

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to present their annual report together with the audited financial statements of Hopson Development Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31st December 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries, associates and a jointly controlled entity are principally engaged in investment holding and property development, property investment and property management.

An analysis of the Group's turnover and their respective contributions to operating profit for the year ended 31st December 2005 by geographical locations is as follows:

		Turnover	Contribution to
		營業額	對經營溢利的貢獻
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Guangdong	廣東	2,891,386	684,665
Beijing	北京	2,066,455	650,128
Shanghai	上海	615,733	421,922
Tianjin	天津	558,429	(29,369)
Others	其他	1,891	(46,306)
		6,133,894	1,681,040

An analysis of the Group's turnover by business segments for the year ended 31st December 2005 is as follows:

		Turnover
		營業額
		<i>HK\$'000</i>
		港幣千元
Property development	物業發展	5,990,942
Property investment	物業投資	46,983
Property management	物業管理	95,969
		6,133,894

董事會欣然提呈合生創展集團有限公司（「本公司」）及其附屬公司（以下統稱「本集團」）截至二零零五年十二月三十一日止年度的年報連同經審核財務報表。

主要業務

本公司為一間投資控股公司，旗下各附屬公司、聯營公司及共同控制實體主要從事投資控股、物業發展、物業投資及物業管理業務。

本集團截至二零零五年十二月三十一日止年度按地區劃分之營業額及其各自對經營溢利之貢獻分析如下：

本集團截至二零零五年十二月三十一日止年度按業務活動劃分之營業額分析如下：

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31st December 2005, the five largest customers of the Group accounted for approximately 0.39% of the Group's turnover while the five largest suppliers of the Group accounted for approximately 63% of the Group's purchases. In addition, the largest customer of the Group accounted for approximately 0.12% of the Group's turnover while the largest supplier of the Group accounted for approximately 28% of the Group's purchases.

Save for the association with certain related companies as set out in Note 38 to the accompanying audited accounts, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) has a beneficial interest in the Group's five largest customers or five largest suppliers.

RESULTS AND APPROPRIATIONS

Details of the Group's results for the year ended 31st December, 2005 are set out in the consolidated income statement on page 78 of this annual report.

An interim dividend of HK9.75 cents per share, totalling HK\$117,351,000, was declared and paid during the year. The Directors recommend the payment of a final dividend of HK24.2 cents per share, which will bring the total dividends for the year ended 31st December 2005 to approximately HK\$412,494,000.

SHARE CAPITAL

Details of movements in share capital of the Company are set out in Note 24 to the accompanying accounts.

RESERVES

Movements in reserves of the Group and of the Company during the year are set out in Note 25 to the accompanying accounts.

Distributable reserves of the Company as at 31st December 2005, calculated under the Companies Act of Bermuda, amounted to HK\$28,561,000 (2004: HK\$53,228,000).

DONATIONS

During the year, the Group made charitable donations totalling HK\$8,297,000 (2004: HK\$4,068,000) to various organisations for charitable purpose.

主要顧客及供應商

於截至二零零五年十二月三十一日止年度期間，本集團的五名最大客戶佔本集團營業額約 0.39%，而本集團的五名最大供應商則佔本集團採購額約 63%。此外，本集團的最大客戶佔本集團營業額約 0.12%，而本集團的最大供應商則佔本集團採購額約 28%。

除於隨附的經審核賬目附註 38 所載與若干關連公司有聯繫外，概無董事、彼等的聯繫人等或任何股東（據董事所知擁有超過本公司 5% 之股本者）於本集團的五名最大客戶或五名最大供應商中擁有實質權益。

業績及分派

本集團截至二零零五年十二月三十一日止年度的業績詳情載於本年報第 78 頁的綜合損益表內。

中期股息每股 9.75 港仙，合共港幣 117,351,000 元，已於本年度內宣派及支付。董事建議派發末期股息每股 24.2 港仙；故此，截至二零零五年十二月三十一日止年度股息總額將約為港幣 412,494,000 元。

股本

本公司的股本變動詳情載於隨附之賬目附註 24。

儲備

本集團及本公司於本年度的儲備變動載於隨附之賬目附註 25。

於二零零五年十二月三十一日，根據百慕達公司法計算，本公司的可供分派儲備為港幣 28,561,000 元（二零零四年：港幣 53,228,000 元）。

捐款

於本年，本集團為慈善用途捐款港幣 8,297,000 元（二零零四年：港幣 4,068,000 元）予多個機構。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws and there is no restriction against such rights under the laws of Bermuda.

PROPERTIES AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in properties and equipment and investment properties of the Group during the year are set out in Notes 7 and 8 to the accounts, respectively.

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates are set out in Notes 13 and 14 to the financial statements, respectively.

BORROWINGS

Particulars of borrowings as at 31st December 2005 are set out in Note 22 to the financial statements.

PENSION SCHEMES

Details of the pension schemes are set out in Note 28 to the financial statements.

FIVE YEAR 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 pages 190 to 192.

ON-GOING CONNECTED TRANSACTIONS

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has granted a conditional waiver to the Company from strict compliance with the requirements under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in force prior to 31st March 2004 in respect of certain on-going connected transactions. Pursuant to the waiver, the Company is not required to disclose details of such connected transactions by on-going press notice and/or circular and/or to obtain prior independent shareholders' approval. Details of such connected transactions are as follows:

- (i) Appointment of a main contractor – Guangdong Zhujiang Construction Limited ("GZ Construction")

During the three years commencing 1st January 2003, the Group may, from time to time, appoint GZ Construction as its main contractor in respect of construction works to be carried out on property development projects of the Group. The appointment of GZ Construction as the Group's main

優先購買權

本公司細則並無優先購買權條文，而百慕達法例亦無限制該等權利。

物業及設備和投資物業

本集團於本年度的物業及設備和投資物業變動詳情分別載於賬目附註 7 及附註 8。

附屬公司及聯營公司

本公司的附屬公司及聯營公司詳情分別載於財務報表附註 13 及附註 14。

借貸

於二零零五年十二月三十一日借貸詳情載於財目附註 22。

退休金計劃

退休金計劃詳情載於財務報表附註 28。

五年財務摘要

本集團於過去五年業績及資產與負債摘要載於第 190 至 192 頁。

持續關連交易

香港聯合交易所有限公司（「聯交所」）已就若干持續關連交易，批准本公司有條件豁免嚴格遵守二零零四年三月三十一日前具有效力的聯交所證券上市規則（「上市規則」）第 14 章的規定。根據該項豁免，本公司毋須持續以刊發報章公告及／或通函方式披露該等關連交易詳情，及／或事先獲取獨立股東批准。該等關連交易詳情如下：

- (i) 委任總承建商－廣東珠江工程總承包有限公司（「珠江總承包」）

由二零零三年一月一日起計三年期間，本集團可不時委聘珠江總承包為本集團將進行建築工程的物業發展項目的主要承建商。本集團將循雙方按公平磋商原則及於本集團日常業務範圍內對本公司股東屬公

contractor will be on normal commercial terms conducted at arm's length between the parties and in the ordinary and usual course of business of the Group; and will be fair and reasonable so far as the shareholders of the Company are concerned. Further, individual construction contracts will only be awarded to GZ Construction if the terms offered by it are not less favourable than those offered by other contractors. GZ Construction, being a 60%-owned subsidiary of Guangdong Zhujiang Investment Limited ("GD Zhujiang"), a minority shareholder of certain subsidiaries of the Company, is a connected person of the Company under the Listing Rules. During the year ended 31st December 2005, construction fees paid/payable to GZ Construction amounted to approximately HK\$1,476,000,000 (2004: HK\$792,000,000).

(ii) Appointment of a main contractor – Guangdong Hanjiang Construction Installation Project Limited ("Hanjiang")

During the three years commencing 1st January 2003, the Group may, from time to time, appoint Hanjiang as its main contractor in respect of construction works to be carried out on property development projects of the Group. The appointment of Hanjiang as the Group's main contractor will be on normal commercial terms conducted at arm's length between the parties and in the ordinary and usual course of business of the Group; and will be fair and reasonable so far as the shareholders of the Company are concerned. Further, individual construction contracts will only be awarded to Hanjiang if the terms offered by it are not less favourable than those offered by other contractors. Hanjiang is owned as to 90 per cent. by Mr. Chu Hing Yee, the brother of Mr. Chu Mang Yee ("Mr. Chu"), the Chairman and executive director of the Company, and 10 per cent. by Mr. Chu Fan, the brother-in-law of Mr. Chu. Each of Mr. Chu Hing Yee and Mr. Chu Fan is a connected person of the Company under the Listing Rules. Accordingly, Hanjiang being an associate of Mr. Chu Hing Yee is also a connected person of the Company. During the year ended 31st December 2005, construction fees paid/payable to Hanjiang amounted to approximately HK\$1,616,000,000 (2004: HK\$1,298,000,000).

平合理的一般商業條款，委聘珠江總承包為本集團的主要承建商。此外，只有當珠江總承包所開出的條款並不遜於其他承建商，個別建築合約才會批予珠江總承包。根據上市規則，由於珠江總承包為廣東珠江投資有限公司（「廣東珠江」）（本公司若干附屬公司的少數股東）持有 60% 權益的附屬公司，故珠江總承包乃本公司的關連人士。於截至二零零五年十二月三十一日止年度已付／應付珠江總承包的建築費用約為港幣 1,476,000,000 元（二零零四年：港幣 792,000,000 元）。

(ii) 委任總承建商－廣東韓江建築安裝工程有限公司（「韓江」）

由二零零三年一月一日起計三年期間，本集團可不時委聘韓江為本集團將進行建築工程的物業發展項目的主要承建商。本集團將循雙方按公平磋商原則及於本集團日常業務範圍內對本公司股東屬公平合理的一般商業條款，委聘韓江為本集團的主要承建商。此外，只有當韓江所開出的條款並不遜於其他承建商，個別建築合約才會批予韓江。韓江由本公司主席兼執行董事朱孟依先生（「朱先生」）之胞弟朱慶伊先生擁有 90% 權益，以及由朱先生之妹夫朱帆先生擁有 10% 權益。根據上市規則，朱慶伊先生及朱帆先生均為本公司之關連人士。因此，韓江作為朱慶伊先生之聯繫人士亦屬本公司之關連人士。於截至二零零五年十二月三十一日止年度已付／應付韓江的建築費用約為港幣 1,616,000,000 元（二零零四年：港幣 1,298,000,000 元）。

- (iii) Appointment of a property management company – Beijing Zhujiang Century Property Management Limited (“Beijing Century”)

During the three years commencing 1st January 2003, the Group may appoint Beijing Century to manage the unsold units of the Group’s properties located in Beijing and Tianjin in return for management fees equal to 50% of those charged to owners of individual units of the sold properties. Beijing Century is owned as to 80% by Beijing Zhujiang Real Estate Development Company Limited (“Beijing Zhujiang”) and 20% by GZ Construction, while Beijing Zhujiang is owned as to 60 per cent. by GD Zhujiang and 40 per cent. by GZ Construction. Accordingly, Beijing Century is a connected person of the Company under the Listing Rules. During the year ended 31st December 2005, management fees paid/payable to Beijing Century amounted to approximately HK\$4,064,000 (2004: HK\$4,907,000).

On 12th December 2005, the Group acquired the entire equity interest in Beijing Century from Beijing Zhujiang and GZ Construction for a consideration of RMB 1,000,000. Beijing Century thus became a wholly-owned subsidiary of the Company. After 12th December 2005, any transactions between the Group and Beijing Century are exempt from the disclosure or shareholders’ approval requirement of the Listing Rules.

- (iv) Appointment of a property management company – Shanghai Hopson Property Management Limited (“Shanghai Hopson”)

During the two years commencing 1st January 2004, the Group may appoint Shanghai Hopson to manage the unsold units of the Group’s properties located in Shanghai in return for management fees equal to 50% of those charged to owners of individual units of the sold properties. Shanghai Hopson is owned as to 40% by GD Zhujiang and 60% by Shanghai Zhujiang Investment Limited which is in turn owned as to 60% by GD Zhujiang and 40% by GZ Construction. Shanghai Hopson is a subsidiary of GD Zhujiang which is a connected person of the Company under the Listing Rules. Accordingly, Shanghai Hopson constitutes a connected person of the Company under the Listing Rules. During the year ended 31st December 2005, management fees paid/payable to Shanghai Hopson amounted to approximately HK\$95,000 (2004: HK\$116,000).

- (iii) 委任物業管理公司－北京珠江世紀物業管理有限公司（「北京世紀」）

由二零零三年一月一日起計三年期間，本集團可委任北京世紀以管理本集團位於北京及天津的未出售物業單位，並按照向已出售物業單位業主徵收的管理費之 50% 收取管理費。北京世紀由北京珠江房地產開發有限公司（「北京珠江」）及珠江總承包分別擁有 80% 及 20% 權益；而北京珠江則由廣東珠江及珠江總承包分別擁有 60% 及 40% 權益。因此，根據上市規則，北京世紀為本公司之關連人士。於截至二零零五年十二月三十一日止年度已付／應付北京世紀的管理費約為港幣 4,064,000 元（二零零四年：港幣 4,907,000 元）。

於二零零五年十二月十二日，本集團向北京珠江及珠江總承包以人民幣 1,000,000 元的代價收購北京世紀全部股本權益。北京世紀因而成為本公司全資附屬公司。於二零零五年十二月十二日之後，本集團及北京世紀之任何交易均獲豁免遵守上市規則之披露或股東批准要求。

- (iv) 委任物業管理公司－上海合生物業管理有限公司（「上海合生」）

由二零零四年一月一日起計兩年期間，本集團可委任上海合生以管理本集團位於上海之未出售物業單位，並按照向已出售物業單位業主徵收的管理費之 50% 收取管理費。上海合生分別由廣東珠江及上海珠江投資有限公司擁有 40% 及 60% 之權益，而上海珠江投資有限公司則分別由廣東珠江及珠江總承包擁有 60% 及 40% 之權益。上海合生為廣東珠江之附屬公司，根據上市規則廣東珠江為本公司之關連人士。因此，根據上市規則，上海合生為本公司之關連人士。於截至二零零五年十二月三十一日止年度已付／應付上海合生之管理費約為港幣 95,000 元（二零零四年：港幣 116,000 元）。

The independent Non-executive Directors have reviewed the above transactions and confirmed that:

- (i) a. the above transactions have been conducted at arm's length between the parties on normal commercial terms and in the ordinary and usual course of the business of the Group, and are fair and reasonable so far as the shareholders of the Company are concerned;
- b. the above transactions have been carried out on terms no less favourable than terms available from independent third parties;
- c. the disclosure provided herein in respect of the details of the above transactions is in compliance with Rule 14.25 (1)(A) to (D) of the Listing Rules in force prior to 31st March 2004;
- (ii) during the year ended 31st December 2005, construction fees paid/payable to GZ Construction amounted to approximately HK\$1,476,000,000 (2004: HK\$792,000,000), which has not exceeded the annual construction fees paid/payable to GZ Construction in respect of the year concerned as permitted under the said waiver from the Stock Exchange;
- (iii) during the year ended 31st December 2005, construction fees paid/payable to Hanjiang amounted to approximately HK\$1,616,000,000 (2004: HK\$1,298,000,000), which has not exceeded the annual construction fees paid/payable to Hanjiang in respect of the year concerned as permitted under the said waiver from the Stock Exchange;
- (iv) during the year ended 31st December 2005, management fees paid/payable to Beijing Century amounted to approximately HK\$4,064,000 (2004: HK\$4,907,000), which has not exceeded the annual management fees paid/payable to Beijing Century in respect of the year concerned as permitted under the said waiver from the Stock Exchange.
- (v) during the year ended 31st December 2005, management fees paid/payable to Shanghai Hopson amounted to approximately HK\$95,000 (2004: HK\$116,000), which has not exceeded the annual management fees paid/payable to Shanghai Hopson in respect of the year concerned as permitted under the said waiver from the Stock Exchange.

獨立非執行董事已審閱上述交易，並確認：

- (i) a. 上述交易已由訂約各方按公平磋商原則、並以一般商業條款，及於本集團日常業務範圍內進行，對本公司股東而言乃屬公平合理；
- b. 上述交易乃按不遜於獨立第三方可提供的條款進行；
- c. 本文就上述交易細節所提供的披露，乃根據二零零四年三月三十一日前具有效力的上市規則第 14.25(1)(A)至(D)條而作出；
- (ii) 於截至二零零五年十二月三十一日止年度內已付／應付珠江總承包的建築費用約為港幣 1,476,000,000 元（二零零四年：港幣 792,000,000 元），並未超過根據聯交所授予的上述豁免所批准於有關年度可向珠江總承包支付／應付的全年建築費用限額；
- (iii) 於截至二零零五年十二月三十一日止年度內已付／應付韓江的建築費用約為港幣 1,616,000,000 元（二零零四年：港幣 1,298,000,000 元），並未超過根據聯交所授予的上述豁免所批准於有關年度可向韓江支付／應付的全年建築費用限額；
- (iv) 於截至二零零五年十二月三十一日止年度內，已付／應付北京世紀的管理費約為港幣 4,064,000 元（二零零四年：港幣 4,907,000 元），並未超過根據聯交所授予的上述豁免所批准於有關年度可向北京世紀支付／應付的全年管理費限額。
- (v) 於截至二零零五年十二月三十一日止年度內，已付／應付上海合生之管理費約為港幣 95,000 元（二零零四年：港幣 116,000 元），並未超過根據聯交所授予之上述豁免所批准於有關年度可向上海合生支付／應付之全年管理費限額。

The auditors of the Company have reviewed the above transactions and confirmed that the transactions:

- (1) have received approval from the board of Directors; and
- (2) have been entered into in accordance with the terms of the agreement governing the transactions.

Save as disclosed in Note 38 to the accompanying financial statements, no other contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries, associates, jointly controlled entity or holding company was a party and in which any of the Company's Directors had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

Mr. Chu Mang Yee (*Chairman*)
 Mr. Xiang Bin (*Deputy Chairman*)
 Mr. Wu Jiesi (*Chief Executive Officer*)
 (Appointed on 29th April 2005)
 Mr. Tam Lai Ling (*Chief Financial Officer*)
 (Appointed on 29th April 2005)
 Mr. Au Wai Kin
 Mr. Chen Chang Ying
 Ms. Xiao Yan Xia

Non-executive Directors

Ms. Chen Xiaohong
 (Appointed on 13th September 2005)
 Mr. Hu Yongmin
 (Appointed on 28th November 2005)
 Mr. Shafran Steven
 (Appointed on 9th August 2005)

Independent Non-executive Directors

Mr. Yuen Pak Yiu, Philip
 Mr. Lee Tsung Hei, David
 Mr. Wong Shing Kay, Oliver

本公司核數師已審閱上述交易，並確認該等交易：

- (1) 已獲董事會批准；及
- (2) 根據該等交易協議之條款進行。

除於隨附之財務報表附註 38 所披露外，本公司的董事概無於本年度年終或年內任何時間，在本公司或其任何附屬公司、聯營公司、共同控制實體或控股公司所訂立任何與本公司業務有關的其他重大合約中持有重大權益。

董事及董事服務合約

本年度內及直至本報告刊發日期在任的董事如下：

執行董事

朱孟依先生 (主席)
 項斌先生 (副主席)
 武捷思先生 (行政總裁)
 (於二零零五年四月二十九日獲委任)
 譚禮寧先生 (財務總監)
 (於二零零五年四月二十九日獲委任)
 歐偉建先生
 陳長纓先生
 蕭燕霞女士

非執行董事

陳小紅女士
 (於二零零五年九月十三日獲委任)
 胡勇敏先生
 (於二零零五年十一月二十八日獲委任)
 施盛勳先生
 (於二零零五年八月九日獲委任)

獨立非執行董事

阮北耀先生
 李頌熹先生
 黃承基先生

All Directors are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's Bye-laws.

In accordance with the Company's Bye-laws, Mr. Chu Mang Yee, Mr. Yuen Pak Yiu, Philip, Mr. Lee Tsung Hei, David and Mr. Wong Shing Kay, Oliver retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with the Company's Bye-laws, all the Directors appointed by the Directors during the year retire at the annual general meeting next following their appointment. Accordingly, Ms. Chen Xiaohong, Mr. Hu Yongmin and Mr. Shafran Steven retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received independence confirmation from each of the independent Non-executive Directors, namely Mr. Yuen Pak Yiu, Philip, Mr. Lee Tsung Hei, David and Mr. Wong Shing Kay, Oliver, and considers them to be independent.

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st December 2005, the interests or 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 corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which

全體董事均須根據本公司的公司細則於本公司股東週年大會上輪值退任。

根據本公司的公司細則，朱孟依先生、阮北耀先生、李頌熹先生及黃承基先生須輪值退任，惟彼等合資格且願意於應屆股東週年大會上膺選連任。

根據本公司的公司細則，所有獲董事委任之董事須於獲委任後下一個股東週年大會上退任。因此，陳小紅女士、胡勇敏先生及施盛勳先生須退任，惟彼等合資格且願意於應屆股東週年大會上膺選連任。

董事沒有與本公司或其任何附屬公司訂立於一年內不作賠償（法定賠償除外）即不可終止的服務合同。

獨立非執行董事之獨立性確認函件

本公司已接獲各獨立非執行董事（即阮北耀先生、李頌熹先生及黃承基先生）之獨立性確認函件，本公司認為彼等均為獨立。

董事於合約之權益

於年終或年內任何時間本公司董事概無於本公司或其任何附屬公司訂立之重大合約中直接或間接擁有重大權益。

董事及行政總裁於股份、相關股份及債券擁有之權益及淡倉

於二零零五年十二月三十一日，本公司董事及行政總裁根據證券及期貨條例（「證券及期貨條例」）第 XV 部第 7 及第 8 分部已知會本公司及聯交所其於本公司或其任何相聯法團（定義見證券及期貨條例第 XV 部）之股份，相關股份及債券中擁有之權益或淡倉（包括根據證券及期貨條例之該等規定被認為或視作擁有之權益或淡倉），或必須列入根據證券及期貨條例第 352 條予以存置之登記冊內，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」）

were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

則] 必須知會本公司及聯交所之權益或淡倉載列如下：

(1) Long positions in shares

(1) 於股份之好倉

Name of directors	董事姓名	Number of shares of the Company 本公司股份數目				Total 合計	Percentage of shares outstanding 佔已發行 股份百分比
		Personal interests 個人權益	Family interests 家屬權益	Corporate interests 公司權益	Other interests 其他權益		
Mr. Chu Mang Yee (a)	朱孟依先生(a)	-	-	637,500,000	-	637,500,000	52.53%
Mr. Au Wai Kin (b)	歐偉建先生(b)	-	-	37,500,000	-	37,500,000	3.09%
Ms. Xiao Yan Xia	蕭燕霞女士	100,000	-	-	-	100,000	0.01%
Mr. Xiang Bin	項斌先生	390,000	-	-	-	390,000	0.03%
Mr. Shafran Steven	施盛勳先生	1,000,000	-	-	-	1,000,000	0.08%

Notes –

- a. Mr. Chu Mang Yee held 637,500,000 shares of the Company through Sounda Properties Limited, a company wholly-owned by him, and HKSCC Nominees Limited.
- b. Mr. Au Wai Kin held 37,500,000 shares of the Company through a company wholly-owned and controlled by him.

附註 –

- a. 朱孟依先生透過其全資擁有的新達置業有限公司及香港中央結算（代理人）有限公司持有本公司 637,500,000 股股份。
- b. 歐偉建先生透過其全資擁有及控制的公司持有本公司 37,500,000 股股份。

(2) Long positions in share options

During the year, the Company granted options to Mr. Wu Jiesi, Mr. Tam Lai Ling and Mr. Steven Shafran to subscribe for shares under the Company's share option scheme adopted on 4th November 2002 (the "Scheme"), details of which as at 31st December 2005 are stated as follow:

(2) 於購股權之好倉

年內，本公司根據於二零零二年十一月四日採納之購股權計劃（「該計劃」）向武捷思先生、譚禮寧先生及施盛勳先生授出購股權。於二零零五年十二月三十一日之詳情如下：

Date of grant	授出日期	Exercise price per share	Exercise period	Number of share options				
				購股權數目	Granted during the year	Exercised during the year	Lapsed during the year	End of year
		每股行使價	行使期	Beginning of year	年內授出	年內行使	年內失效	年終
Mr. Wu Jiesi	武捷思先生							
29th April 2005	二零零五年四月二十九日	HK\$4.30 港元	29th April 2005 to 28th April 2010 二零零五年四月二十九日至二零零五年四月二十八日	-	10,000,000	5,000,000	-	5,000,000
15th September 2005	二零零五年九月十五日	HK\$8.20 港元	15th September 2005 to 14th September 2010 二零零五年九月十五日 至二零零五年九月十四日	-	2,036,000	-	-	2,036,000
Mr. Tam Lai Ling	譚禮寧先生							
29th April 2005	二零零五年四月二十九日	HK\$4.30 港元	29th April 2005 to 28th April 2010 二零零五年四月二十九日至二零零五年四月二十八日	-	10,000,000	5,000,000	-	5,000,000
Mr. Shafran Steven	施盛勳先生							
11th August 2005	二零零五年八月十一日	HK\$6.20 港元	11th August 2005 to 10th August 2010 二零零五年八月十一日至二零零五年八月十日	-	4,500,000	-	-	4,500,000
				-	26,536,000	10,000,000	-	16,536,000

Notes:

附注：

- The closing prices of the shares of the Company immediately before the dates on which the options were granted on 29th April 2005, 11th August 2005 and 15th September 2005 were HK\$4.225, HK\$5.20, and HK\$8.40, respectively.
 - The weighted average closing price of the shares immediately before the date of exercise by Mr. Wu Jiesi was HK\$10.70.
 - The weighted average closing price of the shares immediately before the date of exercise by Mr. Tam Lai Ling was HK\$10.70.
 - No share options were cancelled under the Scheme during the year.
- 緊接購股權於二零零五年四月二十九日、二零零五年八月十一日及二零零五年九月十五日授出前本公司股份之收市價分別為港幣 4.225 元、港幣 5.20 元及港幣 8.40 元。
 - 緊接武捷思先生行使購股權日期前股份之加權平均收市價為港幣 10.70 元。
 - 緊接譚禮寧先生行使購股權日期前股份之加權平均收市價港幣 10.70 元。
 - 年內並無根據該計劃註銷的購股權。

Save as disclosed above, as at 31st December 2005, none of the Directors, chief executives of the Company and their respective associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and no Directors or chief executives or their respective spouses or children under 18 years of age had been granted any right to subscribe for equity or debt securities of the Company nor exercised any such right.

The Company had used the Binomial Option Pricing Model to determine the fair value of the options granted as at the date of grant, details of which are set out in Note 24 to the accounts.

The Binominal Option Pricing Model was developed to estimate the fair value of American style options. It is one of the commonly used models to estimate the fair value of an option which can be exercised before the expiry of the option period. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

除上文所披露者外，於二零零五年十二月三十一日，本公司董事，行政總裁或彼等之聯繫人概無於根據證券及期貨條例第 XV 部第 7 及第 8 分部須知會本公司及聯交所所有關於本公司或其任何相聯法團（定義見證券及期貨條例第 XV 部）之股份、相關股份或債券中擁有任何個人、家族、公司或其他權益或淡倉（包括根據證券及期貨條例之該等規定被認為或視作擁有之權益或淡倉），或必須列入根據證券及期貨條例第 352 條予以存置之登記冊內，或根據標準守則必須知會本公司及聯交所之任何個人、家族、公司或其他權益或淡倉。

除上述者外，於年內任何時間，本公司及其任何附屬公司並無訂立任何安排，以使董事或彼等之任何配偶或十八歲以下之子女有權透過購買本公司或任何其他法人團體之股份或債券而從中獲益，以及概無董事或行政總裁或彼等各自之配偶或十八歲以下之子女已獲授任何權利以認購本公司股份或債務證券或已行使該等權利。

本公司使用二項式期權定價模式評估期權於授出日期之公平值，詳情載於賬目附註 24。

二項式期權定價模式旨在評估美式期權的公平值，是其中一種普遍採用的期權定價模式，以評估可於購股權限期前行使的購股權的公平值。購股權的價值會視乎若干主觀假設之變數而計算出不同的估值。倘任何已採用的變數出現變動，或會對購股權公平值之評估造成重大影響。

SUBSTANTIAL SHAREHOLDERS

Other than interests disclosed in the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, as at 31st December 2005, according to the register of interests kept by the Company under section 336 of the SFO, the following entities had interests or short positions in the shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of shareholders	股東名稱	Capacity and nature of interests 身份及權益性質	Number of issued shares (Long position) 已發行股份數目 (好倉)	Percentage of shareholding 佔已發行股份百分比
Sounda Properties Limited	新達置業有限公司	Beneficial owner 實益擁有人	637,500,000	52.53%
Temasek Holdings (Private) Limited	淡馬錫控股 (私人) 有限公司	Controlled corporation 受控公司權益	100,300,000	8.26%
Charles P. Colemon III	Charles P. Colemon III	Controlled corporation 受控公司權益	100,300,000	8.26%

Save as disclosed above, the Directors are not aware of any other persons who, as at 31st December 2005, had interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the Scheme disclosed in accordance with the Listing Rules:

- | | |
|-------------------------------|--|
| 1. Purpose of the Scheme | As recognition of the contribution of the participants by granting options to them as incentives or rewards. |
| 2. Participants of the Scheme | Any executive, employee, director (including non-executive director and independent non-executive director), consultant, adviser and/or agent of the Company or any of its subsidiaries. |

主要股東

除上文「董事及行政總裁於股份、相關股份及債券擁有之權益及淡倉」一節所披露之權益外，於二零零五年十二月三十一日，按本公司根據證券及期貨條例第 336 條須存置之登記冊之記錄，下列實體於本公司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之權益或淡倉：

除上文所披露者外，於二零零五年十二月三十一日，就董事所知，概無任何其他人士於本公司或任何聯營公司（定義見證券及期貨條例第 XV 部）之股份、相關股份或債券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之權益或淡倉。

購股權計劃的資料

根據上市規則就該計劃所作披露概述如下：

- | | |
|------------|---|
| 1. 該計劃目的 | 向參與者授予購股權以表揚彼等之貢獻，並以此激勵並回饋彼等之努力 |
| 2. 該計劃的參與者 | 本公司或其任何附屬公司的行政人員、僱員、董事（包括非執行董事及獨立非執行董事）、專家顧問、顧問及／或代理人 |

- | | | | | | |
|----|--|--|----|--|---|
| 3. | Total number of shares available for issue under the Scheme and percentage of issued share capital as at 13th April 2006 | 100,300,000 shares unless shareholders' approval has been obtained pursuant to the terms of the Scheme (approximately 8.22% of issued share capital). | 3. | 根據該計劃可發行股份總數及於二零零六年四月十三日佔已發行股本百分比 | 除非已依照新計劃條款取得股東批准，否則為100,300,000股（約佔已發行股本的8.22%） |
| 4. | Maximum entitlement of each participant under the Scheme | The total number of shares issued and to be issued upon the exercise of share options already granted or to be granted to each participant (including both exercised and outstanding share options) in the 12-month period up to and including the date of grant shall not exceed 1% of the issued share capital as at the date of grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme. | 4. | 每位參與者根據該計劃可認購的最高數額 | 每名計劃參與者行使已授予或將授予之購股權獲配發或將獲配發之股份總數目（包括已行使及尚未行使之購股權），於授予之日前十二個月期間（包括授予當日），不得超逾於授出日期已發行股本1%。再授予任何超逾此限額的購股權須受該計劃規則內訂明的若干規定所規限 |
| 5. | The period within which the shares must be taken up under an option | Commencing on the date of grant of an option and expiring at 5:00 p.m. on the earlier of the business day preceding the fifth anniversary thereof and the business day preceding the tenth anniversary of the date on which the Scheme was adopted. | 5. | 根據購股權須認購股份的期限 | 自購股權授出日期起至該授出日期的五週年的前一個營業日或至採納該計劃日期的十週年的前一個營業日（以較早者為準）下午五時正屆滿 |
| 6. | The minimum period for which an option must be held before it can be exercised | Completion of half year's full-time services with the Company or a subsidiary. | 6. | 須於行使前持有購股權的最短期限 | 於本公司或一間附屬公司完成半年全職服務 |
| 7. | The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid. | Nil | 7. | 申請或接納購股權的應付金額以及付款或通知付款的期限或償還申請購股權貸款的期限 | 無 |

- | | | | |
|--|---|-------------|--|
| 8. The basis of determining the exercise price | The exercise price is determined by the board of Directors and shall at least be the highest of: | 8. 釐定行使價的基準 | 行使價由董事會釐定，最低須為以下的最高者： |
| | a. the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of the relevant options; | | a. 於有關提供購股權當日本公司股份於聯交所每日報價表的收市價； |
| | b. the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer of the relevant options; and | | b. 於緊接提供有關購股權當日之前五個營業日本公司股份於聯交所每日報價表的平均收市價；及 |
| | c. the nominal value of the Company's shares | | c. 本公司股份面值 |
| 9. The remaining life of the Scheme | The Scheme was adopted on 4th November 2002 and will expire at 5:00 p.m. on the business day immediately preceding the tenth anniversary thereof. | 9. 該計劃的剩餘期限 | 計劃於二零零二年十一月四日採納，至緊接十週年前的一個營業日下午五時正終止 |

FOREIGN EXCHANGE FLUCTUATIONS

The Group earns revenue and incurs costs and expenses mainly in Renminbi and is exposed to foreign exchange risk arising from the exposure of Renminbi against Hong Kong dollars. However, the Group experienced no significant foreign exchange movement and the Directors do not anticipate any significant foreign exchange loss as a result of changes in exchange rate between Hong Kong dollars and Renminbi in the foreseeable future.

MANAGEMENT CONTRACT

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

EMPLOYEES

As at 31st December 2005, the Group, excluding its associate and jointly controlled entity, employed a total of 4,078 (as at 31st December 2004: 3,596) staff, the great majority of which were employed in mainland China. Employees' costs (including Directors' emoluments) amounted to HK\$188 million (2004: HK\$144 million) for the year ended 31st December 2005.

外匯波動

本集團的主要收入為人民幣，並以人民幣支付成本及費用，因而須承受人民幣與港元間之匯兌風險。本集團並無面對任何重大外匯波動，而董事預計在可見之未來亦不會因港元兌人民幣的匯率變動而產生重大外匯虧損。

管理合約

年內，就本公司整體或任何重要環節業務方面並無訂立或存在管理及行政合約。

僱員

於二零零五年十二月三十一日，本集團（不包括其聯營公司及共同控制實體）之僱員合共 4,078 人（二零零四年十二月三十一日：3,596 人），其中大多數為中國內地僱員。於截至二零零五年十二月三十一日止年度僱員成本（包括董事酬金）達港幣 188,000,000 元（二零零四年：港幣 144,000,000 元）。

The fundamental policy of the Group's remuneration and incentive scheme is to link total compensation of Executive Directors, senior management and employees with the achievement of annual and long-term corporate goals and objectives. Remuneration package is performance-based and takes into account business performance, market practice and competitive market conditions in order to attract, motivate and retain talent. The remuneration package of Executive Directors and senior management comprises of salaries, bonuses, discretionary bonus and other benefits-in-kind.

Non-executive Directors, except for Mr. Hu Yongmin and Ms. Chen Xiaohong, who do not receive any remuneration, are compensated with the aim to fairly represent their efforts and time dedicated to the Board and various committee meetings. The recommended remuneration package comprises of annual directorship fee and fee for representation on Board committees.

The remuneration of all the Directors during the financial year, excluding Directors' interests in share options of the Company which are detailed in "long positions in share options" above, is set out in Note 28 to the accounts.

Particulars of the Directors' and senior management's emoluments disclosed pursuant to Section 161 of the Companies Ordinance and Appendix 16 of the Listing Rules are set out in Note 28 to the accounts.

PURCHASE, REDEMPTION AND SALE OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 63 to 73 of the annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the year under review the amount of public float as required under the Listing Rules.

本集團之薪酬及激勵計劃之基本政策為將執行董事、高級管理層及僱員之總薪酬與年度及長期企業目標及目的整體成績掛鉤。薪酬組合以表現為基準，並計及業務表現、市場慣例及市場競爭環境，從而吸引、鼓勵及保留人才。執行董事及高級管理層之薪酬組合包括薪金、花紅、酌情花紅及其他實物福利。

除胡勇敏先生及陳小紅女士不收取任何薪酬外，非執行董事之薪酬均以可充份反映彼等投放於董事會及其他委員會會議之資源及時間為目標。推薦之薪酬組合包括年度董事袍金及出席董事會議酬金。

本財政年度所有董事之薪酬已載於財務報表附註 28，惟董事於本公司購股權之權益除外，該等資料載於上文「於購股權之好倉」。

根據公司條例第 161 節及上市規則附錄 16 披露之董事及高級管理層酬金之詳情載於財務報表附註 28。

購買、贖回及出售本公司之上市證券

於截至二零零五年十二月三十一日止年度，本公司及其任何附屬公司概無購入、贖回或出售本公司任何上市證券。

企業管治

有關本公司採納之主要企業管治常規之報告載於年報第 63 至 73 頁。

公眾持股量的足夠性

根據本公司能夠取得之資料及董事之知情範圍以內，董事確認，本公司於回顧年度內之公眾持股量維持在上市規則所規定之數量。

EVENTS AFTER THE BALANCE SHEET DATE

(a) Acquisitions of subsidiaries

- (i) On 5th January 2006, the Group completed the acquisition of a 100% equity interest in Guangzhou Xin Chang Jiang Development Limited ("Xin Chang Jiang") for a consideration of RMB365.1 million (approximately HK\$351.1 million). Xin Chang Jiang owns the land use right of a site located in Huadu, Guangzhou with a GFA of approximately 273,467 square meters.
- (ii) On 13th January 2006, the Group completed the acquisition of a 72.14% equity interest in Shanghai San Xiang Real Estate Development Limited ("San Xiang"). San Xiang owns the land use right of a site located in Qingpu, Shanghai with a GFA of approximately 118,639 square meters. The Group expected to complete the acquisition of the remaining equity interest of 27.86% within 2006. Total consideration for the entire interest in San Xiang is RMB238.2 million (approximately HK\$229 million).
- (iii) On 20th January 2006, the Group completed the acquisition of a 100% equity interest in Shanghai Long Jia Properties Limited ("Long Jia") for a consideration of RMB190.7 million (approximately HK\$183.3 million). Long Jia possesses the right to develop a land site located in Sheshan, Shanghai with a GFA of approximately 110,238 square meters.

(b) Equity transaction

In February 2006, the Company issued 6,000,000 ordinary shares for a total consideration of HK\$25,800,000, upon exercise of share options granted to directors.

AUDITORS

The accounts have been audited by Messrs. PricewaterhouseCoopers. A resolution for the re-appointment of Messrs. PricewaterhouseCoopers as the Company's auditors for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the board of Directors,

CHU MANG YEE

Chairman

Hong Kong, 13th April 2006

結算日後事項

(a) 收購附屬公司

- (i) 於二零零六年一月五日，本集團完成收購廣州新長江建設開發有限公司（「新長江」）100%股本權益，代價為人民幣365,100,000元（約港幣351,100,000元）。新長江擁有一幅位於廣州花都建築面積約273,467平方米之地盤之土地使用權。
- (ii) 於二零零六年一月十三日，本集團完成收購上海三象房產發展有限公司（「三象」）72.14%股本權益。三象擁有一幅位於上海青浦建築面積約118,639平方米之地盤之土地使用權。本集團預期將可於二零零六年內完成收購餘下之27.86%股本權益。三象全部權益之總代價為人民幣238,200,000元（約港幣229,000,000元）。
- (iii) 於二零零六年一月二十日，本集團完成收購上海龍嘉置業有限公司（「龍嘉」）100%股本權益代價為人民幣190,700,000元（約港幣183,300,000元）。龍嘉擁有一幅位於上海佘山建築面積約110,238平方米之地塊之發展權。

(b) 股本交易

於二零零六年二月，本公司於已授予董事之購股權獲行使後，以總代價港幣25,800,000元發行6,000,000股普通股。

核數師

賬目已由羅兵咸永道會計師事務所審核。將於應屆股東週年大會上提呈重新委任羅兵咸永道會計師事務所為本公司來年之核數師之決議案。

代表董事會

主席

朱孟依

香港，二零零六年四月十三日