

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Group and the Company for the year ended 31st December, 2006.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The principal activities of its principal subsidiaries, associates and jointly controlled entities at 31st December, 2006 are set out in notes 60, 61 and 62 to the consolidated financial statements respectively.

### RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company are set out in the consolidated income statement on page 45 and in the accompanying notes to the consolidated financial statements.

The Directors have proposed the payment of a final dividend of HK40 cents per share payable to shareholders whose names appear on the register of members of the Company on Wednesday, 13th June, 2007. Since an interim dividend of HK10 cents per share was paid on Friday, 3rd November, 2006, the total dividend for the year is HK50 cents per share. Details are set out in note 19 to the consolidated financial statements.

### INVESTMENT PROPERTIES

During the year, the Group spent HK\$213,000 on investment properties. Certain of the Group's properties previously included in property, plant and equipment with a carrying value of HK\$34,200,000 were transferred to investment properties. In addition, certain of the Group's investment properties with a carrying value of HK\$106,509,000 were transferred to property, plant and equipment.

The Group's investment properties were revalued on 31st December, 2006 at HK\$2,780,300,000. The net increase in fair value of HK\$240,296,000 attributable to investment properties held at 31st December, 2006 has been credited to the consolidated income statement.

Details of these and other movements in the investment properties of the Group during the year are set out in note 20 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent HK\$44,935,000 on property, plant and equipment and acquired a further HK\$39,700,000 of property, plant and equipment on the acquisition of a subsidiary. The Group also disposed of certain of its property, plant and equipment with a carrying value of HK\$1,048,000.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 21 to the consolidated financial statements.

## 董事會報告

董事會同寅謹欣然將本集團及本公司截至二零零六年十二月三十一日止年度之週年報告及經審核綜合財務報表呈覽。

### 主要業務

本公司乃一間控股投資公司，並提供公司管理服務，其主要附屬公司、聯營公司及共同控制企業於二零零六年十二月三十一日之主要業務分別列於綜合財務報表附註第60、61及62項。

### 業績及溢利分配

本集團之業績及本公司之溢利分配列於第45頁之綜合收益賬及隨附之綜合財務報表附註內。

董事會建議派發末期股息每股40港仙予於二零零七年六月十三日(星期三)名列本公司股東名冊內之股東。鑑於本公司於二零零六年十一月三日(星期五)支付中期股息每股10港仙，故本年度之股息總額為每股50港仙。有關詳情列於綜合財務報表附註第19項。

### 投資物業

年內，本集團支出213,000港元添置投資物業。本集團若干之前載於物業、廠房及設備，賬面值為34,200,000港元之物業已轉為投資物業。此外，本集團賬面值為106,509,000港元之投資物業已轉為物業、廠房及設備。

本集團投資物業於二零零六年十二月三十一日之重估價值為2,780,300,000港元，而二零零六年十二月三十一日持有之投資物業之公平價值增加240,296,000港元已計入綜合收益賬內。

上述事項及本集團投資物業於本年度其他變動之詳情列於綜合財務報表附註第20項。

### 物業、廠房及設備

年內，本集團支出44,935,000港元添置物業、廠房及設備，並在收購一間附屬公司時進一步增購價值39,700,000港元之物業、廠房及設備。本集團亦出售賬面淨值達1,048,000港元之若干物業、廠房及設備。

上述事項及本集團物業、廠房及設備於本年度其他變動之詳情列於綜合財務報表附註第21項。

**PROPERTIES**

Particulars of major properties of the Group at 31st December, 2006 are set out on pages 150 to 152.

**SHARE CAPITAL**

Details of movement in the share capital of the Company during the year are set out in note 41 to the consolidated financial statements.

**SHARE OPTION SCHEME**

Particulars of the share option scheme of the Company are set out in note 42 to the consolidated financial statements.

**DIRECTORS**

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

*Executive Directors:*

Lee Seng Hui  
Edwin Lo King Yau  
Mak Pak Hung

*Non-Executive Directors:*

Arthur George Dew  
Lee Su Hwei

*Independent Non-Executive Directors:*

Wong Po Yan  
David Craig Bartlett  
John Douglas Mackie  
Alan Stephen Jones

In accordance with Article 105(A) of the Company's Articles of Association, Mr. Arthur George Dew, Ms. Lee Su Hwei and Mr. John Douglas Mackie will retire by rotation and, being eligible, offer themselves for re-election.

**DIRECTORS' SERVICE CONTRACTS**

None of the Directors proposed for re-election at the forthcoming AGM have an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

**物業**

本集團於二零零六年十二月三十一日之主要物業資料列於第150至152頁。

**股本**

本公司之股本於本年度之變動詳情列於綜合財務報表附註第41項。

**購股權計劃**

本公司購股權計劃之詳情列於綜合財務報表附註第42項。

**董事會成員**

於本年度及至本報告日為止，董事會之成員如下：

*執行董事：*

李成輝  
勞景祐  
麥伯雄

*非執行董事：*

狄亞法  
李淑慧

*獨立非執行董事：*

黃保欣  
白禮德  
麥尊德  
Alan Stephen Jones

根據本公司之組織章程細則第105(A)條，狄亞法先生、李淑慧女士及麥尊德先生將輪值退任，惟有資格並願膺選連任。

**董事之服務合約**

擬於應屆股東週年大會上膺選連任之董事概無與本集團訂立本集團不可於一年內毋須賠償(法定賠償除外)而可予以終止之未到期之服務合約。

**TERMS OF OFFICE FOR THE NON-EXECUTIVE DIRECTORS**

All the Non-Executive Directors (including the INEDs) were appointed for a specific term which shall continue until 31st December, 2007 but subject to the relevant provisions of the Articles of Association of the Company or any other applicable laws whereby the Directors shall vacate or retire from their office.

**DIRECTORS' INTERESTS**

At 31st December, 2006, Mr. Lee Seng Hui and Ms. Lee Su Hwei, Directors of the Company, had the following interests in the shares of the Company as recorded in the register required to be kept under Section 352 of the SFO:

Name of Director 董事姓名	Number of shares held 持有股份數目	Approximate % of the issued share capital 佔已發行股本之概約百分比	Nature of interest 權益性質
Lee Seng Hui 李成輝	101,906,613	41.25%	Personal interest (held as beneficial owner) in 22,921 shares and other interest in 101,883,692 shares (Note 1) 22,921 股屬個人權益 (以實益擁有人身份持有) 及 101,883,692 股屬其他權益 (附註 1)
Lee Su Hwei 李淑慧	101,883,692	41.24%	Other interest (Note 1) 其他權益 (附註 1)

## Notes:

- Mr. Lee Seng Hui and Ms. Lee Su Hwei are trustees of Lee and Lee Trust, being a discretionary trust which indirectly held 101,883,692 shares of the Company.
- The interests stated above represents long positions.

Save as disclosed above, at 31st December, 2006, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or 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 under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**非執行董事之任期**

所有非執行董事(包括獨立非執行董事)均獲以指定任期委任,任期將持續至二零零七年十二月三十一日,惟董事之離任或退任須受本公司組織章程細則之有關條文或任何其他適用法例所規限。

**董事權益**

於二零零六年十二月三十一日,根據證券及期貨條例第352條規定所存放之登記冊所載,本公司董事李成輝先生及李淑慧女士於本公司之股份中持有以下權益:

## 附註:

- 李成輝先生及李淑慧女士為間接持有本公司101,883,692股股份之全權信託Lee and Lee Trust之信託人。
- 上述權益均屬好倉。

除以上所披露者外,於二零零六年十二月三十一日,本公司之各董事及最高行政人員概無於本公司或其任何相聯法團(釋義見證券及期貨條例第XV部)之任何股份、相關股份或債券中擁有須記錄於根據證券及期貨條例第352條規定所存放之登記冊所載,或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, Messrs. Arthur George Dew, Lee Seng Hui, Edwin Lo King Yau and Ms. Lee Su Hwei, Directors of the Company (not being the INEDs), are considered to have interests in the following competing businesses pursuant to the Listing Rules:

- (i) Mr. Arthur George Dew is a director of Allied Properties which, through a subsidiary, is partly engaged in the business of money lending. He was appointed as a director of Allied Properties on 1st January, 2007;
- (ii) Mr. Arthur George Dew was a director of Sun Hung Kai which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, provision of financial services and property investment. He resigned from Sun Hung Kai on 31st December, 2006;
- (iii) Mr. Lee Seng Hui and Ms. Lee Su Hwei are two of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of Allied Properties, Sun Hung Kai, Tian An and Lippo Limited ("Lippo") which, through their subsidiaries, are partly engaged in the businesses as follows:
  - Allied Properties, through a subsidiary, is partly engaged in the business of money lending;
  - Sun Hung Kai, through certain of its subsidiaries, is partly engaged in the businesses of money lending, provision of financial services and property investment;
  - Tian An, through a subsidiary, is partly engaged in the business of money lending. Mr. Lee Seng Hui has been appointed as a director of Tian An with effect from 1st April, 2007;
  - Lippo, through its subsidiaries, is partly engaged in the businesses of property development and investment, securities broking, securities investment, money lending, provision of financial and other related services. Mr. Lee Seng Hui and Ms. Lee Su Hwei ceased to be a deemed substantial shareholder of Lippo on 25th January, 2007;
- (iv) Mr. Lee Seng Hui is a director of Allied Kajima which, through certain of its subsidiaries, is partly engaged in the businesses of property rental, management services and hospitality related activities; and
- (v) Mr. Edwin Lo King Yau is a director of Tian An which, through a subsidiary, is partly engaged in the business of money lending.

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

## 董事在構成競爭業務中之權益

年內及至本報告日為止，根據上市規則，本公司董事（獨立非執行董事除外）狄亞法先生、李成輝先生、勞景祐先生及李淑慧女士，被視為於下列構成競爭業務中有利益關係：

- (i) 狄亞法先生為聯合地產之董事，該公司透過一間附屬公司部份從事借貸業務。彼於二零零七年一月一日獲委任為聯合地產之董事；
- (ii) 狄亞法先生曾為新鴻基之董事，該公司透過其若干附屬公司部份從事借貸、提供金融服務及物業投資業務，彼於二零零六年十二月三十一日辭任新鴻基董事一職；
- (iii) 李成輝先生及李淑慧女士為Lee and Lee Trust之其中兩名信託人，Lee and Lee Trust被視為聯合地產、新鴻基、天安及力寶有限公司（「力寶」）各自之主要股東，該等公司透過彼等之附屬公司部份從事下列業務：
  - 聯合地產透過一間附屬公司部份從事借貸業務；
  - 新鴻基透過其若干附屬公司部份從事借貸、提供金融服務及物業投資業務；
  - 天安透過一間附屬公司部份從事借貸業務。李成輝先生自二零零七年四月一日起獲委任為天安之董事；
  - 力寶透過其附屬公司部份從事物業發展與投資、證券經紀、證券投資、借貸、提供金融及其他相關服務之業務；李成輝先生及李淑慧女士於二零零七年一月二十五日起不再被視為力寶之主要股東；
- (iv) 李成輝先生為Allied Kajima之董事，該公司透過其若干附屬公司部份從事物業租賃、管理服務及酒店相關之業務；及
- (v) 勞景祐先生為天安之董事，該公司透過一間附屬公司部份從事借貸業務。

鑑於董事會乃獨立於上述公司之董事會，而上述各董事均未能控制董事會，本集團得以按公平原則以獨立於有關公司業務之方式進行其本身之業務。

### DIRECTORS' INTERESTS IN CONTRACTS

No contracts 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.

### ARRANGEMENTS TO PURCHASE 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 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 under its share option scheme.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 31st December, 2006, the following shareholders had interests in the shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholder 股東名稱	Number of shares held 持有股份數目	Approximate % of the issued share capital 佔已發行股本概約百分比	Notes 附註
Cashplus Management Limited ("Cashplus")	26,039,000	10.54%	–
Zealous Developments Limited ("Zealous")	26,039,000	10.54%	1, 2
Minty Hongkong Limited ("Minty")	75,844,692	30.70%	–
Lee and Lee Trust	101,883,692	41.24%	3, 4
COL Capital Limited ("COL Capital") 中國網絡資本有限公司(「中國網絡」)	24,770,494	10.03%	5
Chong Sok Un 莊淑洵	24,770,494	10.03%	6, 7

#### Notes:

- This represents the same interest of Cashplus in 26,039,000 shares of the Company.
- Cashplus is a wholly-owned subsidiary of Zealous. Zealous was therefore deemed to have an interest in the shares in which Cashplus was interested.
- Minty and Zealous are wholly owned by the trustees of Lee and Lee Trust, being a discretionary trust.
- Mr. Lee Seng Hui and Ms. Lee Su Hwei, Directors of the Company, together with Mr. Lee Seng Huang are the trustees of Lee and Lee Trust and were therefore deemed to have an interest in the shares in which Minty and Zealous were interested.
- The interest includes the holding of: (i) an interest in 17,029,170 shares held by Honest Opportunity Limited ("Honest Opportunity"), a wholly-owned subsidiary of Classic Fortune Limited ("Classic Fortune") which in turn is a wholly-owned subsidiary of COL Capital; and (ii) an interest in 7,455,324 shares held by Focus Clear Limited ("Focus Clear"), a wholly-owned subsidiary of Besford International Limited ("Besford") which in turn is a wholly-owned subsidiary of COL Capital; and (iii) an interest in 286,000 shares held by Sparkling Summer Limited ("Sparkling Summer"), a wholly-owned subsidiary of Classic Fortune. COL Capital was therefore deemed to have an interest in the shares in which Honest Opportunity, Classic Fortune, Focus Clear, Besford and Sparkling Summer were interested.
- This represents the same interest of COL Capital in 24,770,494 shares of the Company.
- COL Capital was owned as to 37.65% by Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited which in turn is wholly-owned by Ms. Chong Sok Un. Ms. Chong Sok Un was therefore deemed to have an interest in the shares in which COL Capital was interested.
- All interests stated above represent long positions. As at 31st December, 2006, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

### 董事在合約中之權益

於本年度終結時或於本年度內任何時間，本公司或其任何附屬公司並無訂立任何董事直接或間接擁有重大權益之重要合約。

### 購買股份或債券之安排

除根據本公司購股權計劃授予以認購本公司股份之購股權外，本公司或其任何附屬公司於本年度內概無參與任何安排，使董事能藉此獲得本公司或其他任何法人團體之股份或債券而獲得利益。

### 主要股東權益

於二零零六年十二月三十一日，根據證券及期貨條例第336條規定所存放之登記冊所載，持有本公司股份權益之股東如下：

#### 附註：

- 該權益指 Cashplus 於本公司 26,039,000 股股份中之相同權益。
- Cashplus 為 Zealous 之全資附屬公司，因此，Zealous 被視作擁有 Cashplus 所持股份之權益。
- Minty 及 Zealous 由 Lee and Lee Trust (全權信託) 之信託人全資擁有。
- 李成輝先生及李淑慧女士 (本公司之董事) 與李成煌先生均為 Lee and Lee Trust 之信託人，因此，彼等被視作擁有 Minty 及 Zealous 所持股份之權益。
- 該等權益包括由：(i) Honest Opportunity Limited (「Honest Opportunity」) 持有之 17,029,170 股股份之權益；該公司為 Classic Fortune Limited (「Classic Fortune」) 之全資附屬公司，而 Classic Fortune 則為中國網絡之全資附屬公司；(ii) Focus Clear Limited (「Focus Clear」) 持有之 7,455,324 股股份之權益；該公司為 Besford International Limited (「Besford」) 之全資附屬公司，而 Besford 則為中國網絡之全資附屬公司；及 (iii) Sparkling Summer Limited (「Sparkling Summer」) 持有之 286,000 股股份之權益；該公司為 Classic Fortune 之全資附屬公司。因此，中國網絡被視作擁有 Honest Opportunity、Classic Fortune、Focus Clear、Besford 及 Sparkling Summer 所持股份之權益。
- 該權益指中國網絡於本公司 24,770,494 股股份中之相同權益。
- Vigor Online Offshore Limited 持有中國網絡 37.65% 權益，該公司為 China Spirit Limited 之全資附屬公司，而 China Spirit Limited 則由莊淑洵女士全資擁有，因此莊淑洵女士被視作擁有中國網絡所持股份之權益。
- 上述所有權益均屬好倉。於二零零六年十二月三十一日，根據證券及期貨條例第 336 條規定所存放之登記冊所載，並無淡倉記錄。



## EMOLUMENT POLICY

Details of the Directors' emoluments and of the five highest paid individuals in the Group are set out in note 14 to the consolidated financial statements.

The emolument policy of the employees of the Group is set up by the Executive Committee on the basis of their merit, qualifications and competence.

The emoluments payable to Directors of the Company will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 42 to the consolidated financial statements.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company made the following purchases of its own shares on the Stock Exchange:

Month of purchase on the Stock Exchange in 2006  
二零零六年自聯交所  
購回股份之月份

Number of  
shares purchased  
購回股份數目

January	一月	3,324,000
February	二月	60,000
March	三月	28,000
May	五月	74,000
June	六月	618,000
July	七月	786,000
September	九月	1,274,000
October	十月	712,000
November	十一月	418,000
December	十二月	18,000

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

## DONATIONS

The Group made charitable donations of HK\$449,000 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 24 to 35.

## 薪酬政策

董事酬金及本集團五名最高薪酬人士之酬金詳情載於綜合財務報表附註第14項。

執行委員會按本集團僱員之功績、資歷及能力制訂本集團僱員之薪酬政策。

應付本公司董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭合約或服務合約內之條款及按本公司經營業績、個人表現及比較市場統計數字而釐定。

本公司已採納一項購股權計劃以鼓勵董事及合資格僱員，該計劃之詳情載於綜合財務報表附註第42項。

## 購回、出售或贖回股份

於本年度，本公司於聯交所購回其本身之股份如下：

Purchase consideration  
per share  
每股購回代價

Highest  
最高價  
HK\$  
港元

Lowest  
最低價  
HK\$  
港元

Aggregate  
consideration paid  
支付代價總額  
HK\$  
港元

January	一月	3,324,000	11.85	11.00	38,884,700.00
February	二月	60,000	11.95	11.90	715,000.00
March	三月	28,000	11.90	11.80	333,000.00
May	五月	74,000	20.30	20.00	1,483,700.00
June	六月	618,000	20.40	18.45	11,695,000.00
July	七月	786,000	20.60	19.45	15,927,900.00
September	九月	1,274,000	23.00	21.10	27,291,400.00
October	十月	712,000	23.20	22.00	16,069,100.00
November	十一月	418,000	23.00	22.30	9,451,900.00
December	十二月	18,000	21.70	21.40	387,600.00

除以上所披露者外，本公司或其任何附屬公司概無於本年度內購回、出售或贖回本公司之任何股份。

## 捐款

本集團於本年度內之慈善捐款為449,000港元。

## 企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規之資料，載於第24至35頁「企業管治報告」內。

**SUFFICIENCY OF PUBLIC FLOAT**

Based on the 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 sufficient public float as required under the Listing Rules.

**AUDITORS**

A resolution will be submitted to the AGM of the Company to re-appoint Deloitte as the auditors of the Company.

On behalf of the Board



**Arthur George Dew**  
Chairman  
Hong Kong, 16th April, 2007

**足夠之公眾持股量**

於本報告日，按本公司可以得悉之公開資料所示及就董事所知悉，本公司已維持上市規則所規定之足夠公眾持股量。

**核數師**

本公司將於股東週年大會上提呈決議案重新委聘德勤連任為本公司之核數師。

代表董事會



主席  
狄亞法  
香港，二零零七年四月十六日