

# Report of the Directors

## 董事局報告書

The Board of Directors of the Company (the “Board”) is pleased to present its Report together with the audited consolidated financial statements of the Company and its subsidiaries (altogether the “Group”) for the year ended 31st December, 2006 and the report of independent Auditors thereon.

### PRINCIPAL ACTIVITIES

The principal activities of the Group for the year were property development and investment, hospitality and leisure activities, manufacturing of PVC pipes, securities trading and investment holding.

During the year under review, the Company acted as an investment holding company while the principal activities and other particulars of the principal subsidiaries of the Company are listed out in Note 38 to the consolidated financial statements on pages 127 to 131.

### RESULTS AND APPROPRIATIONS

Details of the Group’s results and financial position for the year ended 31st December, 2006 are set out on pages 47 to 132. An analysis by business segments is set out in Note 7(a) to the consolidated financial statements on pages 76 to 79 while no geographical analysis is presented as the Group’s operations and assets were principally situated in the mainland China.

No interim dividend was paid during the year ended 31st December, 2006 (2005: Nil) and the Board does not recommend a payment of a final dividend for the year (2005: HK\$0.05 per share).

### RESERVES

The distributable reserves of the Company as at 31st December, 2006 amounted to approximately HK\$197,866,000 (2005: HK\$311,330,000).

本公司董事局（「董事局」）謹向各股東提呈本報告書，連同本公司及其附屬公司（統稱「本集團」）截至二零零六年十二月三十一日止年度之經審核綜合財務報表及獨立核數師報告書。

### 主要業務

本集團於本年度內之主要業務為物業發展及投資、款客及消閒業務、膠管製造、證券買賣及投資控股。

於回顧年度內，本公司為一家投資控股公司，而本公司各主要附屬公司之主要業務及其他詳情載於第127至第131頁綜合財務報表附註38。

### 業績及分配

本集團截至二零零六年十二月三十一日止年度之業績及財務狀況詳情載於第47至第132頁。按業務分類之分析載於第76至第79頁綜合財務報表附註7(a)。由於本集團之業務及資產主要位於中國國內，故未呈列按經營地區分類之資料。

本公司於截至二零零六年十二月三十一日止年度內並無派付中期股息（二零零五年：無）及董事局不建議派付本年度之末期股息（二零零五年：每股0.05港元）。

### 儲備

本公司於二零零六年十二月三十一日之可供分派儲備為數約197,866,000港元（二零零五年：311,330,000港元）。

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The Board recommends that the retained earnings of the Group as at 31st December, 2006 amounting to approximately HK\$930,269,000 are to be carried forward. Other movements in reserves of the Group and of the Company during the year are shown in Note 28 to the consolidated financial statements on pages 106 to 113.

### MAJOR CUSTOMERS AND SUPPLIERS

Of the turnover of the Group for the year, less than 30% was attributable to the Group's five largest customers.

During the year, 35.8% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 10.3% of the Group's purchases. None of the Directors of the Company, their associates or any shareholders (which to the knowledge of the Directors own more than 5% interest in the Company's issued share capital) have any interest in the Group's five largest suppliers.

### DONATIONS

During the year ended 31st December, 2006, the Group has donated approximately HK\$2,156,000 for charitable and other causes.

### FIXED ASSETS

During the year ended 31st December, 2006, the Group added fixed assets amounting to approximately HK\$18,029,000 while disposed of and wrote off assets with an aggregate net book value of approximately HK\$1,258,000.

Movements in fixed assets of the Group during the year are shown in Notes 16 and 17 to the consolidated financial statements on pages 89 and 90.

A schedule of the principal properties held by the Group, either under development or for sale or investment purposes, is set out on pages 134 to 140.

董事局建議將本集團於二零零六年十二月三十一日為數約930,269,000港元之保留溢利滾存至下年度。年度內本集團及本公司之其他儲備變動載於第106至第113頁綜合財務報表附註28。

### 主要客戶及供應商

在本集團於本年度之營業額中，前五大客戶所佔之比率不足30%。

在本年度內，本集團之前五大供應商共佔本集團採購之35.8%，其中最大供應商佔本集團採購之10.3%。本公司各董事及其聯繫人士或任何股東（董事獲知其擁有本公司已發行股本5%或以上權益者）概無擁有該五大供應商之任何權益。

### 捐款

於截至二零零六年十二月三十一日止年度內，本集團已捐款約2,156,000港元作慈善及其他用途。

### 固定資產

於截至二零零六年十二月三十一日止年度內，本集團添置為數約18,029,000港元之固定資產，並出售及撇銷總賬面淨值約1,258,000港元之資產。

本集團於年度內之固定資產變動情況載於第89及第90頁綜合財務報表附註16及17。

一項列有本集團持有之主要物業（發展中或作出售或投資用途）之附表載於第134至第140頁。

## BORROWINGS AND DEBENTURES

Details of bank loans and other borrowings of the Group as at 31st December, 2006 are set out in Notes 22(b) and 30 to the consolidated financial statements on pages 96 and 116 respectively.

No debentures of any class were issued by the Company or any of its subsidiaries, or were in issue, at any time during the year.

Interest expenses of approximately HK\$15,716,000 (2005: HK\$27,536,000) attributable to properties under development were capitalised by the Group during the year.

## SHARE CAPITAL AND ZERO COUPON CONVERTIBLE BONDS DUE 2009

The Company has issued zero coupon convertible bonds due 2009 in an aggregate principal amount of US\$50 million (the "Bonds") in June 2004 at par to professional investors. The Bonds were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as selectively marketed securities and did not bear any interest. The bondholders were entitled to convert the Bonds into fully paid ordinary shares of HK\$0.50 each in the capital of the Company (the "Share(s)") at an initial conversion price of HK\$1.95 per Share, which was adjusted to HK\$1.85 per Share on 27th May, 2005 upon declaration of a final dividend of the Company for 2004, during the period from 4th July, 2004 to 20th May, 2009.

During the year ended 31st December, 2006, the Bonds of a total principal amount of US\$33.25 million were converted into 140,009,444 Shares at a subscription price of HK\$1.85 each. In this connection, all the Bonds have been converted in full and a total of 209.41 million fully paid Shares has been issued upon conversion. None of the Bonds have been redeemed or purchased since the issue and the Bonds were withdrawn from listing on the Stock Exchange on 23rd June, 2006.

## 借貸及債權證

本集團在二零零六年十二月三十一日之銀行貸款及其他借貸之詳情分別載於第96及第116頁綜合財務報表附註22(b)及30。

本公司或其任何附屬公司於年度內任何時間概無發行或已發行任何類別之債權證。

於本年度內本集團將發展中物業所佔為數約15,716,000港元(二零零五年: 27,536,000港元)之利息支出资本化。

## 股本及二零零九年到期之零息可換股債券

本公司於二零零四年六月按面值向專業投資者發行了本金總額為50,000,000美元之二零零九年到期之零息可換股債券(「債券」)。債券以選擇性銷售證券形式在香港聯合交易所有限公司(「聯交所」)上市,並且無附帶任何利息。債券持有人有權於二零零四年七月四日至二零零九年五月二十日止期間內以每股1.95港元之初步換股價將債券兌換為本公司股本中每股面值0.50港元之已繳足普通股股份(「股份」),該換股價已於二零零五年五月二十七日在本公司宣派二零零四年度末期股息後,被調整至每股1.85港元。

於截至二零零六年十二月三十一日止年度內,本金總額合共為33,250,000美元之債券已以每股1.85港元之認購價兌換為140,009,444股股份。因此,所有債券已獲悉數兌換,而合共約209,410,000股已繳足股份因兌換債券而獲發行。自債券發行以來,本公司並無贖回或購回任何債券,而債券已於二零零六年六月二十三日於聯交所撤回上市。

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As at 31st December, 2006, 1,317,471,940 Shares were in issue. Details of the share capital of the Company are set out in Note 26 to the consolidated financial statements on page 100.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st December, 2006, there was no purchase, sale or redemption made by the Company, or any of its subsidiaries, of the Company's listed securities.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Memorandum and Articles of Association of the Company and the Companies Law of the Cayman Islands.

### DIRECTORS

The Directors of the Company as at the date of this Report and those who were in office during the year are:

#### Name of Directors

##### Executive Directors:

Madam Hsu Feng (*Chairman and Managing Director*)  
Mr Tong Albert (*Vice-Chairman*)  
Mr Chuang Hsiao-Chen

##### Independent Non-Executive Directors:

Madam Tung Wai Yee  
Mr Cheung Siu Ping, Oscar  
Mr Lee Chan Fai

A profile of the Directors of the Company is shown on pages 27 to 29.

於二零零六年十二月三十一日，本公司股本中共有1,317,471,940股已發行股份。本公司股本之詳情載於第100頁綜合財務報表附註26。

### 購買、出售或贖回上市證券

於截至二零零六年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

### 優先購買權

本公司之《公司組織章程大綱及細則》，以及《開曼群島公司法》並無有關優先購買權之條文。

### 董事

於本報告書刊發之日及於本年度內在任之本公司董事局成員如下：

#### 董事姓名

##### 執行董事：

徐 楓女士 (*主席兼董事總經理*)  
湯子同先生 (*副主席*)  
莊然真先生

##### 獨立非執行董事：

董慧儀女士  
張兆平先生  
李燦輝先生

本公司董事之簡介載於第27至第29頁。

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Information relating to emoluments paid to the Company's Directors during the year is set out in Note 10 to the consolidated financial statements on pages 83 and 84.

All Directors of the Company, including the non-executive Directors, are subject to retirement by rotation at annual general meetings of the Company in accordance with the Articles of Association of the Company. Article 116 of the Articles of Association of the Company provides that at each annual general meeting, one-third (or the number nearest to one-third) of the Directors of the Company for the time being, who have been longest in office since their last election, shall retire from office and shall be eligible for re-election. In this connection, Mr Tong Albert and Mr Cheung Siu Ping, Oscar will retire by rotation at the forthcoming annual general meeting. Being eligible, they offer themselves for re-election.

The re-election of the retiring Directors of the Company is subject to the shareholders' approval at the forthcoming annual general meeting of the Company and details of those Directors will be disclosed in a circular of the Company to be despatched to the shareholders together with the notice of the annual general meeting.

### DIRECTORS' SERVICE CONTRACT

None of the Directors of the Company who are proposed for re-election at the forthcoming annual general meeting have an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

有關於年度內支付予本公司董事之酬金之資料載於第83及第84頁綜合財務報表附註10。

根據本公司之《公司組織章程細則》之規定，本公司所有董事（包括非執行董事）均須於本公司之股東週年大會上輪值退任。第116條細則規定，於每屆股東週年大會上，本公司當時三分之一之董事或最接近三分之一數目之董事（自上次獲選連任董事以來任期最長者）將須依章退任並均可在膺選後連任。因此，湯子同先生及張兆平先生將於應屆股東週年大會上依章輪值退任，惟有資格並願意競逐連任。

重選本公司之退任董事連任一事須待股東於本公司應屆之股東週年大會上審批，有關該等董事之資料將於與股東週年大會通告一併寄發予股東之本公司通函內披露。

### 董事之服務合約

獲提名在應屆股東週年大會上重選連任之本公司董事與本公司或其任何附屬公司之間並無尚未屆滿之服務合約，而聘用之公司於一年內不作出賠償（法定賠償除外）則不得終止者。

## Report of the Directors 董事局報告書

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31st December, 2006, the interests and short positions of the Directors of the Company in shares, debentures and underlying shares 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 required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein (including interests and short positions which they were taken to have under Section 344 of the SFO) or which were required to be notified to the Company and the Stock Exchange pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

#### The Company: Shares of HK\$0.50 each

### 董事之證券權益及淡倉

於二零零六年十二月三十一日，本公司各董事於本公司或其任何相聯法團（按《證券及期貨條例》第XV部之定義詮釋）之股份、債權證及相關股份中擁有須遵照《證券及期貨條例》第352條之規定記載入該條例所述的登記冊（包括根據《證券及期貨條例》第344條被視為擁有之權益及淡倉），或須遵照聯交所《證券上市規則》（「《上市規則》」）之規定知會本公司及聯交所之權益及淡倉如下：

#### 本公司： 每股面值0.50港元之股份

Name of Directors	董事姓名	Number of Shares 股份數目			
		Personal Interests 個人權益	Family Interests 家屬權益	Corporate Interests 公司權益	Other Interests 其他權益
Madam Hsu Feng	徐楓女士	28,616,000	Nil 無	Nil 無 (A)	534,979,960 (B)
Mr Tong Albert	湯子同先生	22,682,000	Nil 無	Nil 無 (A)	13,000,000 (C)
Mr Chuang Hsiao-Chen	莊然真先生	Nil 無	Nil 無	Nil 無	2,000,000 (D)

Notes:

(A) The following companies, being private companies incorporated in Hong Kong and wholly-owned subsidiaries of Rivera (Holdings) Limited (a listed company in Hong Kong), beneficially held an aggregate of 159,500,465 Shares on 31st December, 2006:

附註：

(A) 於二零零六年十二月三十一日，下列公司（均為於香港註冊成立的私人公司，並為一家於香港上市之公司——川河集團有限公司的全資附屬公司）實益持有合共159,500,465股股份：

Name of companies	公司名稱	Number of Shares held 所持有股份數目
Forty Enterprises Company Limited	富義企業有限公司	13,081,788
Shine Trip Limited	瑞展有限公司	146,418,677
		<u>159,500,465</u>

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Madam Hsu Feng and Mr Tong Albert, being mother and son, are directors of Rivera (Holdings) Limited of which Madam Hsu, being the executrix of the estate of her late husband, Mr Tong Cun Lin, is deemed to be a substantial shareholder.

- (B) Madam Hsu Feng was interested in the 534,979,960 Shares in her capacity as the executrix of the estate of the late Mr Tong Cun Lin.
- (C) Mr Tong Albert has been granted options under the share option scheme of the Company which entitle him to subscribe for 11,000,000 Shares at a subscription price of HK\$1.81 per Share during a period of 3 years ending on 5th October, 2008 and 2,000,000 Shares at a subscription price of HK\$2.155 per Share during a period of 5 years ending on 23rd July, 2011.
- (D) Mr Chuang Hsiao-Chen has been granted an option under the share option scheme of the Company which entitles him to subscribe for 2,000,000 Shares at a subscription price of HK\$2.155 per Share during a period of 5 years ending on 23rd July, 2011.

Save as disclosed above, none of the Directors of the Company and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as at 31st December, 2006, which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein (including interests or short positions which they were taken to have under Section 344 of the SFO) or which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules.

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 29th May, 2002. Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective till 28th May, 2012. After the expiry of such valid period, no further options will be offered or granted but in all other respects the provisions of the Scheme shall remain in full force and effect.

徐楓女士與湯子同先生為母子，兩人均為川河集團有限公司的董事，而徐女士作為其先夫湯君年先生之遺產執行人，乃被視為該公司之主要股東。

- (B) 徐楓女士以已故湯君年先生之遺產執行人之身份擁有該等534,979,960股股份之權益。
- (C) 湯子同先生獲授予本公司之購股權計劃項下之購股權；據此，彼有權於直至二零零八年十月五日為期三年之期間內以每股股份1.81港元之認購價認購11,000,000股股份及於直至二零一一年七月二十三日為期五年之期間內以每股股份2.155港元之認購價認購2,000,000股股份。
- (D) 莊焯真先生獲授予本公司之購股權計劃項下之購股權；據此，彼有權於直至二零一一年七月二十三日為期五年之期間內以每股股份2.155港元之認購價認購2,000,000股股份。

除上文所披露者外，於二零零六年十二月三十一日，本公司各董事及彼等的聯繫人士概無於本公司或其任何相聯法團之股份、相關股份及債權證中擁有須遵照《證券及期貨條例》第352條之規定記載入該條例所述的登記冊內（包括根據《證券及期貨條例》第344條彼等被視為擁有的權益或淡倉），或須遵照《上市規則》之規定知會本公司及聯交所的任何權益或淡倉。

### 購股權計劃

本公司於二零零二年五月二十九日採納一項購股權計劃（「該計劃」）。倘本公司並無在股東大會上提早終止或董事局並無提早終止該計劃，則該計劃將有效至二零一二年五月二十八日止。於該有效期限屆滿後將不會再行要約授予或正式授出購股權，惟該計劃之條款在其他各方面將仍全面有效。

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Apart from the Scheme, at no time during the year nor at the end of the year ended 31st December, 2006 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

### Major terms of the Scheme

The purpose of the Scheme is to provide incentives or rewards to selected persons for their contribution to the Group or any entity in which the Group holds any equity interest (the “Invested Entity”).

The participants of the Scheme include:

- (i) any employee or proposed employee (whether full time or part time) of any member of the Group or any Invested Entity, including any executive director of any member of the Group or any Invested Entity; or
- (ii) any non-executive director (including independent non-executive director) of any member of the Group or any Invested Entity; or
- (iii) any adviser, consultant, customer and supplier of goods or services to any member of the Group or any Invested Entity who have contributed or will contribute to the Group; or
- (iv) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

As at the date of this Report, the maximum number of Shares available for issue under options granted or to be granted under the Scheme is 77,474,911, representing approximately 5.9% of the Company’s existing issued share capital.

除該計劃外，於截至二零零六年十二月三十一日止年度內任何時間或年度終結日，本公司或其任何附屬公司概無參與任何安排，致使本公司董事可透過購買本公司或其他任何法人團體之股份或債權證而獲益。

### 該計劃的主要條款

該計劃的目的為激勵或回報經甄選之人士對本集團或本集團持有任何股權之任何機構（「所投資機構」）作出貢獻。

該計劃之參與者包括：

- (i) 本集團任何成員公司或任何所投資機構之任何僱員或準僱員（不論全職或兼職），包括本集團任何成員公司或任何所投資機構之任何執行董事；或
- (ii) 本集團任何成員公司或任何所投資機構之任何非執行董事（包括獨立非執行董事）；或
- (iii) 曾經或將會對本集團作出貢獻之任何諮詢人、顧問、客戶及向本集團任何成員公司或任何所投資機構提供貨物或服務之供應商；或
- (iv) 本集團任何成員公司或任何所投資機構之股東，或本集團任何成員公司或任何所投資機構所發行之任何證券之持有人。

於本報告書刊發之日，根據該計劃已授出或可授出之購股權而可予發行之股份數目上限為77,474,911股，佔本公司現時之已發行股本約5.9%。



## Report of the Directors 董事局報告書

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted to each participant or grantee (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue at the date of grant (the "Individual Limit"). Any further grant of options in excess of the Individual Limit must be subject to the shareholders' approval in general meeting with such participant or grantee and his or her associates abstaining from voting.

An option may be exercised at any time during a period as the Board may determine which shall not be more than 10 years commencing from the date of grant of the option.

Save as determined by the Board and provided in the offer of the relevant options, there is no minimum period for which an option must be held before it can be exercised under the Scheme.

The acceptance of an offer of granting an option must be made within 28 days from the date on which such offer is made with a non-refundable payment of HK\$1 from the grantee to the Company by way of a consideration for the grant thereof.

The subscription price per Share in respect of any option granted under the Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the option, which must be a business day;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets on the 5 business days immediately preceding the date of offer of the option; and
- (iii) the nominal value of the Shares on the date of offer.

每位參與者或承授人在截至授出購股權當日止任何十二個月期間內，因行使獲授或將獲授之購股權（包括已行使及尚未行使者）而獲發行及將獲發行之股份總數，不得超過授出購股權當日之本公司已發行股份數目之1%（「個別上限」）。倘向參與者或承授人再行授出超逾個別上限之購股權，則須經股東在股東大會上審批，而有關參與者或承授人及其聯繫人士均須在會上放棄投票權。

購股權可於董事局釐定之期間內隨時行使，惟該期間不得自授出購股權日期起計超過十年。

除董事局另有決定及根據有關購股權授出時所規定者外，根據該計劃，並無設有購股權行使之前必須持有的最短期限。

承授人須於要約授出購股權之日起計28日內，提出接納購股權，並向本公司支付1港元，作為獲授購股權之代價，此款項將不予退回。

根據該計劃所授出之任何購股權項下之每股股份之認購價將由董事局全權釐定，惟該認購價不得低於下列三者之最高者：

- (i) 要約授出購股權當日（必須為營業日）在聯交所每日報價表所列股份之收市價；
- (ii) 緊接要約授出購股權日期前五個營業日在聯交所每日報價表所列股份之收市價之平均數；及
- (iii) 於要約授出購股權當日之股份面值。

## Report of the Directors 董事局報告書

### Movements during the year

During the year ended 31st December, 2006, the movements in the share options granted under the Scheme and carrying rights to subscribe for Shares are shown as follows:

### 於年內購股權之變動

於截至二零零六年十二月三十一日止年度內，根據該計劃授予及附有認購股份權利之購股權之變動詳情列載如下：

Name of Grantees 承授人名稱	Date of Grant 授出日期	Exercise price per Share 每股股份行使價 (HK\$) (港元)	Exercise Period 行使期間	Number of Shares subject to the options 購股權項下之股份數目				Balance as at 31.12.2006 於2006年12月31日之結餘
				Balance as at 1.1.2006 於2006年1月1日之結餘	Granted during the year 於年度內授出	Exercised during the year 於年度內行使	Cancelled/Lapsed during the year 於年度內註銷/失效	
<b>Category 1: Directors</b> 第一類別：董事								
Mr Tong Albert 湯子同先生	6.10.2005	1.810	6.10.2005 — 5.10.2008	11,000,000	—	—	—	11,000,000
	24.7.2006	2.155	24.7.2006 — 23.7.2011	—	2,000,000	—	—	2,000,000
Mr Chuang Hsiao-Chen 莊然真先生	24.7.2006	2.155	24.7.2006 — 23.7.2011	—	2,000,000	—	—	2,000,000
Total for Directors 董事之總額				11,000,000	4,000,000	—	—	15,000,000
<b>Category 2: Employees</b> 第二類別：僱員								
Employees 僱員	24.7.2006	2.155	24.7.2006 — 23.7.2011	—	9,300,000	—	—	9,300,000
Total for Employees 僱員之總額				—	9,300,000	—	—	9,300,000
<b>Total for all categories</b> 所有類別之總額				11,000,000	13,300,000	—	—	24,300,000

The closing price of the Shares immediately before 24th July, 2006, being the date of grant of the above options granted during the year, was HK\$2.125.

於緊接二零零六年七月二十四日（即上述於年度內授出之購股權之授出日期）之前一個交易日之股份收市價為2.125港元。

## Report of the Directors 董事局報告書

The fair value of the options granted during the year under review is shown in Note 27 to the consolidated financial statements on pages 103 and 104.

Save as disclosed above, no other options were outstanding, granted, exercised, cancelled or lapsed under the Scheme at any time during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Madam Hsu Feng, Chairman of the Board and Managing Director of the Company, and Mr Tong Albert, Vice-Chairman of the Board and executive Director of the Company, are directors of Rivera (Holdings) Limited ("RHL"). Madam Hsu is also deemed to be a substantial shareholder of RHL in her capacity as the executrix of the estate of her late husband, Mr Tong Cun Lin.

RHL is engaged in property development and investment exclusively in Zhangjiang Hi-Tech Park, Pudong, Shanghai through its subsidiaries and associated company, while property development and investment in Shanghai, in particular Pudong, is one of the principal business of the Group, so the business of RHL in the property sector (the "Excluded Business") may potentially compete with the Group's business.

In this connection, Madam Hsu and Mr Tong are considered to have interests in a business which may compete or is likely to compete, either directly or indirectly, with the business of the Group, other than that business where the Directors have been appointed/were appointed as directors to represent the interests of the Company and/or the Group, pursuant to the Listing Rules. Nevertheless, RHL is a listed company in Hong Kong and the Excluded Business is managed by its independent management and administration. Besides, the Board is independent of the board of directors of RHL and the independent non-executive Directors of the Company will assist in monitoring the operation of the Group, the Group is therefore capable of carrying on its business independent of, and at an arm's length from, the Excluded Business.

於回顧年度內授出之購股權之公平值載於第103及第104頁綜合財務報表附註27。

除上文所披露者外，於本年度內任何時間，概無其他在該計劃下尚未行使、已授出、已行使、已註銷或已失效之購股權。

### 董事在競爭業務中之權益

本公司董事局主席兼董事總經理徐楓女士及本公司董事局副主席兼執行董事湯子同先生均為川河集團有限公司（「川河」）之董事，而徐女士作為其先夫湯君年先生之遺產執行人被視為川河之主要股東之一。

川河透過其附屬公司及聯營公司單一地於上海浦東張江高科技園區從事房地產發展及投資，而本集團其中一項主要業務為於上海（尤其在浦東）之物業發展及投資，故川河之房地產業務（「除外業務」）或可能與本集團之業務構成潛在競爭。

因此，根據《上市規則》，徐女士及湯先生除因已獲委任或曾獲委任為董事以代表本公司及／或本集團權益之業務外，被視為於也許或可能與本集團之業務直接或間接地構成競爭之業務中擁有權益。然而，川河為一家在香港上市之公司，而除外業務由其獨立管理層及行政架構所管理。再者，本公司董事局獨立於川河之董事局及本公司之獨立非執行董事將協助監察本集團之營運，因此本集團能夠獨立於除外業務，並基於各自利益經營其本身業務。

## SIGNIFICANT CONTRACTS

No contracts 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 ended 31st December, 2006.

## EMOLUMENT POLICY

The Group has always emphasized the importance of a highly-effective staff management and incentive structure. Remuneration and benefit packages are generally structured by reference to market terms, individual responsibilities and performance. The emoluments of the executive Directors of the Company are decided by the remuneration committee of the Board. In addition, the Company has adopted a share option scheme pursuant to which options are allowed for granting to, inter alia, the directors and employees of the Group to subscribe for Shares as a long-term incentive.

## PENSION SCHEMES

The Company participates in a pension scheme, which was registered under the Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”), for all its employees in Hong Kong. The scheme is a defined contribution scheme effective from December 2000 and is funded by contributions from employer and employees according to the provisions of the MPF Ordinance. Should there be the employer’s voluntary contributions to the scheme, forfeited contributions in this nature can be applied to reduce the amount of future voluntary contributions payable by the employer.

On the other hand, the employees of the Group in the mainland China are members of respective state-managed defined contribution retirement benefits schemes operated by the local government. The employers and the employees are obliged to make contributions at a certain percentage of the payroll under rules of the schemes.

During the year under review, the total amount contributed by the Group to the said schemes and charged to the consolidated income statement amounted to approximately HK\$3,057,000 (2005: HK\$2,847,000) and no contributions were forfeited.

## 重大合約

於截至二零零六年十二月三十一日止年度終結日或年度內任何時間，本公司或其任何附屬公司概無訂立任何本公司董事不論直接或間接地擁有重大權益之重大合約。

## 薪酬政策

本集團一向著重高效率之僱員管理及獎勵計劃。薪酬及福利乃參考市場條款、個別人士所承擔之責任及表現而釐定。本公司執行董事之薪酬乃由本公司董事局轄下之薪酬委員會釐定。此外，本公司已採納一項購股權計劃。根據該計劃，本公司可向（其中包括）本集團之董事及僱員授予購股權以認購股份，以作為一項長期激勵措施。

## 退休金計劃

本公司為其所有於香港之僱員參與了一項於《強制性公積金計劃條例》（「《強積金條例》」）下註冊之退休金計劃。該退休金計劃為界定供款計劃，並由二零零零年十二月起生效。該計劃乃根據《強積金條例》之條款由僱主及僱員作出供款。如僱主對該計劃作出自願性之供款，則此性質之已被沒收之供款可用作抵銷僱主將來應付而未付之自願性供款款額。

另一方面，本集團在中國國內之僱員均為個別地方政府營辦之國家管理界定供款退休福利計劃之成員。根據此等計劃之規則，僱主及僱員均有責任按薪金之若干百分比作出供款。

於回顧年度內，本集團對上述計劃作出之供款及記入綜合利潤表之款項總額約達3,057,000港元（二零零五年：2,847,000港元），且並無已被沒收之供款。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 31st December, 2006, the following shareholders (other than the Directors of the Company) were interested, directly or indirectly, in 5% or more of the total issued share capital and underlying shares of the Company and those interests were required to be recorded in the register required to be kept under Section 336 of the SFO:

### Name of substantial shareholders

#### 主要股東名稱

King China Holdings Limited 錦華集團有限公司 (a)  
Rivera (Holdings) Limited 川河集團有限公司 (b)  
E-Shares Investments Limited (a)

#### Notes:

- (a) King China Holdings Limited and E-Shares Investments Limited were beneficially and wholly owned by Madam Hsu Feng in her capacity as the executrix of the estate of the late Mr Tong Cun Lin and by virtue of the SFO, their interests in the Shares therefore constituted part of the total interest of Madam Hsu of 563,595,960 Shares as disclosed in the above paragraph headed "Directors' Interests and Short Positions in Securities" in this Report.
- (b) Amongst those shares disclosed, 146,418,677 Shares were beneficially held by Shine Trip Limited, which was a wholly-owned subsidiary of Superwell Development Limited in which Rivera (Holdings) Limited ("RHL") held the entire interest. Therefore, Shine Trip Limited, Superwell Development Limited and RHL were interested or were taken to be interested in those Shares pursuant to the SFO.

Details of the interest taken to be held by RHL under the SFO are set out in Note (A) to the above paragraph headed "Directors' Interests and Short Positions in Securities" in this Report.

## 主要股東之權益及淡倉

於二零零六年十二月三十一日，下列股東（本公司董事除外）直接或間接地擁有本公司全部已發行股本及相關股份中之5%或以上權益，而該等權益須遵照《證券及期貨條例》第336條之規定載錄於須予備存之登記冊內：

### Number of Shares held (proportion to the total issued share capital) 所持有股份數目 (佔全部已發行股本之百分比)

371,380,945 (28.2%)  
159,500,465 (12.1%)  
97,664,265 (7.4%)

#### 附註：

- (a) 徐楓女士作為已故湯君年先生之遺產執行人之身份，實益及全資擁有錦華集團有限公司及E-Shares Investments Limited，因此，根據《證券及期貨條例》，該等公司擁有之股份權益構成本報告書內前述標題為「董事之證券權益及淡倉」一節所披露之徐女士所持有合共563,595,960股股份權益總數之一部份。
- (b) 於該等披露之股份中，146,418,677股股份由瑞展有限公司實益持有。瑞展有限公司為高賢發展有限公司之全資附屬公司，而川河集團有限公司（「川河」）持有後者之全部權益。因此，根據《證券及期貨條例》，瑞展有限公司、高賢發展有限公司及川河擁有或被視為擁有該等股份之權益。

有關川河根據《證券及期貨條例》被視作持有的權益的詳情，載於本報告書內前述標題為「董事之證券權益及淡倉」一節之附註(A)內。

## Report of the Directors 董事局報告書

Save for the above interests, the Directors of the Company are not aware of any person (other than the Directors of the Company) who had, directly or indirectly, interests or short positions in the total issued share capital and the underlying shares of the Company and those interests or short positions were required to be recorded in the register kept under Section 336 of the SFO as at 31st December, 2006.

### MANAGEMENT CONTRACTS

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year ended 31st December, 2006.

### FINANCIAL SUMMARY

A summary of the results and financial position of the Group for the preceding five financial years is set out on pages 142 and 143.

### AUDITORS

The consolidated financial statements of the Group for the year have been audited by Messrs Deloitte Touche Tohmatsu who were the Auditors of the Company for the past three financial years.

They will retire at the conclusion of the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment.

### 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 maintains a sufficient public float as prescribed by the Listing Rules.

On behalf of the Board

**Tong Albert**

*Vice-Chairman and Executive Director*

Hong Kong, 19th April, 2007

除上文所披露者外，據本公司董事所知，概無任何本公司董事以外的人士於二零零六年十二月三十一日直接或間接地擁有本公司全部已發行股本及相關股份中之權益或淡倉，而該等權益或淡倉須遵照《證券及期貨條例》第336條之規定載錄於須予備存之登記冊內。

### 管理合約

於截至二零零六年十二月三十一日止年度內，本公司概無訂立或存在任何涉及管理和處理本公司全部或任何重大部份業務之合約。

### 財務概要

本集團過往五個財政年度之業績及財務狀況概要載於第142及第143頁。

### 核數師

本集團本年度之綜合財務報表由德勤•關黃陳方會計師行審核，該會計師行為本公司於過往三個財政年度之核數師。

該會計師行將於本公司應屆之股東週年大會散會時退任，惟合資格並願意在膺選後連任。

### 足夠公眾持股量

本公司根據本報告書刊發之日之公開資料及就各董事所知，本公司維持《上市規則》規定下之足夠公眾持股量。

代表董事局

副主席兼執行董事

**湯子同**

香港，二零零七年四月十九日