

董事會謹此提呈本公司及本集團截至二零零五年十二月三十一日止年度之董事會報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團之主要業務為提供全程物流及運輸配套服務，以及相關資產及項目之投資、經營及管理。本公司屬下各主要附屬公司、聯營公司及共同控權合資公司之主要業務之詳情載於財務報表附註43。

分部資料

本集團截至二零零五年十二月三十一日止年度按主要業務及經營地區分類之營業額及業績貢獻分析載於財務報表附註5。

集團業績

本集團截至二零零五年十二月三十一日止年度之業績及本公司與本集團於該日之財務狀況載列於第93至194頁之財務報表內。

股息

董事會建議派發截至二零零五年十二月三十一日止年度之末期股息，每股港幣0.55仙（二零零四年：每股港幣0.5仙），合共港幣6,246萬元（二零零四年：港幣5,716萬元）。

財務資料概要

本集團過往五個財政年度已刊發之業績及資產與負債之概要（摘錄自經審核財務報表並已適當地重新分類）載於本年報第9至10頁。

The directors herein present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are the provision of total logistics and transportation ancillary services as well as investment, operation and management of related assets and projects. Details of the principal activities of the Company's principal subsidiaries, associates and jointly controlled entities are set out in note 43 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to the results by principal activities and geographical area of operations for the year ended 31 December 2005 is set out in note 5 to the financial statements.

RESULTS OF THE GROUP

The Group's results for the year ended 31 December 2005 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 93 to 194.

DIVIDENDS

The board of directors recommended the payment of a final dividend of HK 0.55 cent per share (2004: HK 0.5 cent per share) amounting in aggregate to HK\$62.46 million (2004: HK\$57.16 million) in respect of the year ended 31 December 2005.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on pages 9 to 10 of this Annual Report.

物業、廠房及設備

本集團於本年度內物業、廠房及設備之變動詳情載於財務報表附註6。

投資物業

本集團於本年度內投資物業之變動詳情載於財務報表附註7。

股本及購股權

本公司於本年度內股本及購股權變動之詳情(連同相關原因)載於財務報表附註21。

優先購股權

本公司之公司細則或百慕達公司法均無優先購股權(即本公司須就此按持股比例之基準向其現有股東優先發售新股)之規定。

購買、贖回或出售本公司之上市證券

於二零零五年十月，本公司於香港聯合交易所有限公司(「聯交所」)購回合共77,760,000股股份，購回股份的最高及最低買入價分別為每股港幣0.255元及港幣0.230元，購回股份所支付的款項總計為港幣19,296,000元，已自股東權益中扣除。於二零零五年十二月三十一日，該等回購股份已全額註銷。董事會作出股份回購是為提高股東利益。

除上文所披露者外，本公司或其任何附屬公司於本年度內概無購買、贖回或出售本公司之任何上市證券。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 6 to the financial statements.

INVESTMENT PROPERTIES

Details of the movements in the investment properties of the Group during the year are set out in note 7 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the share capital and share options of the Company during the year, together with the reasons therefor, are set out in note 21 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the Companies Act of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During October 2005, the Company repurchased 77,760,000 shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The highest and lowest price paid for all such purchases were HK\$0.255 and HK\$0.230 respectively. The total amount paid to repurchase these shares was HK\$19,296,000 and has been deducted from shareholders' equity. These shares acquired have been fully cancelled as at 31 December 2005. The repurchases were effected by the Directors for the enhancement of shareholders' value.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

儲備

本公司及本集團於本年度內儲備變動之詳情載於財務報表附註22。

可供分派之儲備

於二零零五年十二月三十一日，本公司可用作股東分派之儲備包括繳入盈餘及保留盈利為港幣219,589,000元（二零零四年：港幣217,259,000元），而本公司之股份溢價賬可以繳足股款紅利股份之方式進行分配。

主要客戶及供應商

本集團五大客戶之銷售額佔本集團本年度總銷售額不足30%。本集團之主要供應商佔本集團本年度之採購額之百分比載列如下：

採購額

— 最大供應商	24%
— 五位最大供應商合計	37%

本公司的非執行董事杜志強先生的配偶持有其中一家主要供應商中國南方航空股份有限公司（「中國南方航空」）100,000股H股股份。此外，於二零零五年十二月三十一日，根據證券及期貨條例第XV部，李嘉誠先生、Li Ka-Shing Unity Trustee Corporation Limited、Li Ka-Shing Unity Trustcorp Limited、Li Ka-Shing Unity Trustee Company Limited及長江實業（集團）有限公司（均持有本公司已發行股本5%以上權益之股東）各自均被視為持有中國南方航空之193,877,000股H股股份。

除上文所披露者外，董事、彼等之聯繫人士或任何股東（指據董事所知擁有本公司5%或以上股本權益之股東）並無於上述主要客戶或供應商中擁有任何權益。

RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out in note 22 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2005, the Company's distributable reserves available for distribution to shareholders, comprising contribution surplus and retained earnings, amounted to HK\$219,589,000 (2004: HK\$217,259,000). The share premium of the Company may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The turnover attributable to the largest five customers of the Group accounted for less than 30% of the total Group's turnover for the year. The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

Purchases

— the largest supplier	24%
— five largest supplies combined	37%

The spouse of Mr. To Chi Keung, Simon who is a non-executive director of the Company, is the owner of 100,000 H shares of China Southern Airlines Company Limited ("China Southern Airlines"), one of the major suppliers. Moreover, each of Mr. Li Ka Shing, Li Ka-Shing Unity Trustee Corporation Limited, Li Ka-Shing Unity Trustcorp Limited, Li Ka-Shing Unity Trustee Company Limited and Cheung Kong (Holdings) Limited (all being interested in more than 5% of the Company's issued share capital) is deemed to be interested in the 193,877,000 H shares of China Southern Airlines as at 31 December 2005 under Part XV of the Securities and Futures Ordinance (the "SFO").

Save as disclosed above, none of the directors, their associates or any shareholder (which to the knowledge of the directors owns 5% or more of the Company's share capital) had an interest in the major customers or suppliers noted above.

董事

於本年度內及截至本報告日期止，本公司董事會成員如下：

執行董事

李黑虎先生
陳 潮先生
李景奇先生
喬 剛先生
劉 軍先生

非執行董事

杜志強先生

獨立非執行董事

梁銘源先生
丁 迅先生
聶潤榮先生

根據本公司之公司細則第109(A)條之規定（經公司細則第189(ix)條補充），李黑虎先生、杜志強先生及梁銘源先生須於即將舉行之股東週年大會上輪值告退，惟彼等符合獲重選連任之資格，並表示願意膺選連任。

董事於合約之權益

於本年度內，各董事於本公司或其任何附屬公司所參與訂立而與本集團業務有重大關係之任何合約中概無直接或間接擁有重大權益。

DIRECTORS

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

Executive directors

Mr. Li Hei Hu
Mr. Chen Chao
Mr. Li Jing Qi
Mr. Qiao Gang
Mr. Liu Jun

Non-executive director

Mr. To Chi Keung, Simon

Independent non-executive directors

Mr. Leung Ming Yuen, Simon
Mr. Ding Xun
Mr. Nip Yun Wing

In accordance with the Company's Bye-Law 109(A) (supplemented by Bye-Law 189(ix)), Messrs. Li Hei Hu, To Chi Keung, Simon and Leung Ming Yuen, Simon will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election as directors.

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had a material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事於證券之權益

董事所持本公司購股權之權益於下文「購股權計劃」一節中另行披露。

於二零零五年十二月三十一日，根據證券及期貨條例第XV部第352條規定本公司需備存的登記冊所記錄或依據上市發行人董事進行證券交易的標準守則（「標準守則」），本公司各董事及主要行政人員須知會本公司及聯交所彼等於本公司或任何本公司相聯法團（定義見證券及期貨條例）的股份、相關股份及債權證的權益及淡倉載列如下：

於本公司普通股之好倉

DIRECTORS' INTERESTS IN SECURITIES

The interests of the directors in the share options of the Company are separately disclosed in the section headed "SHARE OPTION SCHEME" below.

As at 31 December 2005, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company 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 Issuers (the "Model Code") contained in the Listing Rules were as follows:

Long positions in ordinary shares of the Company

董事名稱 Name of Directors	所持普通股數目 Number of ordinary shares held	身份 Capacity	權益性質 Nature of Interest	約佔本公司 已發行股本之百分比 Approximate % of issued share capital of the Company
李黑虎 Li Hei Hu	35,000,000	實益擁有人 beneficial owner	個人 personal	0.31%
陳 潮 Chen Chao	30,000,000	實益擁有人 beneficial owner	個人 personal	0.26%
李景奇 Li Jing Qi	30,000,000	實益擁有人 beneficial owner	個人 personal	0.26%
劉 軍 Liu Jun	25,000,000	實益擁有人 beneficial owner	個人 personal	0.22%
杜志強 To Chi Keung, Simon	15,000,000	實益擁有人 beneficial owner	個人 personal	0.13%

董事於證券之權益 (續)

於相聯法團股份之好倉

深圳高速公路股份有限公司 (「深圳高速」)

DIRECTORS' INTERESTS IN SECURITIES (continued)

Long position in shares of an associated corporation

Shenzhen Expressway Company Limited (“Shenzhen Expressway”)

董事名稱 Name of Director	所持H股數目 Number of H shares held	身份 Capacity	權益性質 Nature of Interest	約佔深圳高速 H股之百分比 Approximate % of H shares of Shenzhen Expressway
劉 軍 Liu Jun	100,000	實益擁有人 beneficial owner	個人 personal	0.01%

除上文及下一節之「購股權計劃」所披露者外，於二零零五年十二月三十一日，本公司之董事或主要行政人員概無其他須根據證券及期貨條例第XV部第352條規定本公司需備存的登記冊所記錄或依據標準守則彼等須知會本公司及聯交所於本公司或任何本公司相聯法團(定義見證券及期貨條例)的股份、相關股份及債權證中的權益或淡倉。

Save as disclosed above and in the section headed “SHARE OPTION SCHEME” below, as at 31 December 2005, none of the directors or chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事購入股份或債券之權利

除上文「董事於證券之權益」一節及下文「購股權計劃」一節所披露者外，於年內任何時間，任何董事、主要行政人員或彼等各自之配偶或十八歲以下之子女概無獲授予任何可藉購入本公司或任何其他公司之股份或債券而獲益之權利，以上各人亦無行使任何該等權利，本公司或其任何附屬公司亦無參與訂立任何安排，以使董事、主要行政人員、彼等之配偶或十八歲以下之子女取得有關任何其他公司之該等權利。

購股權計劃

本公司已於二零零四年四月三十日舉行的股東特別大會上採納了一項購股權計劃（「本計劃」）。本計劃的有效期由二零零四年四月三十日起計十年，是一項股份獎勵計劃，旨在嘉許及推動對本集團的長遠發展及盈利能力作出重要貢獻的合資格參與人士。

由董事會釐定的合資格參與本計劃者包括(a)本集團的任何全職僱員；(b)本集團、聯營公司及共同控權實體公司的任何董事（包括執行、非執行或獨立非執行董事）；或(c)本公司的任何主要股東。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the sections headed "DIRECTORS' INTERESTS IN SECURITIES" above and "SHARE OPTION SCHEME" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any directors, chief executive or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the directors, chief executive, their spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") at a special general meeting held on 30 April 2004. The Scheme is valid and effective for a period of 10 years commencing on 30 April 2004 and is a share incentive scheme to reward and motivate the eligible participants whose contributions are important to the long-term growth and profitability of the Group.

Eligible participants of the Scheme include person being (a) any full-time employee of the Group, (b) any director (including executive, non-executive or independent non-executive directors) of the Group, associates and jointly controlled entities of the Group or (c) any substantial shareholder of the Company, to be determined by the board of directors.

購股權計劃 (續)

根據本計劃可予發行之本公司股份總數為1,143,281,162股，相當於本年報日期之本公司已發行股本約10%。根據本計劃，每名合資格參與者於任何十二個月內行使獲授之購股權(包括已行使及尚未行使之購股權)而發行及將予發行之本公司股份總數，不得超過本公司已發行股份之1%。倘向一名合資格參與者進一步授出購股權，將導致該名合資格參與者於任何十二個月內行使獲授之購股權(包括已行使、已註銷及尚未行使之購股權)而發行及將予發行之本公司股份總數超過本公司已發行股份之1%，該項進一步授出須經本公司股東在股東大會上另行批准。

根據本計劃提呈授出之購股權可於提呈日期後七日內接納，惟承授人須以現金支付港幣1元之代價。授出之購股權之行使期由董事會決定，惟於任何情況下，該期間不得超過授出日期起計五年。

根據本計劃，認購價由董事會全權釐定，且將不低於以下較高者：(i)本公司股份於授出日期在聯交所日報表所報之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所日報表所報之平均收市價；及(iii)本公司股份於授出日期之面值。

SHARE OPTION SCHEME (continued)

The total number of shares of the Company available for issue under the Scheme is 1,143,281,162 shares which represent approximately 10% of the issued share capital of the Company as at the date of this Annual Report. The total number of shares of the Company issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding share options) under the Scheme in any 12-month period must not exceed 1% of the shares of the Company in issue. Where any further grant of share options to an eligible participant would result in the shares of the Company issued and to be issued upon exercise of all share options granted and to be granted to such eligible participant (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares of the Company in issue, such further grant must be separately approved by the shareholders of the Company in general meeting.

An offer of a grant of share options under the Scheme may be accepted within 7 days from the date of the offer with a cash consideration of HK\$1 payable by the grantee to the Company. The period for the exercise of a share option is determined by the directors, but in any event such period shall not go beyond 5 years from the date of offer.

Under the Scheme, the subscription price is solely determined by the board of directors and shall be at least the higher of: (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of offer; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.

購股權計劃 (續)

下表載列根據本計劃授出但尚未行使之購股權於本年度內變動之詳情：

SHARE OPTION SCHEME (continued)

The following table lists the details of the outstanding share options which were granted under the Scheme and their movements during the financial year:

參與人士 的姓名及類別 Name and category of participants	非上市購股權數目 (實物結算股本衍生工具) Number of unlisted share options (physically settled equity derivatives)					購股權 授出日期* Date of grant of share options*	購股權 行使期 Exercise period of share options	購股權 行使價** Exercise price of share options** 港幣元 HK\$	本公司的 股份價格*** Share price of the Company ***
	於二零零五年 一月一日 As at 1 January 2005	年內授出 Granted during the year	年內行使 Exercised during the year	年內註銷/ 失效 Cancelled/ lapsed during the year	於二零零五年 十二月 三十一日 As at 31 December 2005				於購股權 授出日期 As at the date of grant of share options 港幣元 HK\$
董事 Directors									
李黑虎先生 Mr. Li Hei Hu	—	45,000,000	—	—	45,000,000	二零零五年 一月十九日 19 January 2005	二零零五年一月十九日 至二零零一年一月十一日 19 January 2005 to 11 January 2010	0.282	0.285
陳 潮先生 Mr. Chen Chao	—	40,000,000	—	—	40,000,000	二零零五年 一月十九日 19 January 2005	二零零五年一月十九日 至二零零一年一月十一日 19 January 2005 to 11 January 2010	0.282	0.285
李景奇先生 Mr. Li Jing Qi	—	35,000,000	—	—	35,000,000	二零零五年 一月十九日 19 January 2005	二零零五年一月十九日 至二零零一年一月十一日 19 January 2005 to 11 January 2010	0.282	0.285
喬 剛先生 Mr. Qiao Gang	—	20,000,000	—	—	20,000,000	二零零五年 一月十九日 19 January 2005	二零零五年一月十九日 至二零零一年一月十一日 19 January 2005 to 11 January 2010	0.282	0.285
劉 軍先生 Mr. Liu Jun	—	30,000,000	—	—	30,000,000	二零零五年 一月十九日 19 January 2005	二零零五年一月十九日 至二零零一年一月十一日 19 January 2005 to 11 January 2010	0.282	0.285
杜志強先生 Mr. To Chi Keung, Simon	—	15,000,000	—	—	15,000,000	二零零五年 一月十九日 19 January 2005	二零零五年一月十九日 至二零零一年一月十一日 19 January 2005 to 11 January 2010	0.282	0.285
	—	185,000,000	—	—	185,000,000				
其他僱員 Other employees									
合計 In aggregate	—	111,600,000	—	1,100,000	110,500,000	二零零五年 一月十九日 19 January 2005	二零零五年一月十九日 至二零零一年一月十一日 19 January 2005 to 11 January 2010	0.282	0.285
	—	296,600,000	—	1,100,000	295,500,000				

購股權計劃 (續)

- * 根據本計劃，購股權並沒有授權期。
- ** 如進行供股、發行紅股或本公司股本有任何類似的變動，購股權的行使價可予調整。
- *** 所披露的購股權授出日期的本公司股份價格，為其於緊接購股權授出日期前的交易日於聯交所所報的收市價。

本集團已按照香港財務報告準則第2號「以股份為基礎的支付」的規定，於本年度內，就本公司授出的購股權計提購股權成本約港幣69.4萬元，並已於綜合損益表中確認。於購股權獲行使時，本公司將因而發行的股份按股份面值記錄為新增股本，而每股行使價超過股份面值的款額，本公司將其記錄於股份溢價賬中。於行使期屆滿前失效或作廢的購股權，將從尚未行使購股權登記冊中刪除。

就估算本公司於本年度內向合資格參與人士授出的購股權的公允價值所採用的模式及重要假設的詳情，請見綜合財務報表附註21。該購股權定價模式須視乎若干主觀的假設數據。任何主觀假設數據倘出現任何變動均會對購股權之公允價值的估算造成重大影響。

SHARE OPTION SCHEME (continued)

- * Under the Scheme, there is no vesting period of the share options.
- ** The exercise price of the share options was subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- *** The share price of the Company disclosed as at the date of the grant of the share options was the closing price as quoted on the Stock Exchange of the trading day immediately prior to the date of the grant of the share options.

In accordance with the requirements under Hong Kong Financial Reporting Standard 2 "Share-based Payments", the cost of approximately HK\$694,000 in respect of the share options granted by the Company during the year was recognised in the consolidated income statement of the Group. Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which lapse or are cancelled prior to the expiration of their exercise date are deleted from the register of outstanding share options.

The details of the model and significant assumptions used to estimate the fair value of share options granted by the Company to the eligible participants during the year are set out in note 21 to the consolidated financial statements. Such option pricing model requires input of subjective assumptions. Any changes in the subjective input assumptions may materially affect the estimation of the fair value of a share option.

主要股東於股份之權益

於二零零五年十二月三十一日，根據證券及期貨條例第XV部第336條規定備存的登記冊所記錄，本公司各主要股東（不包括董事或主要行政人員）於本公司的股份及相關股份的權益及淡倉載列如下：

於本公司普通股及相關股份之好倉

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2005, the interests and short positions of the substantial shareholders, other than directors or chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO are set out below:

Long positions in ordinary shares and underlying shares of the Company

股東名稱 Name of shareholders	所持 普通股數目 Number of ordinary shares held	所持相關 股份數目 Number of underlying shares held	身份 Capacity	約佔本公司 已發行股本 之百分比 Approximate % of issued share capital of the Company
深圳市投資管理公司 （「深圳投資」）— 附註(1) Shenzhen Investment Holding Corporation ("SIHC") – Note (1)	4,963,684,042	—	受控制公司之權益 interest of controlled corporations	43.71%
深圳投資 — 附註(2) SIHC – Note (2)	—	904,109,589	實益擁有人 beneficial owner	7.96%
Ultrarich International Limited（「Ultrarich」）	4,836,363,636	—	實益擁有人 beneficial owner	42.59%

主要股東於股份之權益 (續)

附註：

- (1) Ultrarich為深圳投資之全資附屬公司，故深圳投資被視作擁有上文所披露Ultrarich持有之4,836,363,636股股份。深圳投資持有之其餘股份權益乃由深圳投資另一全資附屬公司持有。
- (2) 深圳投資持有本公司發行面額港幣330,000,000元免利息之可換股票據，該可換股票據可按原定換股價每股港幣0.365元(可加以調整)轉換為904,109,589股本公司之普通股。於二零零五年十二月三十一日，深圳投資尚未行使該可換股票據。上述可換股票據為非上市的實物結算股本衍生工具。
- (3) 李黑虎先生、李景奇先生和劉軍先生為Ultrarich的董事，而Ultrarich於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露的權益或淡倉。

除上文所披露者外，於二零零五年十二月三十一日，本公司並無獲悉尚有任何本公司主要股東(不包括董事或主要行政人員)持有本公司的股份及相關股份的權益或淡倉，而須登記於根據證券及期貨條例第XV部第336條規定備存的登記冊內。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (continued)

Notes:

- (1) Ultrarich is a wholly-owned subsidiary of SIHC and accordingly SIHC was deemed to be interested in the 4,836,363,636 shares owned by Ultrarich as disclosed above. The balance of the shares in which SIHC was interested, were owned by another wholly-owned subsidiary of SIHC.
- (2) SIHC owns a non-interest bearing convertible note issued by the Company with a principal amount of HK\$330,000,000 carrying rights to convert into 904,109,589 ordinary shares in the Company at an initial conversion price of HK\$0.365 per share, subject to adjustment. As at 31 December 2005, SIHC has not exercised any conversion rights of the convertible note. The aforesaid convertible note was unlisted and physically settled equity derivative.
- (3) Mr. Li Hei Hu, Mr. Li Jing Qi and Mr. Liu Jun are directors of Ultrarich which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 31 December 2005, the Company had not been notified by any substantial shareholders, other than directors and chief executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept under section 336 of Part XV of the SFO.

其他人士於股份之權益

於二零零五年十二月三十一日，根據證券及期貨條例第XV部第336條規定備存的登記冊所記錄，其他人士於本公司的股份及相關股份的權益及淡倉載列如下：

於本公司普通股之好倉

OTHER PERSONS' INTERESTS IN SHARES

As at 31 December 2005, the interests and short positions of other persons who had interests and short positions in the shares and underlying shares of the Company, which are required to be recorded in the register kept by the Company under section 336 of Part XV of the SFO are set out below:

Long positions in ordinary shares of the Company

股東名稱 Name of shareholders	所持普通股數目 Number of ordinary shares held	身份 Capacity	約佔本公司 已發行股本之 百分比 Approximate % of issued share capital of the Company
李嘉誠 – 附註(1)及(2) Li Ka Shing – Notes (1)&(2)	803,485,000	全權信託之成立人及 受控制公司之權益 founder of discretionary trusts and interest of controlled corporations	7.08%
Li Ka-Shing Unity Trustee Corporation Limited (「TDT1」) – 附註(1)及(2) – Notes (1)&(2)	803,485,000	信託人及信託受益人 trustee and beneficiary of a trust	7.08%
Li Ka-Shing Unity Trustcorp Limited (「TDT2」) – 附註(1)及(2) – Notes (1)&(2)	803,485,000	信託人及信託受益人 trustee and beneficiary of a trust	7.08%
Li Ka-Shing Unity Trustee Company Limited (「TUT1」) – 附註(1)及(2) – Notes (1)&(2)	803,485,000	信託人 trustee	7.08%
長江實業(集團)有限公司 (「長實」) – 附註(1)及(2) Cheung Kong (Holdings) Limited (「CKH」) – Notes (1)&(2)	803,485,000	受控制公司之權益 interest of controlled corporations	7.08%

其他人士於股份之權益 (續)

附註：

- (1) 該等本公司之股份包括：
- (a) 由Starcom Venture Limited (「Starcom」) 持有之266,835,000股股份，而Starcom為長實全資擁有之附屬公司Cheung Kong Investment Company Limited之全資附屬公司；及
- (b) 由 Campsie Developments Limited (「Campsie」) 持有之536,650,000股股份，而Campsie為和記黃埔有限公司 (「和黃」) 全資擁有之附屬公司 Hutchison International Limited 之全資附屬公司。
- (2) 李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有Li Ka-Shing Unity Holdings Limited (「Unity Holdings」) 三分之一已發行股本，而該公司則擁有TUT1之全部已發行股本。TUT1以The Li Ka-Shing Unity Trust (「TUT1」) 信託人之身份，連同若干公司合共持有長實三分之一以上之已發行股本，而TUT1以UT1信託人之身份有權在該等公司之股東大會上行使或控制行使三分之一以上之投票權。長實之若干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，Unity Holdings亦擁有TDT1 (The Li Ka-Shing Unity Discretionary Trust (「TDT1」) 之信託人) 以及TDT2 (另一項全權信託 (「TDT2」) 之信託人) 之全部已發行股本。TDT1及TDT2均持有UT1之信託單位。

根據證券及期貨條例，李嘉誠先生 (身為財產授予人以及就證券及期貨條例而言可能被視為DT1及DT2之成立人)、TDT1、TDT2、TUT1及長實均被視為擁有由Starcom及Campsie所持有之合共803,485,000股本公司股份之權益。

除上文披露者外，於二零零五年十二月三十一日，本公司並無獲悉尚有任何其他人士持有公司的股份及相關股份的權益或淡倉，而須登記於根據證券及期貨條例第XV部第336條規定備存的登記冊內。

關聯方交易及關連交易

本集團之重大關聯方交易及上市規則項下之關連交易之詳情載於財務報表附註41。

本公司確認，就關連交易而言，本公司已遵守上市規則第十四A章的披露要求。

OTHER PERSONS' INTERESTS IN SHARES (continued)

Notes:

- (1) Such shares in the Company comprise:
- (a) the 266,835,000 shares held by Starcom Venture Limited ("Starcom"), a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of CKH; and
- (b) the 536,650,000 shares held by Campsie Developments Limited ("Campsie"), a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL").
- (2) Li Ka-Shing Unity Holdings Limited ("Unity Holdings"), 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 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 CKH. Certain 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, Unity Holdings also owns the entire issued share capital of TDT1 as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and TDT2 as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in UT1.

By virtue of the SFO, each of Mr. Li Ka Shing (being the settlor and may be regarded as a founder of DT1 and DT2 for the purpose of the SFO), TDT1, TDT2, TUT1 and CKH is deemed to be interested in the aggregate 803,485,000 shares of the Company held by Starcom and Campsie.

Save as disclosed above, as at 31 December 2005, the Company had not been notified by any other persons who had interests or short positions in the shares and underlying shares of the Company, which are required to be recorded in the register required to be kept under section 336 of Part XV of the SFO.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of significant related party transactions and connected transaction under the Listing Rules of the Group are set out in note 41 to the financial statements.

The Company confirms that, in respect of the connected transaction, it has complied with the disclosure requirements in accordance which Chapter 14A of the Listing Rules.

結算日後事項

本集團結算日後事項之詳情載於財務報表附註42。

足夠公眾持股量

於本報告日期，以董事知悉及公開予本公司的資料作基準，本公司維持上市規則要求多於本公司已發行股本25%的足夠公眾持股量。

企業管治

本公司已採納的主要企業管治常規載於本年報第69至90頁之企業管治報告內。

核數師

本公司於過去三年內並無更換核數師。在即將舉行之股東週年大會上，羅兵咸永道會計師事務所將會依章告退，而本公司將提呈決議案，續聘羅兵咸永道會計師事務所為本公司之核數師。

承董事會命

主席
李黑虎

香港，二零零六年四月三日

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events after the balance sheet date of the Group are set out in note 42 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 69 to 90 of this Annual Report.

AUDITORS

There have been no changes of the auditors of the Company during the past three years. Messrs. PricewaterhouseCoopers will retire and a resolution for their re-appointment as the auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Li Hei Hu
Chairman

Hong Kong, 3 April 2006