

## Report of the Directors 董事會報告

The directors have pleasure in presenting their report and the audited financial statements of the Company and the Group for the year ended 31 December 2004.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 19 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

An analysis of the business segments of the Group during the year is set out in note 4 to the financial statements on pages 62 to 64.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2004 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 45 to 96.

An interim dividend of HK1.0 cent per ordinary share was paid to shareholders on 21 October 2004. The directors recommend the payment of a final dividend of HK1.5 cents per ordinary share in respect of the year payable on 28 June 2005 to shareholders on the register of members of the Company on 20 May 2005, making a total dividend for the year 2004 of HK2.5 cents per ordinary share. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

董事會欣然提呈本公司及本集團截至二零零四年十二月三十一日止年度之報告及經審核財務報告。

### 主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務詳情載於財務報告附註19。年內，本集團之主要業務性質概無重大變動。

本集團於年內之業務分類分析載於第62至64頁之財務報告附註4。

### 業績及股息

本集團截至二零零四年十二月三十一日止年度之溢利，以及本公司及本集團於該日之財政狀況載於第45頁至96頁之財務報告內。

中期股息每股普通股1.0港仙已於二零零四年十月二十一日向股東派發。董事建議於二零零五年六月二十八日派發本年度末期股息每股普通股1.5港仙予於二零零五年五月二十日登記在本公司股東名冊內之股東，二零零四年全年派發之股息每股普通股合共2.5港仙。此項建議股息已於財務報告列作資產負債表資本及儲備部份之保留溢利分配。

## Report of the Directors

### 董事會報告

#### SUMMARY OF FINANCIAL INFORMATION

#### 財政資料概要

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified/restated as appropriate, is set out below. This summary does not form part of the audited financial statements.

下文所載為摘錄自經審核財務報告並按需要重新分類／重新呈列之本集團於過去五個財政年度之已公佈業績及資產負債之概要。本概要並不構成經審核財務報告之一部份。

		Year ended 31 December 截至十二月三十一日止年度				
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>					
Turnover:	營業額：					
Continuing operations	持續經營業務	788,348	743,522	737,134	751,983	661,324
Discontinued operations	已終止經營業務	—	—	16,016	350,726	446,002
		<b>788,348</b>	<b>743,522</b>	<b>753,150</b>	<b>1,102,709</b>	<b>1,107,326</b>
Profit/(loss) from operating activities:	經營活動溢利／(虧損)：					
Continuing operations	持續經營業務	54,017	33,341	26,056	(26,937)	(563,799)
Discontinued operations	已終止經營業務	—	—	24,505	(231,369)	(254,108)
		<b>54,017</b>	<b>33,341</b>	<b>50,561</b>	<b>(258,306)</b>	<b>(817,907)</b>
Finance costs	融資費用	(101)	(1,440)	(5,338)	(45,058)	(33,342)
Share of profits and losses of jointly-controlled entities	應佔共同控制企業溢利及虧損	(7)	1,471	(613)	(858)	—
Profit/(loss) before tax	除稅前溢利／(虧損)	<b>53,909</b>	<b>33,372</b>	<b>44,610</b>	<b>(304,222)</b>	<b>(851,249)</b>
Tax:	稅項：					
Continuing operations	持續經營業務	(8,891)	(8,933)	(5,600)	(2,289)	(5,248)
Discontinued operations	已終止經營業務	—	—	—	(2,852)	(942)
		<b>(8,891)</b>	<b>(8,933)</b>	<b>(5,600)</b>	<b>(5,141)</b>	<b>(6,190)</b>
Profit/(loss) before minority interests	除少數股東權益前溢利／(虧損)	<b>45,018</b>	<b>24,439</b>	<b>39,010</b>	<b>(309,363)</b>	<b>(857,439)</b>
Minority interests	少數股東權益	—	—	15,134	125,780	20,649
Net profit/(loss) from ordinary activities attributable to shareholders	股東應佔日常業務純利／(淨虧損)	<b>45,018</b>	<b>24,439</b>	<b>54,144</b>	<b>(183,583)</b>	<b>(836,790)</b>

## Report of the Directors

### 董事會報告

		31 December 十二月三十一日				
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	資產總值	<b>254,707</b>	222,559	279,719	303,935	966,163
Total liabilities	負債總額	<b>108,823</b>	114,729	185,929	263,621	987,914
Minority interests	少數股東權益	—	—	—	—	128,565
Shareholders' equity/ (deficiency in assets)	股東權益/ (資產虧絀)	<b>145,884</b>	107,830	93,790	40,314	(150,316)
Total liabilities and shareholders' equity	總負債及股東 權益	<b>254,707</b>	222,559	279,719	303,935	966,163

### FIXED ASSETS

Details of movements in the fixed assets of the Group during the year are set out in note 16 to the financial statements.

### 固定資產

本集團固定資產於年內之變動詳情載於財務報告附註16。

### CHARITABLE DONATIONS

The total donations made by the Group for charitable purposes during the year amounted to approximately HK\$50,000.

### 慈善捐款

本集團於年內就慈善用途捐出之款項總額約50,000港元。

### SHARES, WARRANTS AND SHARE OPTIONS

Details of movements in the Company's share capital, warrants and share options during the year, together with the reasons therefor, are set out in notes 28 and 29 to the financial statements.

### 股份、認股權證及購股權

本公司股本、認股權證及購股權於年內之變動詳情及其變動原因載於財務報告附註28及29。

### PRE-EMPTIVE RIGHTS

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

### 優先購股權

本公司之公司細則或百慕達法例並無有關優先購股權之條款，以規定本公司須按比例向現有股東提呈發售新股份。

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何上市證券。

## Report of the Directors

### 董事會報告

#### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements and in the consolidated summary statement of changes in equity.

#### DISTRIBUTABLE RESERVES

As at 31 December 2004, the Company's reserves available for distribution, calculated in accordance with the Bermuda Companies Act 1981, amounted to HK\$572,816,000, of which HK\$3,250,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$211,000, may be distributed in the form of fully paid bonus shares.

#### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover and purchases attributable to the Group's five largest customers and suppliers, respectively, accounted for less than 30% of the Group's total turnover and purchases for the year.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

#### DIRECTORS

The directors of the Company during the year were:

##### *Executive Directors:*

Arthur George Dew (Chairman)  
Chee Wang Jin, Lincoln  
Wong Tai Chun, Mark

##### *Non-Executive Directors:*

Richard Owen Pyvis (Deputy Chairman)  
Brian Damian O'Connor  
Hui Yip Wing, David (resigned on 21 May 2004)  
Cheng Mo Chi, Moses (resigned on 6 December 2004)

#### 儲備

本公司及本集團於年內之儲備變動詳情載於財務報告附註30及綜合權益變動概要表。

#### 可分派儲備

截至二零零四年十二月三十一日，本公司根據百慕達一九八一年公司法計算之可供分派儲備為572,816,000港元，其中3,250,000港元已建議作為本年度末期股息。此外，本公司股份溢價賬211,000港元可以繳足股款紅股方式分派。

#### 主要客戶及供應商

年內，本集團前五名最大客戶之銷售總額及本集團前五名最大供應商之採購總額均各自少於本集團全年銷售總額及採購總額之30%。

本公司董事或其任何聯繫人士或任何股東（據董事所知，擁有本公司已發行股本逾5%之股東），概無於本集團五大客戶中擁有任何實益權益。

#### 董事

年內，本公司之董事載列如下：

##### *執行董事：*

狄亞法（主席）  
徐旺仁  
王大鈞

##### *非執行董事：*

Richard Owen Pyvis（副主席）  
Brian Damian O'Connor  
許業榮（於二零零四年五月二十一日辭任）  
鄭慕智（於二零零四年十二月六日辭任）

## Report of the Directors 董事會報告

### *Independent Non-Executive Directors:*

Li Chak Hung (appointed on 12 October 2004)  
Chang Chu Fai Johnson Francis (appointed on 28 October 2004)  
Carlisle Caldwell Procter (appointed on 30 September 2004)  
Ian Robert Strachan (resigned on 28 October 2004)

Mr. Hui Yip Wing, David resigned as a non-executive director and the deputy chairman of the Company with effect from 21 May 2004. On the same date, Mr. Richard Owen Pyvis was appointed as the deputy chairman of the Company.

With effect from 30 September 2004, Mr. Carlisle Caldwell Procter was appointed as an independent non-executive director of the Company. On the same date, Mr. Cheng Mo Chi, Moses was re-designated as a non-executive director of the Company.

Mr. Li Chak Hung was appointed as an independent non-executive director of the Company on 12 October 2004.

With effect from 28 October 2004, Mr. Ian Robert Strachan resigned as an independent non-executive director of the Company. On the same date, Mr. Chang Chu Fai Johnson Francis was appointed as an independent non-executive director of the Company.

Mr. Cheng Mo Chi, Moses resigned as a non-executive director of the Company with effect from 6 December 2004.

In accordance with bye-law 86, Messrs. Carlisle Caldwell Procter, Li Chak Hung and Chang Chu Fai Johnson Francis shall hold office until the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with bye-law 87, Mr. Wong Tai Chun, Mark will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting. In accordance with the above bye-law, Mr. Brian Damian O'Connor will retire by rotation at the forthcoming annual general meeting but does not offer himself for re-election.

### *獨立非執行董事：*

李澤雄 (於二零零四年十月十二日獲委任)  
鄭鑄輝 (於二零零四年十月二十八日獲委任)  
Carlisle Caldwell Procter (於二零零四年九月三十日獲委任)  
Ian Robert Strachan (於二零零四年十月二十八日辭任)

許業榮先生於二零零四年五月二十一日辭去本公司非執行董事及副主席之職。同日，Richard Owen Pyvis先生獲委任為本公司副主席。

Carlisle Caldwell Procter先生於二零零四年九月三十日獲委任為本公司獨立非執行董事。同日，鄭慕智先生改任為本公司非執行董事。

李澤雄先生於二零零四年十月十二日獲委任為本公司獨立非執行董事。

Ian Robert Strachan先生於二零零四年十月二十八日辭去本公司獨立非執行董事之職。同日，鄭鑄輝先生獲委任為本公司獨立非執行董事。

鄭慕智先生於二零零四年十二月六日辭去本公司非執行董事之職。

根據公司細則第86條，Carlisle Caldwell Procter先生、李澤雄先生及鄭鑄輝先生將留任直至應屆股東週年大會為止，並願膺選連任。

根據公司細則第87條，王大鈞先生將任滿告退，惟願於應屆股東週年大會上膺選連任。根據上述公司細則，Brian Damian O'Connor先生將於應屆股東週年大會上任滿告退，惟不願膺選連任。

## Report of the Directors

### 董事會報告

#### DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

#### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 34 to the financial statements, no director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

#### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2004, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code") were as follows:

#### 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，概無與本公司訂立不可於一年內毋須補償(法定補償除外)而可予以終止之未到期之服務合約。

#### 董事之合約權益

除財務報告附註34所披露者外，年內各董事概無於本公司或其任何附屬公司所訂立對本集團業務而言之任何重大合約中直接或間接佔有重大權益。

#### 董事於股份及相關股份之權益及淡倉

於二零零四年十二月三十一日，按證券及期貨條例第352條所存置之登記冊中予以記錄或按照上市規則有關上市發行人董事進行證券交易之標準守則(「標準守則」)而知會本公司及香港聯合交易所有限公司(「聯交所」)，本公司董事及主要行政人員於本公司或其任何相關法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券擁有之權益或淡倉如下：

Name of director 董事姓名	Nature of interest 權益性質	Beneficial interest in shares 於股份之實益權益 (Note 1) (附註1)	Beneficial interest in underlying shares 於相關股份之實益權益 (Notes 1 & 2) (附註1及2)	Total interests 權益總計	Approximate aggregate percentage of the issued share capital 佔已發行股本概約總百分比
Wong Tai Chun, Mark 王大鈞	Personal 個人權益	50,040	160,008 (Note 3) (附註3)	210,048	0.10%
Brian Damian O'Connor	Personal 個人權益	—	200,000	200,000	0.09%

## Report of the Directors 董事會報告

### Notes:

1. *Interests in the shares and underlying shares of equity derivatives are long positions.*
2. *These include the interests of directors and chief executive of the Company in the underlying shares of equity derivatives in respect of the share options granted to them pursuant to the share incentive plan adopted by the Company on 7 June 2002.*
3. *The interest includes the holding of 150,000 share options and 10,008 listed physically settled warrants. The warrants were issued on 12 January 2004 and are exercisable at any time during the period from 14 January 2004 to 13 January 2007 at an exercise price of HK\$2.50 per share.*

Save as disclosed above, as at 31 December 2004, none of the directors and chief executive of the Company, or any of their associates, had any personal, family, corporate or other interests in 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 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.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme/plan as set out in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### 附註：

1. 於股份及股本衍生工具之相關股份之權益均為長倉。
2. 該等權益包括本公司董事及主要行政人員於股本衍生工具（就本公司於二零零二年六月七日採納之股份獎勵計劃而授予彼等之購股權）之相關股份中所擁有之權益。
3. 該等權益包括持有150,000份購股權及10,008份之上市實物交收認股權證。該等認股權證於二零零四年一月十二日發行，可於二零零四年一月十四日至二零零七年一月十三日之期間內隨時按行使價每股2.50港元行使。

除上文所披露者外，於二零零四年十二月三十一日，本公司董事及主要行政人員或彼等之任何聯繫人士概無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）之任何股份及相關股份或債券中擁有任何個人、家族、公司或其他權益而須按證券及期貨條例第352條之規定存置之登記冊中予以記錄或須按標準守則知會本公司及聯交所。

### 董事認購股份或債券之權益

除財務報告附註29所載購股權計劃所述外，於本年度內，本公司之董事或彼等之配偶或未成年子女並無獲授予或行使任何權利可藉購入本公司之股份或債券而取得利益。此外，本公司或其任何附屬公司並無參與任何安排，使本公司董事可從其他法人團體獲取該種權利。

## Report of the Directors

### 董事會報告

#### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

#### 主要股東於股份及相關股份之權益及淡倉

So far as is known to the directors of the Company, as at 31 December 2004, shareholders (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

就本公司董事所知，於二零零四年十二月三十一日，根據本公司按照證券及期貨條例第336條規定所存置之登記冊之記錄，於本公司股份或相關股份中擁有權益或淡倉之股東(本公司董事或主要行政人員除外)如下：

Name of substantial shareholder 主要股東名稱	Interest in shares held 持有之股份權益 (Note 1) (附註1)	Interest in underlying shares held 持有之相關股份權益 (Notes 1 & 2) (附註1及2)	Total interests 權益總計	Approximate percentage of the issued share capital 佔已發行股本概約百分比	Note 附註
Sun Hung Kai & Co. Limited ("SHK") 新鴻基有限公司(「新鴻基」)	64,373,594	12,343,918	76,717,512	35.40	3
Allied Properties (H.K.) Limited ("Allied Properties") 聯合地產(香港)有限公司(「聯合地產」)	64,373,594	12,343,918	76,717,512	35.40	4
Allied Group Limited ("Allied Group") 聯合集團有限公司(「聯合集團」)	64,373,594	12,343,918	76,717,512	35.40	5
Lee and Lee Trust ("LL Trust")	64,373,594	12,343,918	76,717,512	35.40	6
SAS Rue la Boetie ("SAS")	34,156,666	6,943,333	41,099,999	18.97	7
Arisaig Greater China Fund Limited ("Arisaig Fund")	18,483,600	3,696,720	22,180,320	10.23	
Arisaig Partners (Mauritius) Ltd ("Arisaig Mauritius")	18,483,600	3,696,720	22,180,320	10.23	8
Lindsay William Ernest Cooper	18,483,600	3,696,720	22,180,320	10.23	9

## Report of the Directors 董事會報告

### Notes:

1. *The interests stated above represent long positions.*
2. *These represent interests in the listed physically settled warrants. The warrants were issued on 12 January 2004 and are exercisable at any time during the period from 14 January 2004 to 13 January 2007 at an exercise price of HK\$2.50 per share.*
3. *The 64,373,594 shares and 12,343,918 underlying shares were held by Wah Cheong Development (B.V.I.) Limited ("Wah Cheong"), a wholly-owned subsidiary of SHK. SHK was therefore deemed to have an interest in the shares and underlying shares in which Wah Cheong was interested.*
4. *Through AP Jade Limited and AP Emerald Limited, direct and indirect wholly-owned subsidiaries of Allied Properties respectively, Allied Properties owned approximately 74.99% interest in the issued share capital of SHK and was therefore deemed to have an interest in the shares and underlying shares in which SHK was interested.*
5. *Allied Group owned approximately 74.79% interest in the issued share capital of Allied Properties and was therefore deemed to have an interest in the shares and underlying shares in which Allied Properties was interested.*
6. *Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of LL Trust, being a discretionary trust. They together owned approximately 39.09% interest in the issued share capital of Allied Group and were therefore deemed to have an interest in the shares and underlying shares in which Allied Group was interested.*
7. *The 34,156,666 shares and 6,943,333 underlying shares were held by CLSA Capital Limited ("CLSA"), in which CLSA BV owned more than 33.33% interest. Calyon Capital Markets (Asia) BV, in which Calyon Capital Markets Int'l S.A. ("CCM Int'l") owned more than 33.33% interest, also owned more than 33.33% interest in CLSA BV. Calyon SA owned more than 33.33% interest in CCM Int'l and Credit Agricole S.A., in which SAS owned more than 33.33% interest, in turn owned more than 33.33% interest in Calyon SA. Therefore, SAS was deemed to have an interest in the shares and underlying shares in which CLSA was interested.*
8. *The 18,483,600 shares and 3,696,720 underlying shares were held by the Arisaig Fund. Arisaig Mauritius is the investment manager of the Arisaig Fund and is thereby deemed to have an interest in the shares and underlying shares in which Arisaig Fund is interested.*
9. *Mr. Lindsay William Ernest Cooper has an indirect 33% beneficial interest in Arisaig Mauritius (the investment manager of the Arisaig Fund) and is thereby deemed to have an interest in the shares and underlying shares in which Arisaig Mauritius is interested.*

### 附註：

1. 上述權益均為長倉。
2. 該等權益指上市實物交收認股權證之權益。該等認股權證於二零零四年一月十二日發行，可於二零零四年一月十四日至二零零七年一月十三日之期間內隨時按行使價每股2.50港元行使。
3. 該64,373,594股股份及12,343,918股相關股份由Wah Cheong Development (B.V.I.) Limited (「Wah Cheong」) (新鴻基之全資附屬公司) 持有。新鴻基因此被視為擁有該等由Wah Cheong擁有之股份及相關股份之權益。
4. AP Jade Limited及AP Emerald Limited分別為聯合地產之直接及間接全資附屬公司，而聯合地產則於新鴻基已發行股本中擁有約74.99%權益，因此被視為擁有該等由新鴻基擁有之股份及相關股份之權益。
5. 聯合集團於聯合地產已發行股本中擁有約74.79%權益，因此被視為擁有該等由聯合地產擁有之股份及相關股份之權益。
6. 李成輝先生、李淑慧女士及李成煌先生為LL Trust之信託人，該信託乃一項全權信託，於聯合集團已發行股本中合共擁有約39.09%權益，因此彼等被視為擁有該等由聯合集團擁有之股份及相關股份之權益。
7. 該34,156,666股股份及6,943,333股相關股份由CLSA BV擁有逾33.33%權益之CLSA Capital Limited (「CLSA」) 所持有。由Calyon Capital Markets Int'l S.A. (「CCM Int'l」) 擁有逾33.33%權益之Calyon Capital Markets (Asia) BV亦擁有CLSA BV逾33.33%權益。Calyon SA擁有CCM Int'l逾33.33%權益，而由SAS擁有逾33.33%權益之Credit Agricole S.A.則擁有Calyon SA逾33.33%權益。因此，SAS被視為擁有該等由CLSA擁有之股份及相關股份之權益。
8. 該18,483,600股股份及3,696,720股相關股份由Arisaig Fund持有，而Arisaig Mauritius為Arisaig Fund之投資經理，因此被視為擁有該等由Arisaig Fund擁有之股份及相關股份之權益。
9. Lindsay William Ernest Cooper先生間接實益持有Arisaig Mauritius (Arisaig Fund之投資經理) 之33%權益，因此被視為擁有該等由Arisaig Mauritius擁有之股份及相關股份之權益。

## Report of the Directors

### 董事會報告

#### CONNECTED TRANSACTIONS

The Company entered into three agreements with certain subsidiaries of SHK, a substantial shareholder of the Company, on normal commercial terms on 2 February 2004 which constituted ongoing connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in force prior to 31 March 2004 as set out below:

##### 1. The Insurance Brokerage Services Agreement

Sun Hung Kai Insurance Consultants Limited (“SHK Insurance”), an indirect wholly-owned subsidiary of SHK, and the Company entered into the Insurance Brokerage Services Agreement, pursuant to which, SHK Insurance would agree to provide packaged insurance brokerage services to the Company and its subsidiaries (the “Group”) for a term of one year, renewable upon expiration on similar terms and conditions subject to any amendments to be agreed in writing by the parties. SHK Insurance would assist the Group in procuring insurance policies to be taken out with third party insurers. The provision of such services by SHK Insurance would be on SHK Insurance’s usual terms for provision of the same services to an independent third party and the premium for any insurance policy procured would be the prevailing premium charged by SHK Insurance to an independent third party when dealing at arm’s length having regard to any other special circumstances such as arm’s length negotiated volume discounts. The aggregate premium amount within the one-year term under this agreement was estimated not to exceed HK\$4,000,000 subject to market fluctuations. During the year, the total amount of insurance premium paid to SHK Insurance was approximately HK\$3,400,000.

##### 2. The Corporate Secretarial Services Agreement

Wineur Secretaries Limited (“Wineur Secretaries”), an indirect wholly-owned subsidiary of SHK, and the Company entered into the Corporate Secretarial Services Agreement pursuant to which, Wineur Secretaries would agree to provide the companies in the Group with the services of a company secretary and with the corporate secretarial services for an initial term of one year, which might be renewed upon expiration on similar terms and conditions subject to any amendments and at such fees to be agreed in writing by the parties.

#### 關連交易

本公司於二零零四年二月二日按一般商業條款與新鴻基（本公司主要股東）之若干附屬公司訂立三項協議，根據於二零零四年三月三十一日前生效之香港聯合交易所有限公司證券上市規則（「上市規則」），該等協議構成下列持續關連交易：

##### 1. 保險經紀服務協議

新鴻基保險顧問有限公司（「新鴻基保險」）（新鴻基之間接全資附屬公司）與本公司訂立保險經紀服務協議，據此，新鴻基保險同意向本公司及其附屬公司（「本集團」）提供保險經紀服務，為期一年，協議可於屆滿時按類似條款及條件（可經雙方書面協定作出任何修訂）重續。新鴻基保險將協助本集團獲得由第三方承保人採購之保單。新鴻基保險提供該等服務之條款，將會為新鴻基保險向獨立第三方提供相同服務時所採用之慣用條款，而就任何保單所收取之保費，則將會為新鴻基保險經公平磋商，並計及任何特殊情況（如公平磋商下之總額折扣）後收取獨立第三方之現行保費。估計此項協議於一年期限內之總保費金額將不超過4,000,000港元（可因市場波動而變化）。年內，支付予新鴻基保險之保費總額約為3,400,000港元。

##### 2. 公司秘書服務協議

偉略秘書有限公司（「偉略秘書」）（新鴻基之間接全資附屬公司）與本公司訂立公司秘書服務協議，據此，偉略秘書同意向本集團旗下各公司提供一名公司秘書連同有關之秘書服務，初步為期一年，協議可於屆滿時按類似條款及條件（可經雙方書面協定作出任何修訂及費用釐定）重續。

## Report of the Directors 董事會報告

The services provided by Wineur Secretaries was classified into two types, namely, routine services and non-routine services. The retainer fee for the routine services was HK\$863,000 per year and the service fee for the provision of non-routine services or ad hoc transactions would be agreed on an arm's length basis separately for each task having regard to the work involved. During the year, the total amount paid, including routine services, non-routine services and disbursement was approximately HK\$1,083,000.

### 3. The Internal Audit Consultancy Agreement

SHK Consultancy Services Limited ("SHKCS"), an indirect wholly-owned subsidiary of SHK, and the Company entered into the Internal Audit and Compliance Consultancy Services Agreement pursuant to which SHKCS would agree to provide the companies in the Group with internal audit and compliance consultancy services for an initial term of one year, which might be renewed upon expiration on similar terms and conditions subject to any amendments and at such fees to be agreed in writing by the parties.

The fee for the services provided by SHKCS, charged on a time-cost basis, was estimated to be around HK\$500,000 for the initial one-year term. Furthermore, the fee for any requested audit and compliance work would be pre-estimated and agreed separately on an arm's length basis in view of the work involved. During the year, the Group paid approximately HK\$54,190 to SHKCS as internal audit and compliance consultancy fee.

The directors considered that (i) the total transaction amount under the Insurance Brokerage Services Agreement would not exceed HK\$10,000,000 in aggregate for the entire term of such agreement; and (ii) the total transaction amount under the Corporate Secretarial Services Agreement and the Internal Audit Consultancy Agreement together would not exceed HK\$10,000,000 in aggregate per year. These agreements constituted ongoing connected transactions of the Company under Rule 14.23(1)(a) of the Listing Rules and an announcement setting out the details of the respective agreements was published on 2 February 2004.

The above transactions also constitute related party transactions of the Group during the year and are set out in note 34 to the financial statements pursuant to the requirements under Hong Kong Statement of Standard Accounting Practice 20.

由偉略秘書提供之服務可分為兩類，分別為常規服務及非常規服務。常規服務之聘用費為每年863,000港元，而非常規服務或特別交易之服務收費，則會考慮個別服務所需之工作，按公平磋商基準協定。年內，所支付之總額(包括常規服務及非常規服務及支出)約為1,083,000港元。

### 3. 內部稽核顧問協議

SHK Consultancy Services Limited ("SHKCS") (新鴻基之間接全資附屬公司)與本公司訂立內部稽核顧問協議，據此，SHKCS同意向本集團旗下各公司提供內部稽核及法規監核顧問服務，初步為期一年，協議可於屆滿時按類似條款及條件(可經雙方書面協定作出任何修訂及費用釐定)重續。

SHKCS所提供之服務將會按工時收費，估計於初步一年期內收費約為500,000港元。此外，任何應要求而進行之稽核及法規監核工作之費用均會考慮個別服務所涉及之工作，按公平磋商基準事前估計及協定。年內，本集團向SHKCS支付約54,190港元內部稽核及法規監核顧問費。

董事認為(i)保險經紀服務協議下之交易總額於整段協議期間合共將不會超過10,000,000港元；及(ii)公司秘書服務協議及內部稽核顧問協議下之交易總額每年合共將不會超過10,000,000港元。根據上市規則第14.23(1)(a)條，該等協議構成本公司之持續關連交易，而該等協議各自之詳情載於二零零四年二月二日刊發之公佈內。

上述交易於年內亦構成本集團之關連人士交易，並根據香港會計實務準則第20號之規定於財務報告附註34中載列。

## Report of the Directors 董事會報告

Subsequent to the balance sheet date, on 7 February 2005, the Company has renewed the above-mentioned three agreements for a term of one year commencing from 1 February 2005. Each of the said continuing connected transactions involves the provision of services which is carried out on a continuing or recurring basis in the ordinary and usual course of business of the Company and constitutes a continuing connected transaction under the Listing Rules (as amended after 31 March 2004). The annual cap for the transactions under the new Insurance Brokerage Services Agreement, Corporate Secretarial Services Agreement and Internal Audit Consultancy Agreement are set at HK\$6,000,000, HK\$1,340,000 (comprising of HK\$1,040,000 for routine services and HK\$300,000 for ad hoc transactions and non-routine services) and HK\$250,000 respectively. The directors (including the independent non-executive directors) are of the view that these transactions were entered into after arm's length negotiations and reflect normal commercial terms and that the terms of these agreements are fair and reasonable so far as the shareholders of the Company and the Company are concerned. Further details of these continuing connected transactions were also published in an announcement on 7 February 2005.

### EXECUTIVE COMMITTEE

The Board has established an Executive Committee on 29 September 2003, which comprises three executive directors, Mr. Arthur George Dew, Dr. Chee Wang Jin, Lincoln and Mr. Wong Tai Chun, Mark. The Executive Committee is vested with all the general powers of management and control of the Company as are vested in the directors of the Company.

### AUDIT COMMITTEE

The Board has established an Audit Committee on 10 September 1997. The current Audit Committee members include three independent non-executive directors, Messrs. Li Chak Hung, Chang Chu Fai Johnson Francis and Carlisle Caldwell Procter, and a non-executive director, Mr. Richard Owen Pyvis. The role of the Audit Committee is to monitor the Group's accounting and financial reporting practices and internal control systems.

於結算日後，本公司已於二零零五年二月七日更新上述三項協議，由二零零五年二月一日起計為期一年。每項所述之持續關連交易包括提供服務，而該等服務於本公司日常及一般業務中以持續或經常基準進行，並根據上市規則（於二零零四年三月三十一日後修訂）構成持續關連交易。新保險經紀服務協議、公司秘書服務協議及內部稽核顧問協議下之每年交易上限分別為6,000,000港元、1,340,000港元（當中1,040,000港元為常規服務收費，另外300,000港元為特別交易及非常規服務收費）及250,000港元。董事（包括獨立非執行董事）認為該等交易乃經公平磋商後簽訂，反映一般商業條款，該等協議之條款就本公司股東及本公司而言屬公平合理。該等持續關連交易之其他資料載於二零零五年二月七日刊發之公佈內。

### 執行委員會

董事會已於二零零三年九月二十九日成立執行委員會，成員包括三名執行董事狄亞法先生、徐旺仁醫生及王大鈞先生。執行委員會獲賦予所有一般管理及控制本公司之權力，猶如本公司董事會所獲賦予的權力。

### 審核委員會

董事會於一九九七年九月十日成立審核委員會。目前審核委員會成員包括三名獨立非執行董事李澤雄先生、鄭鑄輝先生及Carlisle Caldwell Procter先生，以及一名非執行董事Richard Owen Pyvis先生。審核委員會功能乃監察本集團會計及財務報告守則及內部監控系統。

## Report of the Directors 董事會報告

### REMUNERATION COMMITTEE

The Board has established a Remuneration Committee on 10 September 1997. The current Remuneration Committee members include three independent non-executive directors, Messrs. Li Chak Hung, Chang Chu Fai Johnson Francis and Carlisle Caldow Procter. The role of the Remuneration Committee is to advise the Board on the annual remuneration packages of the directors of the Company.

### CORPORATE GOVERNANCE

#### Code of Best Practice

In the opinion of the directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules which specifies the best practices to be followed by the directors throughout the year ended 31 December 2004, except that non-executive directors of the Company have no fixed terms of office but will retire from office on a rotation basis in accordance with the Company's bye-laws.

#### Code of Conduct regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code (Appendix 10) of the Listing Rules. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding securities transactions by directors.

#### Independence of Independent Non-Executive Directors

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

### 薪酬委員會

董事會於一九九七年九月十日成立薪酬委員會。目前薪酬委員會成員包括三名獨立非執行董事李澤雄先生、鄭鑄輝先生及Carlisle Caldow Procter先生。薪酬委員會之功能乃就本公司董事每年薪酬條件向董事會提供意見。

### 企業管治

#### 最佳應用守則

董事認為，除本公司非執行董事並無固定任期，惟須按本公司之公司細則輪值告退外，截至二零零四年十二月三十一日止年度，本公司一直遵守上市規則附錄十四所載規定董事須予遵守之最佳應用守則。

#### 董事進行證券交易之操守守則

本公司已採納條款不低於上市規則之標準守則(附錄10)就董事進行證券交易所規定之操守守則。本公司向全體董事作出明確查詢後，全體董事確認彼等已遵守標準守則所載準則及本公司就董事進行證券交易所採納之操守守則。

#### 獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

## Report of the Directors

### 董事會報告

#### SUFFICIENCY OF PUBLIC FLOAT

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

#### POST BALANCE SHEET EVENT

Details of a significant post balance sheet event of the Group are set out in note 35 to the financial statements.

#### AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Arthur George Dew**  
*Executive Chairman*

Hong Kong, 22 March 2005

#### 公眾持股量

基於公開予本公司查閱之資料及據董事所知悉，截至本報告日期為止，本公司一直維持上市規則所規定之公眾持股量。

#### 結算日後事項

本集團一項重大結算日後事項之詳情載於財務報告附註35。

#### 核數師

安永會計師事務所將任滿告退，而有關續聘其為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

*執行主席*  
**狄亞法**

香港，二零零五年三月二十二日