

## REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2006.

### PRINCIPAL PLACE OF BUSINESS

Associated International Hotels Limited (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room 502, Euro Trade Centre, 21-23 Des Voeux Road Central, Hong Kong.

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the period from 1 April 2005 to 31 December 2005 were hotel ownership, hotel operation, property investment and investment holding. As the hotel had ceased operation from 1 January 2006 and the existing property is being demolished and will be constructed as a new building comprising mainly retail components, the principal activities of the Company since then are property investment and investment holding. The principal activities and other particulars of the subsidiaries are set out in note 15 to the financial statements.

The analysis of the principal activities of the Company and its subsidiaries during the financial year is set out in note 4 to the financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest suppliers and five largest customers of the Group accounted for less than 30% by value of the Group's total purchases and sales respectively.

### FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 March 2006 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 34 to 109.

The Board has resolved that in view of the cessation of the Group's main sources of income, no final dividend will be paid to shareholders. As no interim dividend was paid during the year, no dividend will be paid for the entire year (2005: HK\$0.16 per share).

## 董事會報告書

董事會謹將截至二零零六年三月三十一日止年度的年報及經審核財務報表呈覽。

### 主要營業地點

凱聯國際酒店有限公司(「本公司」)是一間在香港註冊及成立的公司，其註冊辦事處和主要營業地點設於香港德輔道中21至23號歐陸貿易中心502室。

### 主要業務

由二零零五年四月一日至十二月三十一日止期間，本公司的主要業務為持有和經營酒店、物業投資及投資控股。由於酒店已於二零零六年一月一日起停止運作，現有的物業正被拆卸，並將興建為一幢以零售商舖為主的新大廈，因此自那時起本公司的主要業務為物業投資及投資控股。各附屬公司的主要業務及其他詳情載於財務報表附註15。

本公司及各附屬公司於本財政年度的主要業務分析載於財務報表附註4。

### 主要客戶及供應商

於本年度內，本集團向其五大供應商所進行的採購及向五大客戶所作出的銷售均分別低於總採購額及總銷售額的30%。

### 財務報表

本集團截至二零零六年三月三十一日止年度的溢利及本公司和本集團於該日的財政狀況載於財務報表內第34至第109頁。

鑑於本集團已停止其主要收入來源，董事會決議不派發末期股息予股東。由於本公司於本年度沒有派發中期股息，故全年並無派發任何股息(二零零五年：每股港幣16仙)。

## REPORT OF THE DIRECTORS (continued)

## CHARITABLE DONATIONS

Donations made by the Group during the year amounted to HK\$5,000 (2005: HK\$308,000).

## FIXED ASSETS

Movements in fixed assets are set out in note 14 to the financial statements.

The investment properties of the Group are as follows:

## Property under redevelopment

Location 地點	Intended use 計劃用途	Term of lease 租賃年期	Stage of completion 落成進度	Expected date of completion 預計落成日期	Site area 地盤面積	Gross floor area 樓面面積	Group's interest 集團權益
67 Nathan Road, Kowloon (Kowloon Inland Lot No. 7425)	Commercial	Medium	Under demolition	2009	4,044 sq m	53,048 sq m	100%
九龍彌敦道六十七號 (九龍內地段7425號)	商業	中期	正在拆卸中	2009年	4,044平方米	53,048平方米	100%

## Properties held for leasing and capital appreciation

Location 地點	Existing use 現有用途	Term of lease 租賃年期
Good Luck Industrial Building Unit A on the Ground and 1st Floor, and Car Parking Spaces Nos. L1, L2, L3 & L4 on the Ground Floor, 105 How Ming Street, Kwun Tong, Kowloon (Kwun Tong Inland Lot No. 22) 好運工業大廈 地下A單位、一樓A單位及 地下L1、L2、L3及L4停車位 九龍觀塘巧明街一百零五號 (觀塘內地段22號)	Workshops and car parking spaces  工場及停車位	Medium  中期
PTD 58065 to 58149 and PTD 58151, Mukim of Tebrau, Johor Bahru, Johor, Malaysia	Undetermined 未確定	Freehold 永久

## 董事會報告書 (續)

## 慈善捐款

本集團於本年度內的慈善捐款為港幣5,000元(二零零五年:港幣308,000元)。

## 固定資產

固定資產的變動詳情列載於財務報表附註14。

本集團的投資物業如下:

## 重建中物業

## REPORT OF THE DIRECTORS (continued)

### DIRECTORS

The Directors during the financial year were:

#### Executive directors

Cheong Hooi Hong  
Cheong Kheng Lim  
Cheong Keng Hooi  
Cheong Sim Lam  
Cheong Been Kheng

#### Non-executive directors

Sin Cho Chiu, Charles  
Lau Wah Sum

#### Independent non-executive directors

Chow Wan Hoi, Paul  
Yau Allen Lee-Nam  
Lee Chung

In accordance with articles 103, 104 and 109 of the Company's Articles of Association, Messrs Cheong Hooi Hong, Cheong Sim Lam and Lau Wah Sum shall retire from the board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

### DIRECTORS' SERVICE CONTRACTS

The executive directors were appointed to their respective executive offices in the Company for an initial period of two years effective on 1 January 1986 and their appointments shall continue after the said period unless and until either party giving to the other three months' notice in writing.

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

## 董事會報告書 (續)

### 董事會

本財政年度的董事會成員如下:

#### 執行董事

鍾輝煌  
鍾瓊林  
鍾焯輝  
鍾樂南  
鍾敏卿

#### 非執行董事

冼祖昭  
劉華森

#### 獨立非執行董事

周雲海  
姚李男  
李松

根據本公司的公司章程第103、104及109條，鍾輝煌先生、鍾樂南先生及劉華森先生須於即將召開的股東周年大會上輪值告退，惟願膺選連任。

### 董事服務合約

執行董事分別獲本公司聘任為有關行政職位，最初任期由一九八六年一月一日起計為期二年。其後，該任期可延續直至任何一方給予對方三個月之書面通知為止。

擬於即將召開的股東周年大會中候選連任的董事概無訂立本公司或其任何附屬公司於一年內不可在不予賠償（一般法定賠償除外）的情況下終止的尚未屆滿的服務合約。

## REPORT OF THE DIRECTORS (continued)

## 董事會報告書 (續)

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

The directors and chief executives of the Company who held office at 31 March 2006 had the following interests in the shares of the Company, any of its holding companies, subsidiaries, fellow subsidiaries or any other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO:

## (a) The Company

## 董事及最高行政人員擁有的股份、相關股份和債權證的權益及淡倉

遵照《證券及期貨條例》第352條而備存的董事及最高行政人員權益及淡倉登記冊記錄顯示，於二零零六年三月三十一日在任的本公司董事及最高行政人員於該日擁有本公司、其任何控股公司、附屬公司、同系附屬公司或任何其他相聯法團（須符合《證券及期貨條例》所載的定義）股份的權益如下：

## (a) 本公司

Number of ordinary shares of HK\$1 each  
每股面值港幣1元普通股股數

Name	姓名	Personal interests	Family interests	Corporate interests	Total	% of total
					beneficial interests	issued shares
		個人權益	家屬權益	公司權益	實益權益總數	估已發行股份總數的百分比
Cheong Hooi Hong	鍾輝煌	2,073,992	—	—	2,073,992	0.58%
Cheong Kheng Lim	鍾瓊林	26,089,715	34,000	—	26,123,715	7.26%
Cheong Keng Hooi	鍾焯輝	15,275,839	275,280	—	15,551,119	4.32%
Cheong Sim Lam	鍾樂南	1,807,155	24,000	—	1,831,155	0.51%
Cheong Been Kheng	鍾敏卿	3,931,198	—	—	3,931,198	1.09%
Sin Cho Chiu, Charles	冼祖昭	242,000	—	120,000	362,000	0.10%
				(Note) (註)		
Lau Wah Sum	劉華森	—	—	—	—	—
Chow Wan Hoi, Paul	周雲海	—	—	—	—	—
Yau Allen Lee-Nam	姚李男	—	—	—	—	—
Lee Chung	李松	—	—	—	—	—

Note: The corporate interests of 120,000 shares represent 120,000 ordinary shares held by Chason Limited where Mr Sin Cho Chiu, Charles is taken to be interested in such shares under the SFO.

註：公司權益下的120,000股為昭英有限公司所持有的120,000股普通股。根據《證券及期貨條例》，冼祖昭先生被視為擁有此等股份的權益。

REPORT OF THE DIRECTORS (continued)

董事會報告書 (續)

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及最高行政人員擁有的股份、相關股份和債權證的權益及淡倉 (續)

(b) Austin Hills Country Resort Bhd.

(b) Austin Hills Country Resort Bhd.

Number of ordinary shares of Malaysian Ringgit 1 each  
每股面值馬幣1元普通股股數

Name	姓名	Personal interests 個人權益	Family interests 家屬權益	Corporate interests 公司權益	Total beneficial interests	% of total issued shares
					實益權益總數	佔已發行股份總數的百分比
Cheong Hooi Hong	鍾輝煌	—	—	—	—	—
Cheong Kheng Lim	鍾瓊林	1	—	—	1	0.00001%
Cheong Keng Hooi	鍾焯輝	—	—	—	—	—
Cheong Sim Lam	鍾樂南	—	3	—	3	0.00003%
Cheong Been Kheng	鍾敏卿	—	—	—	—	—
Sin Cho Chiu, Charles	冼祖昭	—	—	—	—	—
Lau Wah Sum	劉華森	—	—	—	—	—
Chow Wan Hoi, Paul	周雲海	—	—	—	—	—
Yau Allen Lee-Nam	姚李男	—	—	—	—	—
Lee Chung	李松	—	—	—	—	—

(c) Tian Teck Land Limited

(c) 天德地產有限公司

Number of shares of HK\$0.25 each  
每股面值港幣0.25元股份股數

Name	姓名	Personal interests 個人權益	Family interests 家屬權益	Corporate interests 公司權益	Total beneficial interests	% of total issued shares
					實益權益總數	佔已發行股份總數的百分比
Cheong Hooi Hong	鍾輝煌	4,625,792	—	—	4,625,792	0.97%
Cheong Kheng Lim	鍾瓊林	46,023,872	115,292	—	46,139,164	9.72%
Cheong Keng Hooi	鍾焯輝	26,912,036	1,002,384	—	27,914,420	5.88%
Cheong Sim Lam	鍾樂南	1,099,504	—	—	1,099,504	0.23%
Cheong Been Kheng	鍾敏卿	300,100	—	—	300,100	0.06%
Sin Cho Chiu, Charles	冼祖昭	2,000	—	115,200 (Note) (註)	117,200	0.02%
Lau Wah Sum	劉華森	—	—	—	—	—
Chow Wan Hoi, Paul	周雲海	—	—	—	—	—
Yau Allen Lee-Nam	姚李男	—	—	—	—	—
Lee Chung	李松	—	—	—	—	—

Note: The corporate interests of 115,200 shares represent 115,200 shares held by Chason Limited where Mr Sin Cho Chiu, Charles is taken to be interested in such shares under the SFO.

註：公司權益下的115,200股為昭英有限公司所持有的115,200股股份。根據《證券及期貨條例》，冼祖昭先生被視為擁有此等股份的權益。

## REPORT OF THE DIRECTORS (continued)

## 董事會報告書 (續)

## INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

## 董事及最高行政人員擁有的股份、相關股份和債權證的權益及淡倉 (續)

## (d) Tian Teck Investment Holding Co., Limited

## (d) 天德有限公司

Number of ordinary shares of HK\$1 each  
每股面值港幣1元普通股股數

Name	姓名	Personal interests	Family interests	Corporate interests	Total beneficial interests	% of total issued shares
					實益權益總數	佔已發行股份總數的百分比
Cheong Hooi Hong	鍾輝煌	25	—	—	25	25%
Cheong Kheng Lim	鍾瓊林	25	—	—	25	25%
Cheong Keng Hooi	鍾焯輝	25	—	—	25	25%
Cheong Sim Lam	鍾樂南	25	—	—	25	25%
Cheong Been Kheng	鍾敏卿	—	—	—	—	—
Sin Cho Chiu, Charles	冼祖昭	—	—	—	—	—
Lau Wah Sum	劉華森	—	—	—	—	—
Chow Wan Hoi, Paul	周雲海	—	—	—	—	—
Yau Allen Lee-Nam	姚李男	—	—	—	—	—
Lee Chung	李松	—	—	—	—	—

## (e) Yik Fok Investment Holding Company, Limited

## (e) 益福有限公司

Number of ordinary shares of HK\$1 each  
每股面值港幣1元普通股股數

Name	姓名	Personal interests	Family interests	Corporate interests	Total beneficial interests	% of total issued shares
					實益權益總數	佔已發行股份總數的百分比
Cheong Hooi Hong	鍾輝煌	10	—	—	10	0.00005%
Cheong Kheng Lim	鍾瓊林	10	—	—	10	0.00005%
Cheong Keng Hooi	鍾焯輝	10	—	—	10	0.00005%
Cheong Sim Lam	鍾樂南	10	—	—	10	0.00005%
Cheong Been Kheng	鍾敏卿	1,350	—	—	1,350	0.00675%
Sin Cho Chiu, Charles	冼祖昭	—	—	—	—	—
Lau Wah Sum	劉華森	—	—	—	—	—
Chow Wan Hoi, Paul	周雲海	—	—	—	—	—
Yau Allen Lee-Nam	姚李男	—	—	—	—	—
Lee Chung	李松	—	—	—	—	—

## REPORT OF THE DIRECTORS (continued)

**INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES** (continued)

Apart from the foregoing, none of the directors and chief executives of the Company or any of their spouses or children under eighteen years of age as at 31 March 2006 has interests or short positions in the shares, underlying shares or debentures of the Company, any of its holding companies, subsidiaries, fellow subsidiaries or any other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

**INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES**

The Company has been notified of the following interests in the Company's issued shares at 31 March 2006 amounting to 5% or more of the ordinary shares in issue:

		Number of ordinary shares of HK\$1 each 每股面值 港幣1元普通股股數	Percentage of total issued shares 佔已發行股份 總數的百分比
Tian Teck Investment Holding Co., Limited	天德有限公司	180,030,681 (Note 1) (註1)	50.01%
Tian Teck Land Limited	天德地產有限公司	180,030,681 (Note 1) (註1)	50.01%
Cheong Kheng Lim	鍾瓊林	26,123,715 (Note 2) (註2)	7.26%
Lim Yoke Soon	林育遜	26,123,715 (Note 3) (註3)	7.26%

## Notes:

- (1) The register of interests in shares and short positions kept under 336 of the SFO indicates that the interest disclosed by Tian Teck Investment Holding Co., Limited is the same as the 180,030,681 shares disclosed by Tian Teck Land Limited.
- (2) Out of the 26,123,715 shares in which Mr Cheong Kheng Lim is interested, 26,089,715 shares were held by Mr Cheong Kheng Lim himself, and 34,000 shares were held by his spouse, Ms Lim Yoke Soon.
- (3) Out of the 26,123,715 shares in which Ms Lim Yoke Soon is interested, 34,000 shares were held by Ms Lim Yoke Soon herself, and 26,089,715 shares were held by her spouse, Mr Cheong Kheng Lim.

## 董事會報告書 (續)

**董事及最高行政人員擁有的股份、相關股份和債權證的權益及淡倉** (續)

遵照《證券及期貨條例》第352條而備存的登記冊記錄，或按照《上市發行人董事進行證券交易的標準守則》以其他方式向本公司申報的資料顯示，除上述所披露者外，於二零零六年三月三十一日，本公司董事及最高行政人員或他們的配偶或未滿十八歲的子女均沒有擁有本公司、其任何控股公司、附屬公司、同系附屬公司或任何其他相聯法團的股份、相關股份或債權證的權益或淡倉。

**主要股東及其他人士擁有的股份和相關股份的權益及淡倉**

本公司獲知下列公司或人士於二零零六年三月三十一日擁有本公司已發行普通股5%或以上的權益：

## 註：

- (1) 遵照《證券及期貨條例》第336條而備存的股份權益及淡倉登記冊顯示，天德有限公司所披露的權益與天德地產有限公司披露的180,030,681股股份相同。
- (2) 鍾瓊林先生擁有之26,123,715股股份中的26,089,715股為鍾瓊林先生個人持有，34,000股則為其配偶林育遜女士持有。
- (3) 林育遜女士擁有之26,123,715股股份中的34,000股為林育遜女士個人持有，26,089,715股則為其配偶鍾瓊林先生持有。

## REPORT OF THE DIRECTORS (continued)

**INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES (continued)**

Apart from the foregoing, as at 31 March 2006 no other interests or short positions in the shares and underlying shares of the Company required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

**DIRECTORS' INTERESTS IN CONTRACTS**

No contract of significance to which the Company, any of its holding companies, subsidiaries, fellow subsidiaries or any other associated corporations was a party, in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

**MANAGEMENT CONTRACTS**

- (a) A management agreement exists between the Company and Hyatt International – Asia Pacific, Limited under which Hyatt International – Asia Pacific, Limited has complete responsibility for the day-to-day operations of the Company's hotel, Hyatt Regency Hong Kong Hotel. The management agreement expired on 31 December 2005. Management fees paid by the Company for the year ended 31 March 2006 amounted to HK\$15,877,000 (2005: HK\$19,330,000).
- (b) The Company has an administrative services agreement and also a non-administrative services agreement, each for an indefinite period, with its immediate holding company, Tian Teck Land Limited, whereby the Company agrees to provide, respectively, company secretarial services (under the administrative services agreement) and office space and various staff (under the non-administrative services agreement). The aggregate fees received by the Company for the year ended 31 March 2006 amounted to HK\$1,200,000 (2005: HK\$1,200,000).

Apart from the foregoing, 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.

## 董事會報告書 (續)

**主要股東及其他人士擁有的股份和相關股份的權益及淡倉 (續)**

除上述所披露者外，於二零零六年三月三十一日，本公司並無獲通知有關任何其他因遵照《證券及期貨條例》第336條而須備存於登記冊的本公司股份和相關股份的權益及淡倉記錄。

**董事在合約的利益**

本公司、其任何控股公司、附屬公司、同系附屬公司或任何其他相聯法團於年結時或本年度任何時間，均沒有訂立任何本公司董事擁有關鍵性利益關係的重要合約。

**管理合約**

- (a) 根據本公司與凱悅國際(亞太區)有限公司簽訂的管理協議，凱悅國際(亞太區)有限公司全權負責本公司之酒店—香港凱悅酒店的日常經營運作。該管理協議已於二零零五年十二月三十一日屆滿。本公司於本年度內已付的管理費為港幣15,877,000元(二零零五年：港幣19,330,000元)。
- (b) 本公司與其控股公司—天德地產有限公司訂有無期限的行政服務及非行政服務協議。根據該等協議，本公司同意為控股公司提供在行政服務協議下的公司秘書服務及在非行政服務協議下的辦公室設施及職員。本公司於本年度內已收取的服務費用總額為港幣1,200,000元(二零零五年：港幣1,200,000元)。

除上述所披露者外，本公司於本年度內並無任何或簽訂任何有關全盤業務或其中重大部分的管理合約。



## REPORT OF THE DIRECTORS (continued)

### PURCHASE, SALE OR REDEMPTION BY THE COMPANY AND ITS SUBSIDIARIES OF ITS LISTED SECURITIES

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

### 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 110 to 112 of the annual report.

### RETIREMENT SCHEMES

Particulars of the retirement schemes are set out in note 26 to the financial statements.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

### CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

### AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the board  
**Cheong Kheng Lim**  
Deputy Chairman

Hong Kong, 6 July 2006

## 董事會報告書 (續)

### 本公司及其附屬公司購回、出售或贖回其上市證券

本年度內，本公司或其任何附屬公司並無購回、出售或贖回本公司之上市證券。

### 五年財務概要

本集團於過去五個財政年度的業績及資產與負債概要載於本年報第110至第112頁。

### 退休計劃

本集團的退休計劃詳情載於財務報表附註26。

### 足夠公眾持股量

基於公開予本公司查閱之資料及據本公司董事會所知悉，截至本年報日期為止，本公司一直維持上市規則訂明之公眾持股量。

### 獨立性的確認

根據上市規則第3.13條，本公司已收到每位獨立非執行董事有關獨立性的周年確認書。本公司認為全體獨立非執行董事均為獨立人士。

### 核數師

畢馬威會計師事務所即將告退，惟願膺選連任。由畢馬威會計師事務所連任本公司核數師的決議，將於即將召開的股東周年大會上提出。

承董事會命  
副主席  
鍾瓊林

香港，二零零六年七月六日