

Directors' Report

The directors of the Company (the "Directors" or the "Board") present to the shareholders their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2008 (the "Year").

PRINCIPAL ACTIVITIES

During the Year, the Company acted as an investment holding company and its subsidiaries were principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading.

OPERATING SEGMENTS INFORMATION

The Group's turnover and contribution to loss for the year from operations analysed by principal activities are set out in notes 7 and 8 to the consolidated financial statements.

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's principal subsidiaries and associates as at 31st December, 2008 are set out in notes 56 and 57 to the consolidated financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 67.

The Directors had declared an interim dividend of HK13.5 cents (2007: HK13.5 cents) per share. The Board resolved to recommend the payment of a final dividend of HK1 cent (2007: HK22.5 cents) per share and a special dividend of HK99 cents (2007: Nil) per share for the Year.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five years is set out on pages 193 and 194.

董事會報告書

本公司董事（「董事」或「董事會」）謹此向股東提呈董事會報告書連同本公司及其附屬公司（「本集團」）截至二零零八年十二月三十一日止年度（「本年度」）之經審核綜合財務報表。

主要業務

於本年度內，本公司為一間投資控股公司，其附屬公司主要從事物業投資及發展、經紀服務、證券投資、放債及化妝品分銷及貿易業務。

經營分類資料

本集團以主要業務劃分之營業額及本年度經營虧損分析載於綜合財務報表附註7及8。

附屬公司及聯營公司

本公司於二零零八年十二月三十一日之主要附屬公司及聯營公司之詳情，分別載於綜合財務報表附註56及57。

業績及分配

本集團於本年度之業績載於第67頁之綜合收益表內。

董事已派付中期股息每股13.5港仙（二零零七年：13.5港仙）。董事會議決建議派付本年度之末期股息每股1港仙（二零零七年：22.5港仙）及特別股息每股99港仙（二零零七年：無）。

財務概要

本集團過去五年之業績、資產及負債概要載於第193及第194頁內。

Directors' Report

INVESTMENT PROPERTIES

During the Year, the Group acquired certain leasehold properties in Hong Kong for a total consideration of approximately HK\$33,962,000 (2007: Nil). Investment properties with an aggregate net book value of approximately HK\$179,650,000 (2007: HK\$101,011,000) were disposed of during the Year.

Details of the above and other movements in investment properties during the Year are set out in note 21 to the consolidated financial statements.

PROPERTY AND OTHER FIXED ASSETS

Movements in property and other fixed assets during the Year are set out in note 22 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group as at 31st December, 2008 are set out on pages 195 to 212.

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in note 47 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group during the Year are set out on pages 70 and 71.

As at 31st December, 2008, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$3,237,996,000 (2007: HK\$2,803,243,000).

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda, being the jurisdiction in which the Company is incorporated.

董事會報告書

投資物業

於本年度內，本集團以總代價約33,962,000港元（二零零七年：無）購入若干位於香港之租賃物業。本集團於本年度內亦出售總賬面淨值約179,650,000港元（二零零七年：101,011,000港元）之投資物業。

於本年度內上述及其他投資物業之變動詳情載於綜合財務報表附註21。

物業及其他固定資產

物業及其他固定資產於本年度內之變動情況載於綜合財務報表附註22。

主要物業

本集團於二零零八年十二月三十一日之主要物業詳情載於第195至第212頁內。

股本

本公司之股本於本年度內之變動情況載於綜合財務報表附註47。

儲備

本集團之儲備於本年度內之變動情況載於第70及第71頁內。

於二零零八年十二月三十一日，根據百慕達一九八一年公司法（經修訂）之規定所計算，本公司之可供分派儲備約為3,237,996,000港元（二零零七年：2,803,243,000港元）。

優先購買權

本公司於百慕達註冊成立，該司法轄區之法律並無優先購買權存在。

Directors' Report

董事會報告書

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Company purchased a total of 226,873,000 ordinary shares of HK\$0.10 each on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK\$2,287,860,250. All of the purchased shares were cancelled.

購買、出售或贖回本公司上市證券

於本年度內，本公司於香港聯合交易所有限公司（「聯交所」）購回合共226,873,000股每股面值0.10港元之普通股，總代價為2,287,860,250港元。所有被購回股份已被註銷。

Month of the purchases 進行購回之月份	Total number of the ordinary shares purchased 所購回普通股總數	Highest price paid per share 已付每股最高價 HK\$ 港元	Lowest price paid per share 已付每股最低價 HK\$ 港元	Aggregate consideration 總代價 HK\$ 港元
March 2008 二零零八年三月	1,959,000	11.70	11.40	22,810,560
May 2008 二零零八年五月	2,820,000	13.30	13.10	37,355,040
June 2008 二零零八年六月	11,888,000	11.80	10.72	134,170,860
July 2008 二零零八年七月	19,546,000	12.12	11.16	223,825,360
August 2008 二零零八年八月	58,078,000	11.26	10.64	639,076,040
September 2008 二零零八年九月	94,207,000	10.96	9.04	971,141,110
October 2008 二零零八年十月	16,917,000	9.48	6.13	137,688,150
November 2008 二零零八年十一月	14,601,000	6.04	4.60	78,652,710
December 2008 二零零八年十二月	6,857,000	6.80	5.47	43,140,420
	226,873,000			2,287,860,250

The Directors considered that the aforesaid shares were purchased at a discount to the net asset value per share and resulted in an increase in the net asset value per share then in issue.

董事認為上述股份乃按每股資產淨值之折讓價購回，以致當時已發行股份之每股資產淨值增加。

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

除上述所披露者外，本公司或其任何附屬公司於本年度內概無購買、出售或贖回本公司任何上市證券。

Directors' Report

CHARITABLE DONATIONS

Charitable donations made by the Group during the Year amounted to HK\$14,032,000 (2007: HK\$17,019,000).

DIRECTORS

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

Executive Director:

Mr. Joseph Lau, Luen-hung (*Chairman and Chief Executive Officer*)

Non-executive Directors:

Mr. Lau, Ming-wai

Ms. Amy Lau, Yuk-wai

Independent Non-executive Directors:

Mr. Chan, Kwok-wai

Ms. Phillis Loh, Lai-ping

Mr. Ma, Tsz-chun

(appointed on 21st November, 2008)

Mr. Cheng, Kwee

(resigned on 21st November, 2008)

Mr. Lau, Ming-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun will retire from office at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election in accordance with Bye-laws 94 and 111 of the Bye-laws of the Company.

SERVICE CONTRACTS OF DIRECTORS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

董事會報告書

慈善捐款

本集團於本年度內之慈善捐款額為14,032,000港元(二零零七年: 17,019,000港元)。

董事

於本年度內及直至本報告日期止, 董事為:

執行董事:

劉鑾雄先生(主席及行政總裁)

非執行董事:

劉鳴煒先生

劉玉慧女士

獨立非執行董事:

陳國偉先生

羅麗萍女士

馬時俊先生

(於二零零八年十一月二十一日獲委任)

鍾貴先生

(於二零零八年十一月二十一日辭任)

根據本公司之公司細則第94條及第111條, 劉鳴煒先生、羅麗萍女士及馬時俊先生將在即將舉行之股東週年大會上告退, 並合資格及願意膺選連任。

董事服務合約

本公司或其任何附屬公司並無與董事簽訂任何一年內若由僱主終止合約時須作出賠償(法定賠償除外)之服務合約。

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董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2008, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and 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 kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Appendix 10 of Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:-

董事及最高行政人員於本公司及相聯法團之證券權益

於二零零八年十二月三十一日，董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部所指的相聯法團）之股份、相關股份及債券中擁有之權益及淡倉，按本公司根據證券及期貨條例第352條備存之登記冊所載或根據聯交所證券上市規則（「上市規則」）附錄十所載之《上市發行人董事進行證券交易的標準守則》知會本公司及聯交所如下：—

I The Company

本公司

Name of Directors 董事姓名	Number of Shares Held 所持股份數目	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Joseph Lau, Luen-hung ("Mr. Joseph Lau") 劉鑾雄（「劉鑾雄先生」）	230,984,820	(1)	Founder and beneficiary of trust 信託創立人及受益人	
	1,183,663,448	(2)	Founder and beneficiary of trust 信託創立人及受益人	
	<u>1,414,648,268</u>			68.08%
Lau, Ming-wai ("Mr. MW Lau") 劉鳴煒（「劉鳴煒先生」）	230,984,820	(1)	Beneficiary of trust 信託受益人	
	1,183,663,448	(2)	Beneficiary of trust 信託受益人	
	4,000	(3)	Other interests 其他權益	
	<u>1,414,652,268</u>			68.08%

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董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (cont'd)

Notes:

- (1) These shares were indirectly owned by a discretionary trust of which Mr. Joseph Lau was the founder. Mr. Joseph Lau, Mr. MW Lau and certain other family members of Mr. Joseph Lau were eligible beneficiaries of that trust.
- (2) These shares were held by a unit trust of which Mr. Joseph Lau was one of the unit holders. The rest of the units in the unit trust were held by a discretionary trust of which Mr. Joseph Lau was the founder. Mr. MW Lau and certain other family members of Mr. Joseph Lau were eligible beneficiaries of the discretionary trust.
- (3) These shares were held under the estate of Ms. Theresa Po, Wing-kam, the late mother of Mr. MW Lau, of which Mr. MW Lau is the executor.

董事及最高行政人員於本公司及相聯法團之證券權益(續)

附註：

- (1) 該等股份由一項酌情信託間接擁有。劉鑾雄先生為該信託之創立人。劉鑾雄先生、劉鳴煒先生及劉鑾雄先生之若干其他家族成員則為該信託之合資格受益人。
- (2) 該等股份由一項單位信託基金持有。劉鑾雄先生為該基金其中一名單位持有人。該單位信託基金之餘下單位由一項酌情信託擁有，劉鑾雄先生為該信託之創立人。劉鳴煒先生及劉鑾雄先生之若干其他家族成員則為該信託之合資格受益人。
- (3) 該等股份乃屬寶詠琴女士（劉鳴煒先生先慈）之遺產，劉鳴煒先生為該遺產之執行人。

II Associated Corporations of the Company

本公司之相聯法團

1. Chi Cheung Investment Company, Limited ("Chi Cheung")
至祥置業有限公司（「至祥」）

Name of Director 董事姓名	Number of Shares Held 所持股份數目	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Mr. Joseph Lau 劉鑾雄先生	209,931,186	(1)	Founder of trust, beneficiary of trust and interest in controlled corporation 信託創立人、信託受益人及於受控制公司之權益	61.96%

2. G-Prop (Holdings) Limited ("G-Prop")
金匡企業有限公司（「金匡」）

Name of Director 董事姓名	Number of Shares Held 所持股份數目	Note 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Mr. Joseph Lau 劉鑾雄先生	1,018,380,590	(2)	Founder of trust, beneficiary of trust and interest in controlled corporation 信託創立人、信託受益人及於受控制公司之權益	
	493,678,883	(3)	Interest in controlled corporation 於受控制公司之權益	
	<u>1,512,059,473</u>			74.54%

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董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (cont'd)

Notes:

- (1) Mr. Joseph Lau by virtue of his 68.08% interests in the issued share capital of the Company as disclosed in paragraph I above, was deemed to be interested in 209,931,186 shares of Chi Cheung held by Billion Up Limited, an indirect wholly-owned subsidiary of the Company.
- (2) The Company was interested in a total of 1,018,380,590 shares of G-Prop. Mr. Joseph Lau by virtue of his 68.08% interests in the issued share capital of the Company as disclosed in paragraph I above, was deemed to be interested in 1,018,380,590 shares of G-Prop under the provisions of the SFO.
- (3) Such interests are held by a company of which Mr. Joseph Lau is the sole ultimate beneficial owner.

All the interests stated above represent long positions. The percentage shown was the number of shares the relevant Directors were interested in expressed as a percentage of the number of issued shares as at 31st December, 2008.

Save as disclosed above, none of the other Directors and chief executives of the Company had or were deemed under the SFO to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31st December, 2008.

During the Year, none of the Directors and chief executives of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

董事及最高行政人員於本公司及相聯法團之證券權益(續)

附註：

- (1) 正如上文第I段所披露，劉鑾雄先生因擁有本公司已發行股本中68.08%之權益，故被視為於本公司之間接全資擁有附屬公司Billion Up Limited持有之209,931,186股至祥股份中擁有權益。
- (2) 本公司擁有合共1,018,380,590股金匡股份。正如上文第I段所披露，劉鑾雄先生因擁有本公司已發行股本中68.08%之權益，根據證券及期貨條例被視為於1,018,380,590股金匡股份中擁有權益。
- (3) 該等權益由一間公司所持有，劉鑾雄先生為該公司之唯一最終實益擁有人。

上述所有權益均為好倉。所顯示的百分比為本公司有關董事於二零零八年十二月三十一日所擁有之股份數目佔已發行股份數目之百分比。

除上文所披露者外，於二零零八年十二月三十一日，董事或最高行政人員概無擁有或根據證券及期貨條例被視為擁有本公司或其任何相聯法團（定義見證券及期貨條例第XV部所指的相聯法團）之股份、相關股份或債券之任何權益或淡倉。

於本年度內，董事或最高行政人員以及彼等之配偶或十八歲以下之子女概無獲授予或行使任何可認購本公司或其任何相聯法團之任何證券之權利。

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董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 31st December, 2008, so far as are known to any Directors or chief executives of the Company, the following parties (other than Directors or chief executives of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:—

主要股東於本公司之證券權益

據董事及最高行政人員所知悉，於二零零八年十二月三十一日，本公司根據證券及期貨條例第336條須備存之登記冊所載錄或另行知會本公司，直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益之人士（董事或最高行政人員除外）如下：—

Name of Substantial Shareholders 主要股東名稱	Number of Shares Held 所持股份數目	Notes 附註	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
GZ Trust Corporation	1,414,648,268	(1), (2)	Trustee, beneficiary of a trust and interest in controlled corporation 信託人、一項信託之受益人及於受控制公司之權益	68.08%
Global King (PTC) Ltd. (formerly known as Global King Ltd.) (前稱 Global King Ltd.)	1,183,663,448	(1)	Trustee 信託人	56.96%
Joseph Lau Luen Hung Investments Limited	230,984,820	(2)	Beneficial owner 實益擁有人	11.11%
Favor Gain Limited ("Favor Gain")	150,036,697	(3)	Beneficial owner 實益擁有人	7.22%
Thomas Lau, Luen-hung ("Mr. Thomas Lau") 劉鑾鴻 (「劉鑾鴻先生」)	150,036,697	(3)	Interest in controlled corporation 於受控制公司之權益	7.22%

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董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd)

Notes:

- (1) GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King (PTC) Ltd. was the trustee and therefore was regarded as interested in the same parcel of shares held by Global King (PTC) Ltd. These shares were the same parcel of 1,183,663,448 shares of the Company referred to in both "Founder and beneficiary of trust" and "Beneficiary of trust" of Mr. Joseph Lau and Mr. MW Lau respectively under "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations" as disclosed in paragraph I above.
- (2) GZ Trust Corporation as trustee of another discretionary trust held the entire issued share capital of Joseph Lau Luen Hung Investments Limited and therefore was regarded as interested in the same parcel of shares held by Joseph Lau Luen Hung Investments Limited. These shares were the same parcel of 230,984,820 shares of the Company referred to in both "Founder and beneficiary of trust" and "Beneficiary of trust" of Mr. Joseph Lau and Mr. MW Lau respectively under "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations" as disclosed in paragraph I above.
- (3) Mr. Thomas Lau was deemed to be interested in 150,036,697 shares of the Company by virtue of the SFO as he owned the entire issued share capital of Favor Gain.

All the interests stated above represent long positions. As at 31st December, 2008, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

主要股東於本公司之證券權益 (續)

附註：

- (1) GZ Trust Corporation (作為一項酌情信託之信託人)持有一項以Global King (PTC) Ltd.為信託人之單位信託基金之單位，故被視為擁有Global King (PTC) Ltd.所持有之同一批股份之權益。上述股份為上文第I段所披露「董事及最高行政人員於本公司及相聯法團之證券權益」項下劉鑾雄先生及劉鳴煒先生各自之「信託創立人及受益人」及「信託受益人」中所指之同一批1,183,663,448股本公司股份。
- (2) GZ Trust Corporation (作為另一項酌情信託之信託人)持有Joseph Lau Luen Hung Investments Limited之全部已發行股本，故被視為擁有Joseph Lau Luen Hung Investments Limited所持有之同一批股份之權益。上述股份為上文第I段所披露「董事及最高行政人員於本公司及相聯法團之證券權益」項下劉鑾雄先生及劉鳴煒先生各自之「信託創立人及受益人」及「信託受益人」中所指之同一批230,984,820股本公司股份。
- (3) 劉鑾鴻先生因擁有Favor Gain之全部已發行股本，故根據證券及期貨條例，彼被視為擁有上述150,036,697股本公司股份之權益。

上述所有權益均為好倉。於二零零八年十二月三十一日，根據本公司按證券及期貨條例第336條備存之登記冊所載概無任何淡倉。

Directors' Report

董事會報告書

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year, the following Directors declared their interests in the following companies with businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group:

董事於競爭性業務之權益

於本年度內，以下董事申報於下列與本集團業務直接或間接構成競爭或可能構成競爭之業務之公司中擁有權益：

Name of Directors 董事姓名	Name of Companies 公司名稱	Nature of Business Considered to Compete or Likely to Compete with the Businesses of the Group 被認為與本集團業務構成競爭 或可能構成競爭之業務性質	Nature of Interest of the Directors in the Companies 董事於該等公司之權益性質
Mr. Joseph Lau 劉鑾雄先生	Chi Cheung* and its subsidiaries 至祥*及其附屬公司	Property investment and development 物業投資及發展	Having certain deemed interests in Chi Cheung and is a director of certain subsidiaries of Chi Cheung 被視為擁有至祥若干權益及為 至祥之若干附屬公司之董事
	G-Prop* and its subsidiaries 金匡*及其附屬公司	Property investment 物業投資	Having certain direct and deemed interests in G-Prop 直接及被視為擁有 金匡若干權益
Mr. MW Lau 劉鳴煒先生	Chi Cheung* and its subsidiaries 至祥*及其附屬公司	Property investment and development 物業投資及發展	Having certain deemed interests in Chi Cheung and was a director of certain subsidiaries of Chi Cheung 被視為擁有至祥若干權益及曾 為至祥之若干附屬公司之董事
	G-Prop* and its subsidiaries 金匡*及其附屬公司	Property investment 物業投資	Having certain deemed interests in G-Prop 被視為擁有金匡若干權益

* listed subsidiary of the Company
本公司之上市附屬公司

Directors' Report

董事會報告書

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (cont'd)

The above-mentioned businesses were managed by separate publicly listed companies with independent management. The respective board composition of such listed companies are different and separate. In this respect, coupled with the diligence of its Independent Non-executive Directors (whose views carry significant weight in the Board's decisions) and the independent audit committee, the Group was capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above companies.

For better delineation of property investment business, the Company, will give Chi Cheung the priority over the future property investment project with the value of less than or equal to 50% of the net asset value of Chi Cheung with reference to the latest published accounts and subject to the financial resources of Chi Cheung from time to time.

Other than the businesses of the Company's subsidiaries mentioned above, Mr. Joseph Lau and Mr. MW Lau had personal interests in private companies engaged in businesses consisting of property development and investment in Hong Kong as well as securities investment. Mr. Joseph Lau also had personal interests in private companies engaged in money lending business. As such, they were regarded as being interested in such businesses, which competed or might compete with the Group. However, when compared with the dominance and size of operations of the Group, such competing businesses were immaterial.

The Directors are aware of their fiduciary duties and will act honestly and in good faith in the interests of the Company and will avoid any potential conflicts of interest and duty. The Company comprises three Independent Non-executive Directors and all of them are audit committee members of the Company, so that the interest of its shareholders can be adequately represented.

Other than as disclosed above, none of the Directors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the Company's business.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no arrangements to which the Company or any of the Company's subsidiaries was a party 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 during the Year.

董事於競爭性業務之權益 (續)

上述業務乃由獨立上市公司管理，該等上市公司擁有獨立管理層。該等上市公司董事會之組成各有不同及均為獨立。就此而言，結合其對董事會決策有重大影響力之獨立非執行董事及獨立審核委員會之努力，本集團能獨立地並按公平磋商原則從事其業務。

為了更清晰地劃分物業投資業務，本公司將參考至祥最近期公布之賬目及因應其不時具備之財政資源，將價值少於或相當於至祥資產淨50%之未來物業投資項目優先給予至祥考慮。

除上述本公司之上市附屬公司之業務外，劉鑾雄先生及劉鳴煒先生於經營有關香港物業發展及投資和證券投資之私人公司中擁有個人權益。劉鑾雄先生亦於經營放債業務之私人公司中擁有個人權益。因此，彼等被視為於與本集團構成競爭或可能構成競爭之業務中擁有權益。然而，此等競爭性業務與本集團之優勢及業務規模相比乃微不足道。

董事知悉其誠信責任，將會秉誠行事以符合本公司之利益，並避免任何潛在利益及責任衝突。本公司之審核委員會由三名獨立非執行董事成員所組成，足以代表其股東之利益。

除上文所披露者外，概無董事在本公司業務以外於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

購買股份或債券之安排

本公司或本公司任何附屬公司概無於本年度內作出安排，以使董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

Directors' Report

董事會報告書

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed below and apart from the agreement disclosed under the heading "Connected Transaction", where Mr. Joseph Lau has/ was deemed to have certain interests and/or deemed interests in the shares of G-Prop/Chi Cheung (as disclosed in paragraph II of "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations"), there were no other contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

On 17th January, 2008, the Company together with its indirect wholly-owned subsidiary – Victory Gain Holdings Limited entered into a conditional sale and purchase agreement with Chi Cheung, in relation to, inter alia, the acquisition of share interests in and loans to certain subsidiaries of Chi Cheung at a provisional consideration of approximately HK\$518 million. The transaction was formally completed on 30th September, 2008 and the final consideration was approximately HK\$531 million.

On 1st February, 2008, Mass Rise Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Fame Ascent Investments Limited to acquire, inter alia, 740,518,325 shares of G-Prop at a consideration of approximately HK\$120.8 million. Completion of the transaction took place on 5th February, 2008. Accordingly, the Group's shareholding in G-Prop had been increased to 50.20% and thus G-Prop became a subsidiary of the Company.

On 4th November, 2008, Chi Cheung as lender, Longman Limited (being an indirect wholly-owned subsidiary of the Company) as borrower and the Company as guarantor entered into a loan agreement in relation to a three-year revolving facility of up to HK\$900 million.

CONNECTED TRANSACTION

During the Year, there were no discloseable non-exempted connected transactions or non-exempted continuing connected transactions but an exempted continuing connected transaction under the Listing Rules as detailed below.

董事及控權股東於合約之權益

除下文所披露者及於「關連交易」一節所述之協議（當中正如「董事及最高行政人員於本公司及相聯法團之證券權益」第II段中所披露，劉鑾雄先生於／被視為於金匡／至祥之股份擁有權益）外，於年結時或本年度內任何時間本公司或本公司之任何附屬公司所訂立與本公司業務有關之重大合約中，董事概無直接或間接擁有重大權益；此外，本公司或本公司之任何附屬公司亦無與控權股東或其任何附屬公司訂立與本公司業務有關之其他重大合約。

於二零零八年一月十七日，本公司連同其間接全資擁有附屬公司勝得控股有限公司與至祥訂立一份有條件買賣協議，當中包括收購至祥若干附屬公司之股權及貸款，臨時代價約為518,000,000港元。該交易於二零零八年九月三十日正式完成，交易代價最終為約531,000,000港元。

於二零零八年二月一日，本公司之間接全資擁有附屬公司巨昇有限公司與名昇投資有限公司訂立買賣協議，當中包括以代價約120,800,000港元買入740,518,325股金匡股份。該交易於二零零八年二月五日完成。據此，本集團所持有之金匡股權增加至50.20%，金匡亦因而成為本公司之附屬公司。

於二零零八年十一月四日，至祥作為借方，Longman Limited（本公司之間接全資擁有附屬公司）作為貸方與本公司作為擔保人簽訂一份有關最多900,000,000港元為期三年之循環貸款融資的貸款協議。

關連交易

於本年度內，根據上市規則，本公司並無不獲豁免關連交易或不獲豁免持續關連交易須作出披露，除下文所述之獲豁免持續關連交易外。

Directors' Report

董事會報告書

CONNECTED TRANSACTION (cont'd)

On 4th November 2008, the Company's indirect wholly-owned subsidiary – Fancy Mark Limited as borrower entered into a loan agreement with G-Prop as lender regarding a three-year revolving facility of up to HK\$200 million, with the Company acting as guarantor for repayment of the loan (the "Loan Transaction"). The Loan Transaction constituted a continuing connected transaction of the Company since G-Prop is a connected person to the Company pursuant to the Listing Rules but exempted from reporting, announcement and independent shareholders' approval requirements under rule 14A.65(4) of the Listing Rules.

As at 31st December, 2008, a total sum of HK\$136 million had been drawn by Fancy Mark Limited.

Having reviewed the Loan Transaction, the Independent Non-executive Directors of the Company confirmed that the Loan Transaction was made in the ordinary and usual course of business of the Company, on normal commercial terms and in accordance with the relevant loan agreement governing on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company confirmed that the Loan Transaction had received the approval of the Board and had been entered into in accordance with the relevant loan agreement.

None of the "Related Party Transactions" as disclosed in note 55 to the consolidated financial statements for the year ended 31st December, 2008 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

GROUP BORROWINGS AND INTEREST CAPITALISED

Details of bank loans and other loans repayable within one year or on demand are shown in the consolidated balance sheet. Details of long-term secured bank loans and other loans are shown in note 42 to the consolidated financial statements.

Interest capitalised during the Year by the Group amounted to HK\$52,716,000 (2007: HK\$101,012,000).

RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

- (1) the provident fund scheme as defined in the Occupational Retirement Schemes Ordinance, Chapter 426 of the laws of Hong Kong, (the "ORSO Scheme"); and
- (2) the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme").

關連交易 (續)

於二零零八年十一月四日，本公司之間接全資擁有附屬公司—Fancy Mark Limited作為貸方與金匡作為借方簽訂一份有關最多200,000,000港元為期三年之循環貸款融資的貸款協議，而本公司則為償還貸款作為擔保人（「貸款交易」）。由於根據上市規則金匡為本公司之關連人士，該貸款交易構成本公司一項持續關連交易，惟按上市規則第14A.65(4)條獲豁免遵守申報、公布及獲獨立股東批准之規定。

截至二零零八年十二月三十一日，Fancy Mark Limited已借取合共136,000,000港元。

在檢討該貸款交易後，本公司之獨立非執行董事確認該貸款交易屬本公司之日常業務，按照一般商業條款及根據有關貸款協議條款進行，該等條款公平合理，且符合本公司股東之整體利益。

本公司之核數師已確認該貸款交易已經由董事會批准及根據有關貸款協議條款進行。

根據上市規則，截至二零零八年十二月三十一日止年度綜合財務報表內附註55所披露之「關連人士交易」並無構成須予披露的不獲豁免關連交易或不獲豁免持續關連交易。

集團借貸及撥充資本之利息

須於一年內或按通知償還之銀行貸款及其他貸款之詳情載於綜合資產負債表。有抵押的長期銀行貸款及其他貸款之詳情載於綜合財務報表附註42。

本集團於本年度撥充資本之利息為52,716,000港元（二零零七年：101,012,000港元）。

退休金計劃

本集團推行兩項退休金計劃：

- (1) 香港法例第426章職業退休計劃條例所界定之公積金計劃（「職業退休計劃」）；及
- (2) 香港法例第485章強制性公積金計劃條例所界定之公積金計劃（「強積金計劃」）。

Directors' Report

RETIREMENT BENEFIT SCHEMES (cont'd)

Both the ORSO Scheme and the MPF Scheme are defined contribution schemes and the assets of both schemes are managed by their respective trustees accordingly.

The ORSO Scheme is available to the Group's full-time permanent staff employed in Hong Kong before 1st December, 2000. Contributions to the ORSO Scheme are made by the Group at 5%, 7.5% or 10% based on the staff's basic salary depending on the length of service. Staff members are entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or are entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The ORSO Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the ORSO Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$20,000 per month. Staff members are entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65.

In order to provide similar benefits to those who joined the MPF Scheme and the ORSO Scheme, the Group provided an additional portion (the "Top-up Portion") for those who joined the MPF Scheme. The purpose of the Top-up Portion is to match up the benefits of the MPF Scheme with that of the ORSO Scheme by providing those staff under the MPF Scheme with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Portion are made by the Group at 5%, 7.5% or 10% of the staff's basic salary less the Group's mandatory contribution under the MPF as mentioned above.

The Group's total cost for the schemes charged to consolidated income statement for the year ended 31st December, 2008 amounted to approximately HK\$4,310,000 (2007: HK\$4,465,000). In addition, an amount of forfeited employer's contributions for the schemes amounted to approximately HK\$192,000 (2007: HK\$197,000) was utilised towards reducing the Group's contributions during the Year and there was no balance available to reduce future contributions.

董事會報告書

退休金計劃 (續)

職業退休計劃及強積金計劃均為界定供款計劃，該等計劃之資產乃由各自之受託人管理。

職業退休計劃可供於二零零零年十二月一日前在香港受僱之本集團全職長期僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出5%、7.5%或10%之供款。僱員服務滿10年或以上或到退休年齡時方可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。職業退休計劃容許本集團將任何已沒收供款（即本集團就任何可獲得全部供款前退出職業退休計劃之僱員而作出之供款）用以抵銷本集團現有之供款水平。

強積金計劃可供所有18至64歲受僱於香港最少60日之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言，有關入息上限為每月20,000港元。不論其於本集團之服務年期，僱員均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。

為了向參加強積金計劃及職業退休計劃之僱員提供相近之福利，本集團為參加強積金計劃之僱員提供額外部分（「補足部分」）。補足部分之目的是向基本月薪逾20,000港元及／或服務年期逾5年之僱員提供與職業退休計劃相近之福利。本集團將根據僱員基本薪金之5%、7.5%或10%減本集團根據上述強積金計劃作出之強制性供款而作出補足部分之供款。

本集團於截至二零零八年十二月三十一日止年度就該等計劃於綜合收益表扣除之總費用約為4,310,000港元（二零零七年：4,465,000港元）。此外，就該等計劃之已沒收僱主供款約192,000港元（二零零七年：197,000港元）已於本年度內用作削減本集團之供款，並沒有餘額可用作減少未來供款。

Directors' Report

董事會報告書

SHARE AWARD SCHEME

A share award scheme (the "Share Award Scheme") was adopted by the shareholders of the Company at the special general meeting held on 14th January, 2009 (the "Adoption Date"). The Share Award Scheme is a long-term incentive arrangement for the selected employees. The purpose of the Share Award Scheme is to recognise and reward certain employees of the Group for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group. It is also intends to attract suitable professional recruits to join the Group, to assist in the further development of the Group.

The Board may from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each employee determined by the Board from time to time), after having taken into account recommendations made by member of the Group and assessment of individual performance pursuant to internal appraisal system, select an employee for participation in the Share Award Scheme as a Selected Employee ("Selected Employee") and determine the number of shares which may be awarded to such Selected Employee pursuant to the terms of the Share Award Scheme ("Awarded Share(s)"). A Selected Employee shall become qualified to be allotted and issued the Awarded Shares after all the qualifying conditions have been fulfilled, unless otherwise determined by the Board at its discretion.

The issue price for each Awarded Share shall, subject to the terms of the Share Award Scheme, be an amount equal to its nominal value and shall be paid or satisfied in cash by the relevant member of the Group engaging the Selected Employee or, if payment by the relevant member of the Group engaging the Selected Employee is not permitted under applicable law, any member of the Group, upon the allotment and issue of the Awarded Shares.

The total number of shares which may be issued in response to the Share Award Scheme and any other incentive or option schemes of the Company (if any) shall not in aggregate exceed 207,775,007, being 10% of the total number of shares in issue on the Adoption Date and represents approximately 10% of the total number of shares in issue at the date of this annual report.

The maximum number of Awarded Shares to be granted to each Selected Employee under the Share Award Scheme in any 12-month period shall not exceed in aggregate 1% of the shares in issue as at the date of such grant.

Subject to any early termination pursuant to the terms of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date (i.e. until 13th January, 2019).

股份獎勵計劃

股份獎勵計劃（「股份獎勵計劃」）已獲本公司股東於二零零九年一月十四日（「採納日期」）之股東特別大會上採納。股份獎勵計劃乃為經甄選僱員而設之長期獎勵安排，旨在向為本集團作出貢獻之若干僱員給予肯定及回報，並作為吸引其留效本集團，繼續為本集團之營運及發展而努力之長期獎勵。此計劃亦有助於吸引合適之專業人士加盟本集團，協助本集團進一步發展。

經考慮本集團成員公司作出之推薦建議及根據內部評估制度評估個別人士之表現後，董事會可不時全權酌情及根據其認為合適之條款及條件（包括董事會不時釐定每名僱員之合資格基準），甄選僱員成為經甄選僱員（「經甄選僱員」），參與股份獎勵計劃，並根據股份獎勵計劃之條款釐定每名經甄選僱員可獲之獎勵股份數目（「獎勵股份」）。除董事會另有酌情釐定外，經甄選僱員於達成所有合資格條件後，將合資格獲發行及配發獎勵股份。

每股獎勵股份之發行價將受限於股份獎勵計劃之條款，並相等於其面值，且由聘用經甄選僱員之本集團相關成員公司於發行及配發獎勵股份時以現金支付或償付，或倘聘用經甄選僱員之本集團相關成員公司根據適用法律不得作出付款，則由本集團任何成員公司以現金支付或償付。

於股份獎勵計劃將可能發行之股份，連同於根據本公司所有其他獎勵或購股權計劃（如有）將可能發行之股份，總數合共不得超過207,775,007股（即於採納日期已發行股份之10%），相當於截至本年報日期之已發行股份約10%。

根據股份獎勵計劃授予每位經甄選僱員之獎勵股份之最高數目於任何十二個月期間內合共不得超過有關授出日期已發行股份之1%。

根據股份獎勵計劃中任何有關提早終止之條款之規限下，股份獎勵計劃將由採納日期起計十年期間有效及生效（即直至二零一九年一月十三日）。

Directors' Report

SHARE AWARD SCHEME (cont'd)

The details of the Share Award Scheme were also set out in the circular of the Company dated 23rd December, 2008.

MAJOR SUPPLIERS AND CUSTOMERS

The five largest customers of the Group amounted to less than 30% of the total turnover to the Group during the Year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for 18% and 44% of the Group's total purchases for the Year.

At no time during the Year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers and suppliers.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed amount of public float during the Year and up to the date of this report as required under the Listing Rules.

AUDITORS

The consolidated financial statements for the Year were audited by Messrs. HLB Hodgson Impey Cheng ("HLB") who would retire at the conclusion of the forthcoming annual general meeting, and being eligible, offer themselves for re-appointment. A resolution will be proposed to the shareholders at the forthcoming annual general meeting to re-appoint HLB as the auditors of the Company.

There have been no other changes of auditors in the past three years except for Messrs. Deloitte Touche Tohmatsu resigned and HLB was appointed as the auditors of the Company in November 2006.

On behalf of the Board
Joseph Lau, Luen-hung
 Chairman

Hong Kong, 16th March, 2009

董事會報告書

股份獎勵計劃(續)

有關股份獎勵計劃之詳情已刊載於本公司日期為二零零八年十二月二十三日之通函。

主要供應商及客戶

本集團五大客戶於本年度內佔本集團之營業總額分別少於30%。

本年度本集團之最大供應商及五大供應商之累計購貨總額分別佔本集團購貨總額之18%及44%。

董事、董事之聯繫人士或本公司股東(據董事所知擁有本公司股本超過5%)概無於本年度內任何時候於本集團五大客戶及供應商之中擁有權益。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告日期已按上市規則規定維持規定之公眾持股量。

核數師

本年度之綜合財務報表由國衛會計師事務所(「國衛」)審核。該會計師行將於即將舉行之股東週年大會結束時任滿告退，惟合資格並願意膺聘連任。於即將舉行之股東週年大會上，將就續聘國衛為本公司核數師向股東提呈一項決議案。

除於二零零六年十一月德勤·關黃陳方會計師行辭任及國衛獲委任為本公司之核數師外，本公司在過去三年間並無更換其他核數師。

代表董事會
 主席
劉鑾雄

香港，二零零九年三月十六日