired since June 2005. He has extensive experience in the macro-management of petrochemical enterprises. Mr. Xu graduated from the Beijing Research Institute of Labor Safety in 1983 majoring in safety technology engineering and holds a Master of Engineering and the title of a senior economist of professor level.

Senior Management

Ko Sing Ming, aged 38, joined the Group in March 1998. He is the Deputy General Manager of the Group responsible for PRC legal and corporate affairs. Mr. Ko holds a Bachelor's Degree in Quantitative Analysis for Business and a Postgraduate Diploma in Corporate Administration, and is a fellow of The Association of Chartered Certified Accountants. He has over ten years of experience in accounting and managing PRC investments. He is also a director of Shanghai Allied Cement Limited.

Song Zhu Feng, aged 45, is the General Manager of the Contracts Department of the Group. He joined the Group in December 2003. Mr. Song graduated from The Civil Engineering Department of Tsing Hua University in Beijing with a Bachelor's Degree of Engineering. He has over twenty years of experience in the fields of engineering and property development.

董事及高級管理人員之個人資料
(續)

高級管理人員 (續)

杜燦生，四十一歲，本公司合資格會計師及集團財務總監，一九九四年五月加入本集團。杜先生為香港會計師公會會員及英國特許管理會計師公會會員，並擁有工商管理碩士學位。杜先生具有超過十年財務管理及中國商業經驗。

夏謙，四十三歲，本集團華北地區總經理，於一九九一年十一月加入本集團。夏先生擁有工商管理碩士學位。彼具有超過十五年中國房地產發展及投資經驗。

戴宏亮，三十七歲，本集團福州地區代理總經理，於二零零三年十二月加入本集團。戴先生擁有建築學學士學位及金融學碩士學位。彼具有超過十年中國投資經驗。

容綺媚，四十歲，於二零零四年三月獲委任為本公司之公司秘書。彼為香港公司秘書公會及英國特許秘書及行政人員公會會員。容小姐亦為上海聯合水泥股份有限公司之公司秘書。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Senior Management (continued)

Sunny Tao Tsan Sang, aged 41, is the Qualified Accountant of the Company and Financial Controller of the Group. He joined the Group in May 1994. Mr. Tao is an associate of the Hong Kong Institute of Certified Public Accountants and The Chartered Institute of Management Accountants and holds a Master's Degree of Business Administration. Mr. Tao has over ten years of experience in financial management and China business field.

Xia Qian, aged 43, is the General Manager of the Northern China Region. He joined the Group in November 1991. Mr. Xia holds an Executive Master's Degree of Business Administration. He has over fifteen years of experience in property development and investment in China.

Dai Hong Liang, aged 37, is the Acting General Manager of the Fuzhou Region. He joined the Group in December 2003. Mr. Dai holds a Bachelor Degree of Architecture and a Master's Degree of Finance. Mr. Dai has over ten years of experience in the field of investment in China.

Cindy Yung Yee Mei, aged 40, was appointed Company Secretary of the Company in March 2004. She is an associate of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators. Miss Yung is also the company secretary of Shanghai Allied Cement Limited.

董事之權益

除下文所披露者外，於二零零五年十二月三十一日，根據證券及期貨條例（「證券期貨條例」）第352條須予備存之登記冊所記錄；或依據上市發行人董事進行證券交易之標準守則通知本公司及聯交所，概無本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券期貨條例第XV部）之股份、相關股份及債權證中擁有權益或淡倉：

(a) 本公司

董事姓名 Name of Director	權益性質 Nature of interests	持有股份及 相關股份之數目 Number of shares and underlying shares held	佔已發行 股本之百分比 Percentage to the issued share capital
馬申 Ma Sun	個人 Personal	52,125 (附註) (Note)	0.006%

附註：由馬申先生作為實益持有人所擁有之權益，全屬股份權益。

DIRECTORS' INTERESTS

Save as disclosed below, as at 31st December, 2005, none of the Directors or chief executives of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register 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 for Securities Transactions by Directors of Listed Issues:

(a) The Company

董事姓名 Name of Director	權益性質 Nature of interests	持有股份及 相關股份之數目 Number of shares and underlying shares held	佔已發行 股本之百分比 Percentage to the issued share capital
馬申 Ma Sun	個人 Personal	52,125 (附註) (Note)	0.006%

Note: The interests held by Mr. Ma Sun as beneficial owner are all interests in shares.

(b) 相聯法團－上海聯合水泥股份有限公司（「上聯水泥」）

(b) Associated Corporation – Shanghai Allied Cement Limited ("SAC")

董事姓名 Name of Directors	權益性質 Nature of interests	持有股份及 相關股份之數目 Number of shares and underlying shares held	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 (附註1) (Note 1)	0.54%
馬申 Ma Sun	個人 Personal	100,000 (附註2) (Note 2)	0.01%
李志剛 Li Chi Kong	個人 Personal	600,000 (附註3) (Note 3)	0.08%

董事之權益 (續)

(b) 相聯法團－上海聯合水泥股份有限公司 (「上聯水泥」) (續)

附註：

1. 由黃清海先生作為實益持有人所擁有之權益，全屬購股權之相關股份權益。
2. 由馬申先生作為實益持有人所擁有之權益，全屬股份權益。
3. 由李志剛先生作為實益持有人所擁有之權益，全屬購股權之相關股份權益。
4. 本公司董事於上聯水泥購股權之權益已詳載於下文「購股權」一節。

上述全部權益皆為好倉。於二零零五年十二月三十一日，根據證券期貨條例第352條須予備存之登記冊所載，並無淡倉記錄。

購股權

(a) 本公司

本公司購股權計劃之資料已載於財務報表附註37。

於截至二零零五年十二月三十一日止年度內，並無根據本公司之購股權計劃授出任何購股權，於二零零四年十二月三十一日及二零零五年十二月三十一日亦無任何購股權仍未行使。

(b) 上聯水泥

有關上聯水泥購股權計劃 (「上聯水泥計劃」) 之資料已載於財務報表附註37。

DIRECTORS' INTERESTS (CONTINUED)

(b) Associated Corporation – Shanghai Allied Cement Limited (“SAC”) (continued)

Notes:

1. The interests held by Mr. Ng Qing Hai as beneficial owner are all interests in underlying shares relating to share options.
2. The interests held by Mr. Ma Sun as beneficial owner are all interests in shares.
3. The interests held by Mr. Li Chi Kong as beneficial owner are all interests in underlying shares relating to share options.
4. The interests of the Directors of the Company in the share options of SAC are detailed in the section “Share Options” as disclosed below.

All the interests stated above represent long positions. As at 31st December, 2005, no short positions were recorded in the register required to be kept under section 352 of the SFO.

SHARE OPTIONS

(a) The Company

Particulars of the Share Options Scheme of the Company are set out in note 37 to the financial statements.

No share option was granted under the Share Option Scheme of the Company during the year ended 31st December, 2005, nor was there any share option outstanding as at 31st December, 2004 and 31st December, 2005.

(b) SAC

Particulars of the share option scheme of SAC (the “SAC Scheme”) are set out in note 37 to the financial statements.

購股權 (續)

(b) 上聯水泥 (續)

根據上聯水泥計劃授出及於二零零五年十二月三十一日仍未行使之購股權詳情載列如下：

SHARE OPTIONS (CONTINUED)

(b) SAC (continued)

Details of the shares options granted under the SAC Scheme and the outstanding options as at 31st December, 2005 are as follows:

	授予日期 Date of Grant	行使期 Exercisable Period	每股行使價 Exercise price per share 港元 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	於年內 授出 Granted during the year	於年內 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
本公司董事 Directors of the Company							
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					
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					
上聯水泥僱員	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	17,100,000	—	600,000	16,500,000
Employees of SAC	28th July, 2003	28th January, 2004 to 27th July, 2013					
合計 Total				21,700,000	—	600,000	21,100,000

購股權 (續)

(b) 上聯水泥 (續)

上述全部購股權之歸屬期均為六個月。每位承授人就每份獲授之購股權支付代價10.00 港元。

每股股份於緊接授出購股權當日前之收市價為0.53港元。

於截至二零零五年十二月三十一日止年度內，概無任何可認購上聯水泥股份之購股權獲授出、行使或作廢。

上述已授出之購股權將於行使時方會在賬目確認。董事會認為，因對上述購股權進行之任何估值需作出多項特定、主觀及不確定之假設，故此不宜評估購股權價值。根據多項推測性假設而評估之購股權價值並無意義，且或會對股東有所誤導。因此，董事會認為僅披露可肯定之有關市價及行使價乃屬恰當。

除上文所披露者外，於年內，各董事或彼等之配偶或未滿十八歲子女概無獲授予認購本公司股本或債務證券之權利，亦無行使該等權利。

購買股份或債券之安排

除根據本公司及上聯水泥各自之購股權計劃授予用以認購本公司及上聯水泥股份之購股權外，本公司或其任何附屬公司於本年度內並無參與任何安排，使董事或彼等之配偶或十八歲以下子女可藉收購本公司或其他公司之股份或債券從而獲得利益。

SHARE OPTIONS (CONTINUED)

(b) SAC (continued)

All share options referred to above are subject to six months' vesting period. The consideration paid by each grantee for each of grants was HK\$10.00.

The closing price per share immediately before the date on which the share options were granted was HK\$0.53.

No share options for subscription of shares in SAC were granted, exercised or cancelled during the year ended 31st December, 2005.

The above options granted are not recognised in the accounts until they are exercised. The Board considers that it is inappropriate to value the share options granted since any valuation of the options would be subject to a number of assumptions that would be selective, subjective and uncertain. Any valuation of the share options based on various speculative assumptions would be meaningless and could be misleading to the shareholders. The Board therefore considers the disclosure of only the relevant market price and exercise price, which are readily ascertainable, will be appropriate.

Save as disclosed above, no rights to subscribe for equity or debt securities of the Company had been granted to or exercised by any Directors or their spouses or children under the age of 18 at any time during the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate with the exception of granting of share options to subscribe for shares in the Company and SAC under their respective share option schemes.

董事於重要合約之權益

本公司或其任何附屬公司在本年度終結或本年度內，並無參與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

於本年度，本集團最大五位客戶之銷售總額及本集團最大五位供應商之採購總額均各自少於本集團銷售總額及採購總額之20%。

據董事所知，持有本公司已發行股本5%以上的董事、彼等之聯繫人士或任何股東並無在本集團的五個最大供應商及客戶擁有任何實益權益。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its 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 director 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 the payment of compensation (other than statutory compensation).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, both the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 20% of the Group's sales and purchases respectively.

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

主要股東及其他人士之權益

INTERESTS OF SUBSTANTIAL SHAREHOLDERS
AND OTHER PERSONS

根據證券期貨條例第336條而須備存之登記冊所載，於二零零五年十二月三十一日，擁有本公司股份或相關股份之權益或淡倉之人士列示如下：

Set out below are the interests or short positions of persons in the shares or underlying shares of the Company as at 31st December, 2005 as recorded in the register required to be kept under section 336 of the SFO:

股東名稱 Name of Shareholders	持有股份及相關股份之數目 Number of shares and underlying shares held			權益總額 Total Interests	權益總額 佔已發行 股本之百分比 Percentage of total interests to the issued share capital
	個人權益 (實益持有) Personal Interests (held as beneficial owner)	法團權益 (控制公司 持有之權益) Corporate Interests (interest of controlled corporation)	其他權益 (投資管理人 持有) Other Interests (held as investment manager)		
新鴻基有限公司(「新鴻基」) Sun Hung Kai & Co. Limited ("SHK")	356,570,563	68,940,040 (附註1) (Note 1)	-	425,510,603	48.60%
聯合地產(香港)有限公司(「聯合地產」) Allied Properties (H.K.) Limited ("APL")	-	425,510,603 (附註2) (Note 2)	-	425,510,603 (附註3) (Note 3)	48.60%
聯合集團有限公司(「聯合集團」) Allied Group Limited ("AGL")	-	425,510,603 (附註4) (Note 4)	-	425,510,603 (附註3) (Note 3)	48.60%
Lee and Lee Trust ("LL Trust")	-	425,510,603 (附註5) (Note 5)	-	425,510,603 (附註3) (Note 3)	48.60%
中國網絡資本有限公司(「中國網絡」) COL Capital Limited ("COL")	-	61,560,700 (附註6) (Note 6)	-	61,560,700	7.03%
Dalton Investments LLC	-	-	47,872,000	47,872,000	5.47%
Wachovia Corporation	-	78,800,000 (附註7) (Note 7)	-	78,800,000	9.00%

主要股東及其他人仕之權益 (續)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS
AND OTHER PERSONS (CONTINUED)

附註：

Notes:

1. 該權益包括持有(i)新鴻基一間間接全資附屬公司新鴻基國際有限公司所持有之31,398,050股股份；及(ii)新鴻基另一間間接全資附屬公司新鴻基證券資本市場有限公司所持有之37,541,990股股份。
2. 聯合地產分別透過其直接及間接全資附屬公司AP Jade Limited及AP Emerald Limited持有新鴻基已發行股本約74.99%權益，故被視作擁有新鴻基所持有之股份之權益。
3. 此數字指新鴻基持有之同一批425,510,603股股份之權益。
4. 聯合集團持有聯合地產已發行股本約74.93%權益，故被視作擁有聯合地產所持有之股份之權益。
5. 李成輝先生、李淑慧女士及李成煌先生為全權信託LL Trust之信託人，彼等合共持有聯合集團已發行股本約40.06%權益，故被視作擁有聯合集團所持有之股份之權益。
6. 該61,560,700股股份由Classic Fortune Limited之全資附屬公司Honest Opportunity Limited(「HOL」)持有，而Classic Fortune Limited則為中國網絡之全資附屬公司。因此，中國網絡被視為擁有HOL所持有之61,560,700股股份之權益。
7. 該權益為本公司78,800,000份非上市而以實物結算之認股權證而產生之本公司78,800,000股相關股份之權益。
1. The interests include the holding of (i) 31,398,050 shares held by Sun Hung Kai International Limited, an indirect wholly owned subsidiary of SHK; and (ii) 37,541,990 shares held by Sun Hung Kai Securities Capital Markets Limited, also an indirect wholly owned subsidiary of SHK.
2. 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 an interest in the shares in which SHK was interested.
3. The figure refers to the same interest of SHK in 425,510,603 shares.
4. AGL owned approximately 74.93% interest in the issued share capital of APL and was therefore deemed to have an interest in the shares in which APL was interested.
5. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of the 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 an interest in the shares in which AGL was interested.
6. The 61,560,700 shares were held by Honest Opportunity Limited ("HOL"), a wholly owned subsidiary of Classic Fortune Limited which in turn was a wholly owned subsidiary of COL. COL was therefore deemed to have an interest in 61,560,700 shares in which HOL was interested.
7. The interest was 78,800,000 unlisted physically settled warrants of the Company giving rise to an interest in 78,800,000 underlying shares of the Company.

上述全部權益皆為好倉。於二零零五年十二月三十一日，根據證券期貨條例第336條須予備存之登記冊所載，並無淡倉記錄。

All the interests stated above represent long positions. As at 31st December, 2005, no short positions were recorded in the register required to be kept under section 336 of the SFO.

董事於競爭性業務之利益

於年內及截至本報告日期止，按聯交所上市規則規定，下列董事（獨立非執行董事除外）被視為於與本集團之業務構成競爭或可能構成競爭之業務中擁有利益，詳情如下：

1. 李成偉先生為新鴻基有限公司之董事，該公司透過其若干附屬公司部份從事經營借貸之業務。
2. 李成偉先生及李志剛先生為聯合地產（香港）有限公司之董事，該公司透過其一間附屬公司部份從事經營借貸之業務。
3. 勞景祐先生為聯合集團有限公司之董事，該公司透過其若干附屬公司部份從事經營借貸之業務。勞景祐先生及李志剛先生均為聯合集團有限公司之附屬公司聯合融資有限公司之董事，該公司部份從事經營借貸之業務。此外，勞景祐先生亦為建屋貸款（亞洲）有限公司（前稱金涑投資有限公司）之董事，該公司為聯合集團有限公司之附屬公司，部份從事借貸業務。李志剛先生曾為建屋貸款（亞洲）有限公司之董事，並於二零零五年十二月七日辭任。

由於本公司之董事會與上述公司之董事會均獨立運作，而上述各董事亦未能控制本公司之董事會，故本集團能獨立於該等公司之業務運作，及基於各自利益來經營業務。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, the following Directors (not being the Independent Non-Executive Directors) are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

1. Mr. Patrick Lee Seng Wei is a director of Sun Hung Kai & Co. Limited which, through certain of its subsidiaries, is partly engaged in the business of money lending.
2. Messrs. Patrick Lee Seng Wei and Li Chi Kong are directors of Allied Properties (H.K.) Limited which, through a subsidiary, is partly engaged in the business of money lending.
3. Mr. Edwin Lo King Yau is a director of Allied Group Limited which, through certain of its subsidiaries, is partly engaged in the business of money lending. Both Messrs. Edwin Lo King Yau and Li Chi Kong are directors of AG Capital Limited, a subsidiary of Allied Group Limited, which is partly engaged in the business of money lending. Also, Mr. Edwin Lo King Yau is a director of The Building and Loan Agency (Asia) Limited (formerly known as Goldnet Investment Limited), a subsidiary of Allied Group Limited, which was partly engaged in the business of money lending. Mr. Li Chi Kong was a director of The Building and Loan Agency (Asia) Limited and resigned on 7th December, 2005.

As the Board of Directors of the Company is independent from the boards of the abovementioned companies and none of the above Directors can control the Board of the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

關連交易

1. 本公司之一間非全資附屬公司上海聯合水泥有限公司(「上海水泥」)與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一份租約，據此，上海水泥廠將若干器材及設施租予上海水泥使用(「該交易」)。截至二零零五年十二月三十一日止年度，該交易總額達5,852,000港元。該交易構成本公司之持續關連交易。

獨立非執行董事已審查該交易，並確認該交易乃：

- (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；
- (iii) 根據規管該交易之租約條款訂立，並屬公平合理及整體上符合本公司股東之利益；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。

CONNECTED TRANSACTIONS

1. A leasing agreement was entered into between Shanghai Allied Cement Co., Ltd. ("Shanghai SAC"), a non-wholly owned subsidiary of the Company, and Shanghai Cement Factory ("SCF"), a substantial shareholder of Shanghai SAC, on 16th December, 1995, pursuant to which 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 Transaction constituted a continuing connected transaction of the Company.

The Independent Non-Executive Directors have reviewed the Transaction 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;
- (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.

關連交易 (續)

2. 誠如本公司日期為二零零五年一月二十一日之報章公佈所披露，本公司之全資附屬公司Shine Star Properties Limited (「Shine Star」)與Sun Hung Kai International Investment Management Limited (「SHKI」)及興業控股有限公司 (「興業」)於二零零四年十二月三十日訂立一份買賣協議 (「興業協議」)，據此，(i) Shine Star同意出售，而SHKI則同意購買興業全部已發行股本；及(ii)Shine Star同意轉讓及SHKI同意收購所轉讓之興業於二零零四年十二月二十三日結欠Shine Star之股東貸款權益共10,172,709港元，SHKI應付Shine Star之總代價為人民幣14,634,180元 (相等於約13,805,830港元)。其後，Shine Star亦與SHKI及誠興投資有限公司 (「誠興」)於二零零五年一月十九日訂立另一份買賣協議 (「誠興協議」)，據此，(i) Shine Star同意出售而SHKI則同意購買誠興全部已發行股本；及(ii)Shine Star同意轉讓及SHKI同意收購所轉讓之誠興於二零零五年一月十八日結欠Shine Star之股東貸款權益共26,934,275港元，SHKI應付Shine Star之總代價為人民幣40,786,200元 (相等於約38,477,547港元)。

由於SHKI為本公司主要股東 (定義見上市規則) 新鴻基有限公司 (「新鴻基」) 之直接全資附屬公司，故SHKI為本公司之關連人士。因此，根據上市規則，興業協議及誠興協議均構成本公司之關連交易。

根據上市規則第14A章，訂立及履行興業協議須遵守申報及公佈之規定，惟獲豁免遵守獨立股東批准之規定。

CONNECTED TRANSACTIONS (CONTINUED)

2. As disclosed in the press announcement of the Company dated 21st January, 2005, Shine Star Properties Limited ("Shine Star"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement (the "Hing Yip Agreement") with Sun Hung Kai International Investment Management Limited ("SHKI") and Hing Yip Holdings Limited ("Hing Yip") on 30th December, 2004, pursuant to which (i) Shine Star agreed to sell and SHKI agreed to purchase the entire issued share capital of Hing Yip; and (ii) Shine Star agreed to assign and SHKI agreed to take as an assignment of the benefits of the shareholder's loan in the sum of HK\$10,172,709 due from Hing Yip to Shine Star as at 23rd December, 2004, at the aggregate consideration of RMB14,634,180 (equivalent to approximately HK\$13,805,830) payable from SHKI to Shine Star. Subsequently, Shine Star also entered into another sale and purchase agreement (the "Sing Hing Agreement") with SHKI and Sing Hing Investment Limited ("Sing Hing") on 19th January, 2005, pursuant to which (i) Shine Star agreed to sell and SHKI agreed to purchase the entire issued share capital of Sing Hing; and (ii) Shine Star agreed to assign and SHKI agreed to take as an assignment of the benefits of the shareholder's loan in the sum of HK\$26,934,275 due from Sing Hing to Shine Star as at 18th January, 2005, at the aggregate consideration of RMB40,786,200 (equivalent to approximately HK\$38,477,547) payable from SHKI to Shine Star.

Since SHKI is a direct wholly owned subsidiary of Sun Hung Kai & Co. Limited ("SHK") which is a substantial shareholder (as defined in the Listing Rules) of the Company, SHKI is a connected person of the Company. Accordingly, both the Hing Yip Agreement and the Sing Hing Agreement constituted connected transactions for the Company under the Listing Rules.

The entering into and performance of the Hing Yip Agreement was subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

關連交易 (續)

按照上市規則第14A.25條及第14A.26條合併計算本公司就興業協議及誠興協議之已收取代價，則訂立及履行誠興協議須根據上市規則第14A章遵守申報、公佈及獲得獨立股東批准之規定。批准誠興協議之普通決議案於二零零五年三月十八日舉行之股東特別大會上獲本公司獨立股東以投票表決方式通過。

3. 誠如本公司日期為二零零五年二月二十二日之報章公佈所披露，本公司之全資附屬公司天安(上海)投資有限公司(「天安上海」)分別與南京長江發展股份有限公司(「長發」)及南京市建邺區城鎮建設綜合開發總公司(「建邺」)於二零零五年二月二十二日訂立兩份協議(「天都協議」)，據此，長發及建邺各自同意出售而天安上海同意向彼等各自購買本公司之非全資附屬公司南京天都實業有限公司(「天都」)註冊資本之20%權益，應付予長發及建邺之代價分別為人民幣10,209,600元(相等於約9,631,700港元)及人民幣10,209,600元(相等於約9,631,700港元)。由於長發及建邺各自持有天都註冊資本之20%權益，屬天都之主要股東(定義見上市規則)，故長發及建邺為本公司之關連人士。因此，根據上市規則第14A.13(1)(a)條，訂立及履行天都協議構成本公司之關連交易，且根據上市規則須合併計算，並須根據上市規則遵守申報、公佈及獲得股東批准之規定。批准天都協議之普通決議案於二零零五年四月二十日舉行之股東特別大會上獲本公司股東以投票表決方式通過。

CONNECTED TRANSACTIONS (CONTINUED)

When the considerations received by the Company under the Hing Yip Agreement and the Sing Hing Agreement were aggregated under Rules 14A.25 and 14A.26 of the Listing Rules, the entering into and performance of the Sing Hing Agreement was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The ordinary resolution approving the Sing Hing Agreement was passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 18th March, 2005.

3. As disclosed in the press announcement of the Company dated 22nd February, 2005, Tian An (Shanghai) Investments Co., Ltd. ("Tian An Shanghai"), a wholly owned subsidiary of the Company, entered into two agreements (the "Tiandu Agreements") respectively with Nanjing Changjiang Development Joint Stock Limited ("Changfa") and Nanjing City Jianye District Town Infrastructure Integrated Development Company ("Jianye") on 22nd February, 2005, pursuant to which each of Changfa and Jianye agreed to sell and Tian An Shanghai agreed to purchase from each of them a 20% interest in the registered capital of Nanjing Tiandu Industry Co., Ltd. ("Tiandu"), a non-wholly owned subsidiary of the Company, at the considerations of RMB10,209,600 (equivalent to approximately HK\$9,631,700) and RMB10,209,600 (equivalent to approximately HK\$9,631,700) payable to Changfa and Jianye respectively. Since Changfa and Jianye, each holding a 20% interest in the registered capital of Tiandu, were substantial shareholders (as defined in the Listing Rules) of Tiandu, Changfa and Jianye were connected persons of the Company. Accordingly, the entering into and performance of the Tiandu Agreements constituted connected transactions of the Company under Rule 14A.13(1)(a) of the Listing Rules and were aggregated under the Listing Rules, which were subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. The ordinary resolution approving the Tiandu Agreements was passed by the shareholders of the Company by poll at the extraordinary general meeting held on 20th April, 2005.

關連交易 (續)

4. 誠如本公司日期為二零零五年三月二日之報章公佈所披露，本公司之間接全資附屬公司正景發展有限公司(「正景」)與捷橋財務有限公司(「捷橋」)及本公司於二零零五年三月二日訂立一份貸款協議(「貸款協議」)，據此，捷橋同意向正景提供最多100,000,000港元之循環備用貸款(「備用貸款」)作為其一般營運資金，而本公司則同意擔保備用貸款下之貸款會獲得償還。捷橋為本公司主要股東(定義見上市規則)新鴻基之直接全資附屬公司，故捷橋為本公司之關連人士。因此，根據上市規則，貸款協議項下之交易構成本公司之持續關連交易，並須根據上市規則遵守申報、公佈及獲得獨立股東批准之規定。由於該項交易之代價比率(定義見上市規則)超過5%但少於25%，根據上市規則，該項交易亦構成本公司之須予披露交易。批准貸款協議之普通決議案於二零零五年四月二十日舉行之股東特別大會上獲本公司獨立股東以投票表決方式通過。

其後，誠如本公司日期為二零零五年十一月八日之另一份報章公佈所披露，正景與捷橋、本公司、本公司之間接全資附屬公司天滿企業有限公司(「天滿」)及本公司之另一家間接全資附屬公司天安地產代理(中國)有限公司(「天安地產代理」)於二零零五年十一月七日訂立一份補充貸款協議(「補充貸款協議」)，據此，捷橋同意將向正景提供貸款協議項下之備用貸款，由100,000,000港元增加至280,000,000港元(「補充備用貸款」)作為其一般營運資金，而本公司、天滿及天安地產代理同意共同及個別擔保補充備用貸款下之貸款會獲得償還。

CONNECTED TRANSACTIONS (CONTINUED)

4. As disclosed in the press announcement of the Company dated 2nd March, 2005, Join View Development Limited ("Join View"), an indirect wholly owned subsidiary of the Company, entered into a loan agreement (the "Loan Agreement") with Ranbridge Finance Limited ("Ranbridge") and the Company on 2nd March, 2005, pursuant to which Ranbridge agreed to make available to Join View a revolving credit facility up to HK\$100,000,000 (the "Loan Facility") for its general working capital and the Company agreed to guarantee the repayment of the loan under the Loan Facility. Ranbridge is a direct wholly owned subsidiary of SHK, a substantial shareholder (as defined in the Listing Rules) of the Company, and therefore, a connected person of the Company. Accordingly, the transaction under the Loan Agreement constituted a continuing connected transaction for the Company under the Listing Rules and was subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Since the consideration ratio (as defined in the Listing Rules) for such transaction was more than 5% but less than 25%, it also constituted a discloseable transaction for the Company under the Listing Rules. The ordinary resolution approving the Loan Agreement was passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 20th April, 2005.

Subsequently, as disclosed in another press announcement of the Company dated 8th November, 2005, Join View entered into a supplemental loan agreement (the "Supplemental Loan Agreement") with Ranbridge and the Company, Sky Full Enterprises Limited ("Sky Full"), an indirect wholly owned subsidiary of the Company, and Tian An Real Estate Agency (China) Limited ("Tian An Real Estate Agency"), another indirect wholly owned subsidiary of the Company, on 7th November, 2005, pursuant to which Ranbridge agreed with Join View to increase the Loan Facility under the Loan Agreement from HK\$100,000,000 to HK\$280,000,000 (the "Supplemental Loan Facility") for its general working capital and the Company, Sky Full and Tian An Real Estate Agency agreed to jointly and severally guarantee the repayment the loan under the Supplemental Loan

關連交易 (續)

此外，作為正景根據貸款協議（經補充貸款協議補充）下應付之所有款項之抵押，本公司之全資附屬公司天安中國酒店房地產投資有限公司，及本公司之間接全資附屬公司晉威集團有限公司同意就彼等於天滿之所有股權以捷橋為受惠人設立一項按揭（「天滿股份按揭」），而本公司另一間間接全資附屬公司Tian An Real Estate (Dalian) Company Limited同意就其於天安地產代理之所有股權以捷橋為受惠人設立另一項按揭（「天安股份按揭」）。因此，根據上市規則，補充貸款協議項下之交易、天滿股份按揭及天安股份按揭構成本公司之不獲豁免持續關連交易，並須根據上市規則須遵守申報、公佈及獲得獨立股東批准之規定。由於該等交易之代價比率（定義見上市規則）超過5%但少於25%，根據上市規則，該等交易亦構成本公司之須予披露交易。批准補充貸款協議、天滿股份按揭及天安股份按揭之普通決議案於二零零五年十二月六日舉行之股東特別大會上獲本公司獨立股東以投票表決方式通過。截至二零零五年十二月三十一日止年度，補充備用貸款之最高額為250,000,000港元，其中5,000,000港元已於二零零五年償還。於二零零五年十二月三十一日，貸款餘額為245,000,000港元。

獨立非執行董事已審查補充備用貸款，並確認補充備用貸款乃：

- (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；

CONNECTED TRANSACTIONS (CONTINUED)

Facility. In addition, as security for all moneys payable by Join View under the Loan Agreement as supplemented by the Supplemental Loan Agreement, Tian An China Hotel and Property Investments Company Limited, a wholly owned subsidiary of the Company, and Oxwell Holdings Limited, an indirect wholly owned subsidiary of the Company, agreed to create a mortgage in favour of Ranbridge over their entire shareholding in Sky Full (the "Sky Full Share Mortgage") whereas Tian An Real Estate (Dalian) Company Limited, another indirect wholly owned subsidiary of the Company, agreed to create another mortgage in favour of Ranbridge over its entire shareholding in Tian An Real Estate Agency (the "Tian An Share Mortgage"). Accordingly, the transactions under the Supplemental Loan Agreement, the Sky Full Share Mortgage and the Tian An Share Mortgage constituted non-exempt continuing connected transactions for the Company under the Listing Rules and were subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Since the consideration ratio (as defined in the Listing Rules) for such transactions was more than 5% but less than 25%, they also constituted discloseable transactions for the Company under the Listing Rules. The ordinary resolution approving the Supplemental Loan Agreement, the Sky Full Share Mortgage and the Tian An Share Mortgage was passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 6th December, 2005. The maximum amount of the Supplemental Loan Facility utilised for the year ended 31st December, 2005 amounted to HK\$250,000,000, of which HK\$5,000,000 was repaid in 2005. The balance of the loan amount as at 31st December, 2005 was HK\$245,000,000.

The Independent Non-Executive Directors have reviewed the Supplemental Loan Facility and confirmed that the Supplemental Loan Facility was:

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

關連交易 (續)

(iii) 根據規管補充備用貸款之貸款協議 (由補充貸款協議補充) 條款訂立、並屬公平合理及整體上符合本公司股東之利益；及

(iv) 補充備用貸款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。

5. 誠如本公司日期為二零零五年三月十七日之報章公佈所載，本公司全資附屬公司天安投資有限公司(「天安投資」)與常州長江經濟技術開發有限公司(「常州長江」)於二零零五年二月三日訂立出售協議(「天安房地產協議」)，天安投資向常州長江出售常州天安房地產開發有限公司(「天安房地產」)註冊資本之51%權益，常州長江應付予天安投資之總代價為人民幣8,070,000元(相等於約7,613,200港元)(「出售事項」)。根據上市規則第14A.16(5)條之規定，由於收入比率(定義見上市規則)超過2.5%但少於25%，以及根據上市規則第14.15條總代價(基於於二零零四年十二月三十一日天安投資於天安房地產資產淨值之51%權益)超過10,000,000港元，故此出售事項根據天安房地產協議構成本公司一項非豁免關連交易，並須根據上市規則遵守有關申報、公佈及獨立股東批准之規定。

CONNECTED TRANSACTIONS (CONTINUED)

(iii) entered into in accordance with the terms of the Loan Agreement as supplemented by the Supplemental Loan Agreement governing the Supplemental Loan Facility 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 Supplemental Loan Facility in 2005 was within the relevant maximum amount as agreed by the Stock Exchange.

5. As disclosed in the press announcement of the Company dated 17th March, 2005, Tian An Investment Company Limited ("Tian An Investment"), a wholly owned subsidiary of the Company, entered into a disposal agreement (the "CZTA Real Estate Agreement") with Changzhou Changjiang Economic Technology Development Company Limited ("Changzhou Changjiang") on 3rd February, 2005 in relation to the disposal of 51% interest in the registered capital of Changzhou Tianan Real Estate Development Co., Ltd. ("CZTA Real Estate") by Tian An Investment to Changzhou Changjiang at the aggregate consideration of RMB8,070,000 (equivalent to approximately HK\$7,613,200) payable to Tian An Investment (the "Disposal"). The Disposal pursuant to the CZTA Real Estate Agreement constituted a non-exempt connected transaction for the Company under Rule 14A.16(5) of the Listing Rules (by virtue of the fact that the revenue ratio (as defined in the Listing Rules) was more than 2.5% but less than 25% and the total consideration based on Tian An Investment's 51% interest in net asset value of CZTA Real Estate as at 31st December, 2004 pursuant to Rule 14.15 exceeded HK\$10,000,000) and was therefore subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

關連交易 (續)

此外，於二零零五年二月三日，天安上海與常州長江訂立一項收購協議（「天安城市發展協議」），天安上海向常州長江收購常州天安城市發展有限公司（「天安城市發展」）註冊資本之10%權益，天安上海應付予常州長江之總代價為人民幣2,194,000元（相等於約2,069,800港元）；而天安上海亦與常州長江訂立另一項收購協議（「天安元城協議」），天安上海向常州長江收購常州天安元城房地產發展有限公司（「天安元城」）註冊資本之10%權益，由於常州長江尚未向天安元城注入任何註冊資本，故天安上海無須向常州長江支付任何代價（「收購事項」）。常州長江為天安城市發展及天安元城之主要股東（定義見上市規則），且分別擁有本公司非全資附屬公司天安城市發展及天安元城註冊資本之10%及10%，故此根據上市規則，常州長江為本公司之關連人士。根據天安城市發展協議及天安元城協議項下之收購事項構成本公司之關連交易；且根據上市規則第14A.13(1)條，收購事項適用之百分比率少於2.5%，故須遵守申報及公佈之規定。

由於出售事項及收購事項均在類似背景下訂立，以加強本集團之住宅物業組合長期發展，因此動議已提呈予本公司獨立股東作全面考慮，批准出售事項及收購事項之普通決議案於二零零五年四月二十七日舉行之股東特別大會上已獲本公司獨立股東以投票方式表決通過。

CONNECTED TRANSACTIONS (CONTINUED)

In addition, on 3rd February, 2005, Tian An Shanghai entered into an acquisition agreement (the "CZTA City Development Agreement") with Changzhou Changjiang in relation to the acquisition of 10% interest in the registered capital of Changzhou Tian An City Development Co., Ltd. ("CZTA City Development") by Tian An Shanghai from Changzhou Changjiang at the aggregate consideration of RMB2,194,000 (equivalent to approximately HK\$2,069,800) payable to Changzhou Changjiang; and Tian An Shanghai also entered into another acquisition agreement (the "CZTA Yuan Cheng Agreement") with Changzhou Changjiang in relation to the acquisition of 10% interest in the registered capital of Changzhou Tian An Yuan Cheng Real Estate Development Company Limited ("CZTA Yuan Cheng") by Tian An Shanghai from Changzhou Changjiang with no consideration payable to Changzhou Changjiang as Changzhou Changjiang has not yet contributed any of the registered capital to CZTA Yuan Cheng (the "Acquisitions"). Changzhou Changjiang was a substantial shareholder (as defined in the Listing Rules) of CZTA City Development and CZTA Yuan Cheng and thus a connected person of the Company under the Listing Rules by virtue of its interests of 10% and 10% in the registered capitals of CZTA City Development and CZTA Yuan Cheng respectively, which are non-wholly owned subsidiaries of the Company. The Acquisitions pursuant to the CZTA City Development Agreement and the CZTA Yuan Cheng Agreement thus constituted connected transactions for the Company and as the applicable percentage ratios of the Acquisitions were less than 2.5% under Rule 14A.32(1) of the Listing Rules, they were subject to reporting and announcement requirements.

As both the Disposal and the Acquisitions were contemplated under a similar context to enhance the Group's residential property portfolio for long-term development, motions had been put forward to the independent shareholders of the Company for their full consideration and the ordinary resolution approving the Disposal and the Acquisitions was passed by the independent shareholders of the Company by poll at the extraordinary general meeting held on 27th April, 2005.

關連交易 (續)

6. 誠如本公司日期為二零零五年十二月十六日之報章公佈所披露，本公司與聯合集團有限公司(「聯合集團」)於二零零五年十二月十五日訂立行政服務及管理服務分攤協議(「服務協議」)，據此，本公司同意支付聯合集團就其向本集團提供之行政服務(包括秘書服務、提供註冊辦事處地址、水電供應、速遞及送遞、電話(包括國際長途電話)、互聯網、影印及其他辦公室配套服務)(「行政服務」)，以及管理服務(包括聯合集團之高級管理人員向本集團提供之管理、策略及業務諮詢服務)(「管理服務」)所產生之成本。由於聯合集團透過其於附屬公司聯合地產(香港)有限公司及新鴻基之權益成為本公司之主要股東(定義見上市規則)，故聯合集團為本公司之關連人士。因此，根據上市規則第14A.14條，訂立服務協議及其項下之有關分攤管理服務之交易構成本公司持續關連交易，根據上市規則須遵守有關申報及公佈之規定，但獲豁免遵守獨立股東批准之規定。有關本公司與聯合集團根據服務協議項下之有關分攤行政服務之交易，乃根據上市規則第14A.31(8)條及第14A.33(2)條，獲豁免遵守申報、公佈及獲獨立股東批准之規定。截至二零零五年十二月三十一日止年度，管理服務之總金額為3,200,000港元。

獨立非執行董事已審查有關分攤管理服務之交易，並確認交易乃：

- (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；

CONNECTED TRANSACTIONS (CONTINUED)

6. As disclosed in the press announcement of the Company dated 16th December, 2005, the Company entered into a sharing of administrative services and management services agreement (the "Services Agreement") with Allied Group Limited ("AGL") on 15th December, 2005, pursuant to which the Company agreed to reimburse AGL the costs incurred in respect of the administrative services, which included the secretarial services, provision of registered office address, utilities, courier and delivery, telephone (including international telephone), internet, photocopying and other ancillary office services provided by AGL to the Group (the "Administrative Services") and management services, which included the management, strategic and business advice provided by the senior management of AGL to the Group (the "Management Services"). Since AGL is a substantial shareholder (as defined in the Listing Rules) of the Company through its interests in its subsidiaries, Allied Properties (H.K.) Limited and SHK, AGL is a connected person of the Company. Accordingly, the entering into of the Services Agreement and the transactions regarding the sharing of the Management Services contemplated thereunder constituted continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules, which are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under the Listing Rules. The transactions regarding the sharing of the Administrative Services between the Company and AGL contemplated under the Services Agreement are exempt from the reporting, announcement and independent shareholders' approval requirements under Rules 14A.31(8) and 14A.33(2) of the Listing Rules. The aggregate amount of the Management Services for the year ended 31st December, 2005 amounted to HK\$3,200,000.

The Independent Non-Executive Directors have reviewed the transactions regarding the sharing of the Management Services 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;

關連交易 (續)

- (iii) 根據規管分攤管理服務之服務協議條款訂立，並屬公平合理及整體上符合本公司股東之利益；及
- (iv) 管理服務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。

購回、出售或贖回證券

本公司或其任何附屬公司概無於本年度內購回、出售或贖回本公司任何證券。

公司管治

本公司致力於維持高水平之企業管治常規。有關本公司採納企業管治常規之資料已載於第44頁至第58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。

捐款

年內本集團慈善捐款達9,000港元。

CONNECTED TRANSACTIONS (CONTINUED)

- (iii) entered into in accordance with the terms of the Services Agreement governing the transactions regarding the sharing of the Management Services 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 Management Services in 2005 was within the relevant maximum amount as agreed by the Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

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 44 to 58.

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.

DONATIONS

During the year, the Group made charitable donations amounting to HK\$9,000.

核數師

本公司截至二零零五年十二月三十一日止年度之財務報表為德勤•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
主席
李成偉

香港，二零零六年三月三十一日

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
Patrick Lee Seng Wei
Chairman

Hong Kong, 31st March, 2006