

董事報告書

Directors' Report

董事同寅謹將截至二零零五年六月三十日止年度之董事報告書及經審核財務賬項呈覽。

主要業務

本公司乃一間投資控股公司，其主要附屬公司之業務為物業投資及發展。

主要附屬公司之主要業務載於財務賬項附註第40項內。

主要客戶及供應商

於本年度內，本集團五大客戶之總營業額佔本集團總營業額少於30%；及本集團五大供應商之採購總額佔本集團採購總額少於30%。

業績及分配

本集團截至二零零五年六月三十日止年度之業績載於第25頁綜合收益表內。

本公司於本年度內已向股東派發中期股息每股港幣2仙，董事現建議派發末期股息每股港幣2仙予二零零五年十二月二十九日名列股東名冊之股東，使本年度之股息總額合共為每股港幣4仙，並保留本年度剩餘之溢利。

物業、機器及設備及投資物業

於二零零五年六月三十日，本集團按公開市場現時使用基準重估其投資物業。來自投資物業重估之增值合共港幣80,000,000元已撥入綜合收益表。

本集團物業、機器及設備及投資物業之變動詳情分別載於財務賬項附註第12及第13項內。

The Directors have pleasure in presenting their report and the audited financial statements for the year ended 30th June, 2005.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are property investment and development.

The principal activities of the principal subsidiaries are set out in note 40 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentage of the turnover attributable to the Group's five largest customers in aggregate was less than 30% of the total turnover of the Group and the percentage of purchases attributable to the Group's five largest suppliers in aggregate was less than 30% of the total purchases of the Group.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30th June, 2005 are set out in the consolidated income statement on page 25.

An interim dividend of 2 Hong Kong cents per share was paid to the shareholders of the Company during the year. The Directors now recommend the payment of a final dividend of 2 Hong Kong cents per share to the shareholders of the Company on the register of members on 29th December, 2005 which, in aggregate, gives total dividends for the year of 4 Hong Kong cents per share and the retention of the remaining profit of the year.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

At 30th June, 2005, the Group revalued its investment properties on market value in existing state basis. The revaluation increase on investment properties amounted to HK\$80,000,000 has been credited to the consolidated income statement.

Details of movements in the property, plant and equipment and investment properties of the Group are set out in notes 12 and 13 to the financial statements, respectively.

董事報告書 (續)

Directors' Report (Continued)

物業、機器及設備 及投資物業 (續)

本集團於二零零五年六月三十日所持有投資物業分析載於第76頁。

待發展／發展中物業

於本年度內，本集團由待發展／發展中物業所產生額外直接成本分別為港幣1,712,000元及港幣142,176,000元。

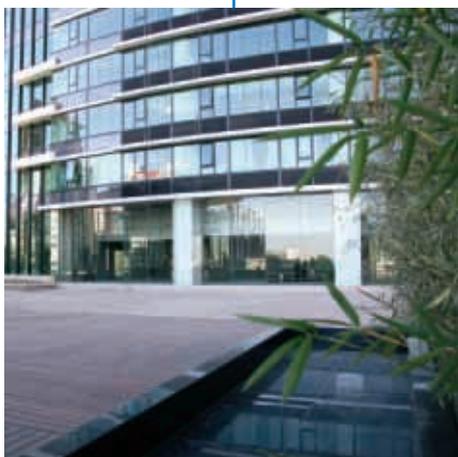
本集團待發展／發展中物業之上述及其他變動詳情載於財務賬項附註第14及20項內。

購買、出售或贖回上市證券

於本年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

有關連之交易

於過往年度，本公司一間名為達力管理(北京)有限公司全資擁有附屬公司，向本公司一間非全資擁有附屬公司北京利暉房地產開發有限公司(「借款人」)提供一項貸款合共美金12,750,000元，用作支付位於中華人民共和國(「中國」)之發展中物業費用。該貸款之利率為美金優惠利率，應於貸款日起計三年內償還，借款人已在貸款期屆滿前六個月預先通知，再延期三年。於本年度內，達力管理(北京)有限公司就該等貸款獲取利息收入港幣2,758,000元。於二零零五年六月三十日，尚未償還貸款結餘合共美金6,750,000元。



PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES (Continued)

An analysis of investment properties held by the Group at 30th June, 2005 is set out on page 76.

PROPERTIES HELD FOR/UNDER DEVELOPMENT

During the year, the Group incurred additional direct costs attributable to properties held for/under development amounting to HK\$1,712,000 and HK\$142,176,000 respectively.

Details of the above and other movements in the properties held for/under development of the Group are set out in notes 14 and 20 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CONNECTED TRANSACTIONS

Dynamic Management (Beijing) Limited, a wholly-owned subsidiary of the Company granted a loan amounting to US\$12,750,000 in the prior years to a non-wholly owned subsidiary of the Company, Beijing Longfast Property Development Co., Ltd. (the "Borrower") for the purpose of financing property under development in the People's Republic of China (the "PRC"). The loan bears interest at U.S. dollar prime rates and is repayable within three years from the date of advance which has been extended for a further three years by giving six months' notice in advance by the Borrower before the expiry of the term. During the year, interest income of HK\$2,758,000 was received by Dynamic Management (Beijing) Limited in respect of the loan. As at 30th June, 2005, the outstanding loan balance amounted to US\$6,750,000.

董事報告書 (續)

Directors' Report (Continued)

有關連之交易 (續)

本公司一間全資擁有附屬公司 Dynamic (B.V.I.) Limited 於過往年度授予本公司一間非全資擁有附屬公司深圳圳華港灣企業有限公司一項借貸，借貸金額為美金18,850,000元，旨在提供資金用作支付有關位於中國深圳東角頭一塊土地的部份地價款。Dynamic (B.V.I.) Limited 已以中國現行市場利率向該借貸計提利息，該借貸並須按時償還。於本年度內，Dynamic (B.V.I.) Limited 就該借貸已計提利息收入為港幣9,365,000元。

本公司獨立非執行董事認為上述交易屬本集團在日常業務中，按一般商務條款而進行，對本公司股東而言乃屬公平合理。

董事

於本年度內及截至本報告書日期止，本公司之董事如下：

執行董事：

蔡黎明先生 (主席)
彭傑文先生 (行政總裁)
陳永年先生
陳俊望先生
張志明先生

獨立非執行董事：

莊劍青先生
SY Robin 先生
麥貴榮先生
(於二零零四年九月三十日獲委任)

根據本公司之公司細則第99條，張志明先生、莊劍青先生及 SY Robin 先生須輪席告退，惟彼等均願膺選連任。

CONNECTED TRANSACTIONS (Continued)

Dynamic (B.V.I.) Limited, a wholly-owned subsidiary of the Company, granted a loan amounting to US\$18,850,000 in the prior year to a non-wholly owned subsidiary of the Company, Shenzhen Zhen Wah Harbour Enterprises Ltd. for the purpose of financing payment of partial land premium as regards a piece of land situated at Tung Kok Tau in Shenzhen, the PRC. Dynamic (B.V.I.) Limited has charged interest on the loan at prevailing market rates in the PRC and the loan is repayable on demand. During the year, interest income of HK\$9,365,000 was accrued to Dynamic (B.V.I.) Limited in respect of the loan.

In the opinion of the Independent Non-executive Directors of the Company, the above transactions were conducted in the ordinary and usual course of business of the Group, on normal commercial terms and fair and reasonable as far as the shareholders of the Company are concerned.

DIRECTORS

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

Executive Directors:

Mr. CHUA Domingo, Chairman
Mr. PANG Kit Man, John, Chief Executive Officer
Mr. TANENGLIAN Mariano Chua
Mr. TAN Lucio Jr. Khao
Mr. CHEUNG Chi Ming

Independent Non-executive Directors:

Mr. CHONG Kim Chan, Kenneth
Mr. SY Robin
Mr. MAK Kwai Wing, Alexander
(appointed on 30th September, 2004)

In accordance with Bye-Law 99 of the Company's Bye-Laws, Messrs. CHEUNG Chi Ming, CHONG Kim Chan, Kenneth and SY Robin will retire by rotation and they, being eligible, will offer themselves for re-election.

董事報告書 (續)

Directors' Report (Continued)

董事 (續)

除根據本公司之公司細則第99條輪席告退規定外，所有受委任之獨立非執行董事之服務合約均為兩年期，同時，彼等已根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條確認其獨立性。



董事之股份權益及淡倉

於二零零五年六月三十日，根據證券及期貨條例（「該條例」）第352條須存置之權益名冊所載，董事及彼等聯繫人仕擁有本公司股份之權益（按該條例定義）如下：

DIRECTORS (Continued)

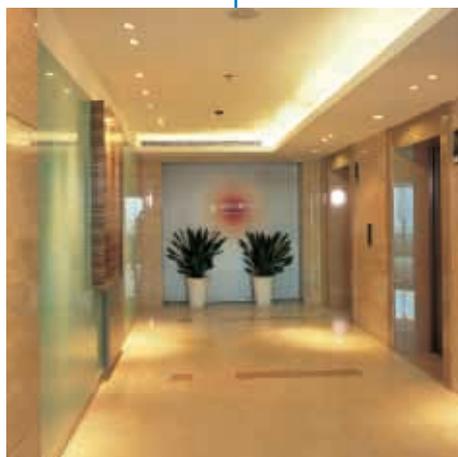
All Independent Non-executive Directors have been appointed, subject to retirement by rotation in accordance with the Company's Bye-Law 99, for a term of two years and they have confirmed their independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30th June, 2005, the interests of the Directors and their associates in the shares of the Company (within the meaning of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be maintained under Section 352 of the SFO were as follows:

董事名稱	Name of Director	所持已發行普通股數目 (好倉)		
		個人權益	公司權益	本公司已發行股本百分比
		Personal interests	Corporate interests	Percentage of the issued share capital of the Company
蔡黎明先生 (附註)	Mr. CHUA Domingo (note)	4,000,000	89,321,279	42.59%
彭傑文先生	Mr. PANG Kit Man, John	1,302,000	—	0.59%

附註：蔡黎明先生之公司權益乃透過 Dynamic Development Corporation 而持有，而 Carnation Investments Inc. 則全資擁有 Dynamic Development Corporation，蔡黎明先生乃 Carnation Investments Inc. 唯一股東及董事。



Note: The corporate interests of Mr. CHUA Domingo were held through Dynamic Development Corporation. Dynamic Development Corporation is wholly-owned by Carnation Investments Inc. of which Mr. CHUA Domingo is the sole shareholder and director.

董事報告書 (續)

Directors' Report (Continued)

董事之股份權益及淡倉 (續)

除上文所披露者外，董事或彼等聯繫人仕於二零零五年六月三十日概無在本公司或其任何聯營公司(定義見該條例)的任何股份、相關股份或債券中擁有任何權益或淡倉；或依據上市公司董事進行證券交易之標準守則須知會本公司及聯交所。

董事購買股份或債券之權利

除於財務賬項附註第35項內說明外，本公司或其任何附屬公司於本年度內並無訂立任何安排，可使本公司董事藉購買本公司或任何其他法人團體之股份或債券而獲益。於本年度內，本公司董事、彼等配偶或18歲以下子女概無任何權力、或行使任何該等權力以認購本公司之證券。

董事之服務合約

所有擬於即將召開股東週年大會上膺選連任之董事，與本公司或其任何附屬公司概無訂立本集團於一年內不可在不予賠償(法定賠償除外)情況下終止之服務合約。

董事於競爭業務中之權益

於本年度內及直至本報告日期，根據上市規則，本公司以下董事被視為於與本公司業務；或直接或間接有競爭或可能有競爭之業務中擁有權益。

蔡黎明先生、彭傑文先生及張志明先生於在香港及中國大陸從事物業投資及發展之公司中有權益及／或擔任董事。

由於董事會乃獨立於上述公司之董事會，本集團能獨立於該等公司業務，且在各自獨立利益下經營其業務。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES (Continued)

Save as disclosed above, none of the Directors or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as defined in the SFO as at 30th June, 2005; or would require, pursuant to Model Code for Securities Transactions by Directors of the Listed Companies, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as described in note 35 to the financial statements, at no time during the year 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 in, or debentures of, the Company or any other body corporate and none of the Directors of the Company, their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights during the year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, the following Directors of the Company are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

Mr. CHUA Domingo, Mr. PANG Kit Man, John, Mr. TANENGLIAN Mariano Chua and Mr. CHEUNG Chi Ming held interests and/or directorship in companies engaged in the businesses of property investment and development in Hong Kong and the Mainland China.

As the Board is independent from the boards of the said companies, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

董事報告書 (續)

Directors' Report (Continued)

董事於重大合約中之權益

除於財務賬項附註第39項內披露者外，本公司或其任何附屬公司於年終或本年度內訂立之重大合約中，本公司各董事概無涉及與擁有直接或間接之重大權益。



DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 39 to the financial statements, no contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director of the Company had material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

主要股東

於二零零五年六月三十日，根據該條例第336條規定須存置之權益名冊所載，主要股東(本公司董事除外)擁有本公司股份之權益如下：

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2005, the interests of substantial shareholders (other than a Director of the Company) in the shares of the Company as recorded in the register as required to be kept under Section 336 of the SFO were as follows:

股東名稱	所持已發行 普通股數目(好倉) Number of issued ordinary shares held (long position)	本公司已發行 股本百分比 Percentage of the issued share capital of the Company
普納集團有限公司(附註)	13,152,000	6%

附註：普納集團有限公司之權益乃透過其全資擁有附屬公司普納投資有限公司而持有。

Note: The interests of Plus Holdings Limited were held through Telecom Plus Investment Limited, its wholly-owned subsidiary.

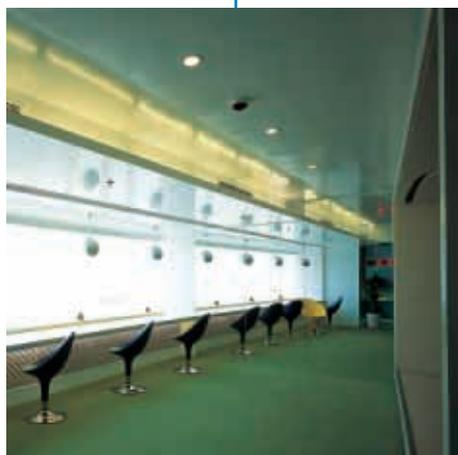
除上文所披露及有關蔡黎明先生之權益披露外，於二零零五年六月三十日，本公司概無接獲根據該條例第336條規定須記載本公司任何相關股份及其他權益或淡倉的通知。

Other than as disclosed above and the interests disclosed in the Directors' interests in shares in respect of Mr. CHUA Domingo, the Company has not been notified of any other interests or short position and underlying shares of the Company as required to be recorded in the register under Section 336 of the SFO as at 30th June, 2005.

薪酬政策

本集團之僱員薪酬政策由薪酬委員會按功績、資格及能力表現而建立。

本公司之董事薪酬由薪酬委員會根據公司經營業績，個別工作表現及可比較市場統計而定。



EMOLUMENT POLICY

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

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

董事報告書 (續)

Directors' Report (Continued)

薪酬政策 (續)

本公司已採納優先認股權計劃以鼓勵董事及合資格僱員，計劃詳情載於財務報表附註35。

優先購買權

本公司之公司細則概無優先購買權之規定，或百慕達法例亦無強制規定本公司須按股權比例配售新股份予現時股東。

充足公眾持股量

本公司於截至二零零五年六月三十日止年度一直維持充足公眾持股量。

公司監管

本公司於截至二零零五年六月三十日止年度內已遵守上市規則於二零零五年一月一日以前有效之舊版附錄十四所載之最佳應用守則。

結算日後事項

結算日後發生之重大事項詳情載於財務報表附註38。

核數師

本公司擬於即將召開之股東週年大會上提呈決議案，重聘德勤•關黃陳方會計師行為本公司之核數師。

代表董事會

董事兼行政總裁

彭傑文

香港，二零零五年十月二十日

EMOLUMENT POLICY (Continued)

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 35 to the financial statements.

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 existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 30th June, 2005.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 30th June, 2005 with the Code of Best Practice as set out in the old Appendix 14 to the Listing Rules, which was in force prior to 1st January, 2005.

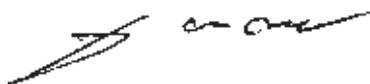
POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 38 to the financial statements.

AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board



PANG Kit Man, John
Director and Chief Executive Officer

Hong Kong, 20th October, 2005