

Directors' Report

董事會報告書

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, 2009 (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 revenue and contribution to profit 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, 2009 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 statement of comprehensive income on page 67.

The Directors had declared an interim dividend of HK2 cents (2008: HK13.5 cents) per share and a special dividend of HK63 cents (2008: HK99 cents). The Board resolved to recommend the payment of a final dividend of HK1 cent (2008: HK1 cent) 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 199 and 200.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group as at 31st December, 2009 are set out on pages 201 to 216.

PROPERTY AND OTHER FIXED ASSETS

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

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」）截至二零零九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收益及本年度經營溢利分析載於綜合財務報表附註7及8。

附屬公司及聯營公司

本公司於二零零九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頁之綜合全面收益報表內。

董事已派付中期股息每股2港仙（二零零八年：13.5港仙）及特別股息每股63港仙（二零零八年：99港仙）。董事會議決建議派付本年度之末期股息每股1港仙（二零零八年：1港仙）。

財務概要

本集團過去五年之業績、資產及負債概要載於第199及第200頁內。

主要物業

本集團於二零零九年十二月三十一日之主要物業詳情載於第201至第216頁內。

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。

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INVESTMENT PROPERTIES

During the Year, the Group acquired certain leasehold properties in Hong Kong for a total consideration of approximately HK\$3,085,000 (2008: HK\$33,962,000). Investment properties with an aggregate net book value of approximately HK\$390,224,000 (2008: HK\$179,650,000) 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.

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 71 and 72.

As at 31st December, 2009, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$29,117,000 (2008: HK\$3,237,996,000).

GROUP BORROWINGS AND INTEREST CAPITALISED

Details of bank loans and other loans repayable within one year or on demand are shown in the consolidated statement of financial position. 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\$22,408,000 (2008: HK\$52,716,000).

PRE-EMPTIVE RIGHTS

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

投資物業

於本年度內，本集團以總代價約3,085,000港元（二零零八年：33,962,000港元）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390,224,000港元（二零零八年：179,650,000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。

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71及第72頁內。

於二零零九年十二月三十一日，根據百慕達一九八一年公司法（經修訂）之規定所計算，本公司可供分派之儲備約為29,117,000港元（二零零八年：3,237,996,000港元）。

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財務狀況報表。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22,408,000港元（二零零八年：52,716,000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存在優先購買權。

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

購買、出售或贖回本公司上市證券

During the Year, the Company purchased a total of 127,750,000 ordinary shares of HK\$0.10 each on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK\$1,453,263,115. All of the purchased shares were cancelled.

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127,750,000股每股面值0.10港元之普通股，總代價為1,453,263,115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
January 2009 二零零九年一月	8,813,000	9.65	8.52	79,731,270
February 2009 二零零九年二月	14,576,000	9.66	9.04	137,089,570
March 2009 二零零九年三月	8,717,000	9.46	9.16	81,379,700
April 2009 二零零九年四月	39,339,500	10.66	9.31	384,069,795
May 2009 二零零九年五月	6,304,500	12.18	11.52	74,519,420
June 2009 二零零九年六月	19,511,000	15.04	13.98	283,425,210
July 2009 二零零九年七月	18,349,000	14.18	12.72	247,440,850
August 2009 二零零九年八月	2,280,000	14.18	13.64	31,741,790
September 2009 二零零九年九月	9,860,000	13.94	13.28	133,865,510
	127,750,000			1,453,263,115

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，令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。

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CHARITABLE DONATIONS

Charitable donations made by the Group during the Year amounted to HK\$385,000 (2008: HK\$14,032,000).

MAJOR CUSTOMERS AND SUPPLIERS

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 47% and 70% of the Group's total purchases for the Year respectively.

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.

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

Mr. Chan, Kwok-wai and Ms. Amy Lau, Yuk-wai will retire from office at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election in accordance with Bye-law 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).

慈善捐款

本集團於本年度內之慈善捐款額為385,000港元(二零零八年: 14,032,000港元)。

主要客戶及供應商

本集團五大客戶於本年度內佔本集團之營業總額少於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47%及70%。

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。

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

根據本公司之公司細則第111條,陳國偉先生及劉玉慧女士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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DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2009, 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

於二零零九年十二月三十一日，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	
	1,198,658,948	(2)	Founder and beneficiary of trust 信託創立人及受益人	
	<u>1,429,643,768</u>			73.31%
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	
	1,198,658,948	(2)	Beneficiary of trust 信託受益人	
	<u>1,429,643,768</u>			73.31%

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.

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。

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

董事及最高行政人員於本公司及相聯法團之證券權益(續)

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>			62.26%

Notes:

- (1) Mr. Joseph Lau by virtue of his 73.31% interests in the issued share capital of the Company as disclosed in paragraph 1 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) Mr. Joseph Lau by virtue of his 73.31% interests in the issued share capital of the Company as disclosed in paragraph 1 above, was deemed to be interested in 1,018,380,590 shares of G-Prop held by Mass Rise Limited, an indirect wholly-owned subsidiary of the Company.
- (3) Such interests were held by a company of which Mr. Joseph Lau was the sole ultimate beneficial owner.

附註:

- (1) 正如上文第1段所披露，劉鑾雄先生因擁有本公司已發行股本中73.31%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) 正如上文第1段所披露，劉鑾雄先生因擁有本公司已發行股本中73.31%之權益，故被視為於本公司之間接全資擁有附屬公司Mass Rise Limited持有之1,018,380,590股金匡股份中擁有權益。
- (3) 該等權益由一間以劉鑾雄先生作為唯一最終實益擁有人之公司所持有。

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

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, 2009.

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, 2009.

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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 31st December, 2009, 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:-

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	1,429,643,768	(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	73.31%
Global King (PTC) Ltd.	1,198,658,948	(1)	Trustee 信託人	61.46%
Joseph Lau Luen Hung Investments Limited	230,984,820	(2)	Beneficial owner 實益擁有人	11.84%

董事及最高行政人員於本公司及相聯法團之證券權益(續)

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二零零九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，於二零零九年十二月三十一日，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。

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，於二零零九年十二月三十一日，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：—

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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 1,198,658,948 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.

All the interests stated above represent long positions. As at 31st December, 2009, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

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:—

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 被視為擁有至祥若干權益
	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

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1,198,658,948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。

上述所有權益均為好倉。於二零零九年十二月三十一日,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。

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:—

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 would 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 listed 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，本公司會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值50%之未來物業投資項目優先給予至祥。

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 agreements disclosed under the heading "Connected Transactions" below, 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 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. As at 31st December, 2009, a total sum of HK\$853 million had been drawn by Longman Limited.

On 25th June, 2009, a placing agreement (the "Placing Agreement") had been entered into among the Company, Joseph Lau Luen Hung Investments Limited (being a substantial shareholder of the Company) as Vendor (the "Vendor"), Mr. Joseph Lau as guarantor, BNP Paribas Capital (Asia Pacific) Limited and Deutsche Bank AG, Hong Kong Branch as the placing agents (the "Placing Agents") under which the Vendor had conditionally agreed to sell, or procure the sale of, as legal and beneficial owner, a minimum of 118,000,000 placing shares ("Placing Shares") and the Placing Agents had conditionally agreed, as agents of the Vendor, to procure placees to purchase, the Placing Shares at the placing price in the range of HK\$13.26 to HK\$14.17 for each Placing Share (the "Placing Price"). In addition, as part of the arrangement and one of the conditions precedent of the Placing Agreement, the Company had entered into a subscription agreement (the "Subscription Agreement") with the Vendor whereby the Vendor had conditionally agreed to subscribe for the subscription shares (being equivalent to the number of Placing Shares) at the subscription price (being equivalent to the Placing Price). However, during the book building process, the Placing Shares were oversubscribed in which only a minority of the intended placees opted for the higher-end of the Placing Price range. The Company considered that it was not in the best interest of the Company and its shareholders as a whole to proceed with the placing and therefore agreed with the parties involved to terminate both the Placing Agreement and the Subscription Agreement on 26th June, 2009.

董事及控權股東於合約之權益

除下文所披露者及於下述「關連交易」一節所述之協議外，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。於二零零九年十二月三十一日，Longman Limited已借取合共853,000,000港元。

於二零零九年六月二十五日，本公司與Joseph Lau Luen Hung Investments Limited（本公司之主要股東）作為賣方（「賣方」）、劉鑾雄先生作為擔保人、法國巴黎融資（亞太）有限公司及德意志銀行香港分行作為配售代理（「配售代理」）訂立一份配售協議（「配售協議」）。據此，賣方有條件地同意以合法實益擁有人身份出售或安排出售最少118,000,000股配售股份（「配售股份」），而配售代理亦有條件地同意以賣方代理身份安排承配人以配售價介乎每股配售股份13.26港元至14.17港元（「配售價」）認購配售股份。此外，根據配售協議部分之安排及作為先決條件之一，本公司與賣方訂立一份認購協議（「認購協議」）。據此，賣方有條件地同意以認購價（相等於配售價）認購相等於配售股份數目之認購股份。然而，於累計投標過程中，配售股份獲超額認購，惟選擇以配售價上限認購配售股份之擬定承配人僅屬少數。本公司認為繼續進行配售事項並不符合本公司及其股東之整體最佳利益，因此，於二零零九年六月二十六日，本公司與有關各方同意終止配售協議及認購協議。

Directors' Report

董事會報告書

CONNECTED TRANSACTIONS

Connected Transactions

On 2nd September, 2009, several indirect wholly-owned subsidiaries of the Company had entered into eight sets of conditional sale and purchase agreements in relation to, inter alia, the disposal of certain financial instruments and properties located in the United Kingdom to Wisdom Hero Limited (a company wholly-owned by Mr. Joseph Lau) or Mr. Joseph Lau as the case may be at an aggregate consideration of HK\$1,893.6 million (the "Transactions").

Pursuant to the Listing Rules, the Transactions constituted connected transactions of the Company since Mr. Joseph Lau being a director and the sole beneficial owner of Wisdom Hero Limited and as the purchaser of one of the Transactions was a connected person of the Company. The Transactions were therefore subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The Transactions were approved by the independent shareholders of the Company at the special general meeting held on 12th October, 2009 and were completed in October and December 2009 respectively, except one of the Transactions that held a financial instrument which had been revoked prior to completion. Details of the Transactions were set out in the circular of the Company dated 23rd September, 2009.

Continuing Connected Transactions

(1) 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 was 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, 2009, a total sum of HK\$200 million had been drawn by Fancy Mark Limited at the interest rate of HIBOR plus 1% per annum. The loan is repayable on demand upon receiving not less than one month's prior notice from G-Prop.

關連交易

關連交易

於二零零九年九月二日，本公司之數間間接全資擁有附屬公司與Wisdom Hero Limited（由劉鑾雄先生全資擁有之公司）或劉鑾雄先生（視乎情況而定）訂立八份有條件買賣協議，其中包括出售若干金融工具及位於英國之物業，總代價為1,893,600,000港元（「該等交易」）。

根據上市規則，由於劉鑾雄先生為Wisdom Hero Limited之董事及唯一實益擁有人，亦為該等交易中其中之一買方，故為本公司之關連人士，因此該等交易構成本公司之關連交易。該等交易因此須遵守根據上市規則第14A章有關申報、公布及獨立股東批准之規定。

該等交易已獲本公司之獨立股東於二零零九年十月十二日舉行之股東特別大會上通過，並已分別於二零零九年十月及十二月完成（除該等交易中其中一項持有金融工具之交易於完成前被撤回外）。有關該等交易之詳情已刊載於本公司日期為二零零九年九月二十三日之通函內。

持續關連交易

(1) 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（「該貸款交易」）。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、公布及獨立股東批准之規定。

於二零零九年十二月三十一日，Fancy Mark Limited已借取以香港銀行同業拆息加一厘計息合共200,000,000港元之貸款。Fancy Mark Limited須在收到由金匡發出不少於一個月通知之情況下即時償還其貸款。

Directors' Report

董事會報告書

CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

(1) (cont'd)

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.

- (2) On 18th December, 2009, Chinese Estates, Limited ("CEL"), a direct wholly-owned subsidiary of the Company, entered into a contract with Mr. Joseph Lau in respect of the provision of certain management and maintenance services to the properties and related assets owned by Mr. Joseph Lau and/or his associates and related parties commencing on 1st January, 2010 and until 31st December, 2012 (the "Contract"). The annual caps of the service charges payable by Mr. Joseph Lau to CEL under the Contract for each of the three financial years ending 31st December, 2010, 2011 and 2012 were set at HK\$10 million (the "Caps").

Mr. Joseph Lau, being the Chairman and an Executive Director, the Chief Executive Officer and a substantial shareholder of the Company was a connected person of the Company and hence the Contract and the transactions contemplated thereunder constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The applicable percentage ratios of the Caps pursuant to Chapter 14A of the Listing Rules exceeded 0.1% but were expected to be less than 2.5%, hence the Contract and the Caps were only subject to reporting and announcement requirements but exempted from the independent shareholders' approval requirement pursuant to Rule 14A.34 of the Listing Rules.

關連交易 (續)

持續關連交易 (續)

(1) (續)

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，該等條款屬公平合理，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。

- (2) 於二零零九年十二月十八日，本公司之直接全資擁有附屬公司—華人置業有限公司（「華置」）與劉鑾雄先生訂立一份有關就劉鑾雄先生及／或其聯繫人及相關人士擁有之物業及相關資產提供之管理及保養服務之合約，於二零一零年一月一日開始生效，直至二零一二年十二月三十一日止（「該合約」）。劉鑾雄先生根據該合約應付予華置之服務費每年之年度上限於截至二零一零年、二零一一年及二零一二年十二月三十一日止三個財政年度各年均定為10,000,000港元（「年度上限」）。

劉鑾雄先生作為本公司之董事會主席、執行董事、行政總裁兼主要股東，屬本公司之關連人士。因此，根據上市規則第14A章，該合約及據此擬進行之交易構成本公司之持續關連交易。根據上市規則第14A章，年度上限之適用百分比率超過0.1%，惟預期將少於2.5%，因此，根據上市規則第14A.34條，該合約及年度上限僅須遵守申報及公告之規定，獲取獨立股東批准之規定則獲豁免。

Directors' Report

董事會報告書

CONNECTED TRANSACTIONS (cont'd)

Save as aforesaid, there was no other discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules during the Year.

Save as aforesaid, none of the "Material Related Party Transactions" as disclosed in note 55 to the consolidated financial statements for the year ended 31st December, 2009 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

To the extent of the above "Material Related Party Transactions" constituted connected transaction as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

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").

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.

關連交易 (續)

除上文所述外，根據上市規則，本公司於本年度內概無其他須予披露之不獲豁免關連交易或不獲豁免持續關連交易。

除上文所述外，根據上市規則，截至二零零九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「重大關連人士交易」並無構成須予披露之不獲豁免關連交易或不獲豁免持續關連交易。

就上述「重大關連人士交易」構成根據上市規則所界定之關連交易，本公司已於本年度內遵守上市規則第14A章的有關規定。

退休福利計劃

本集團推行兩項退休福利計劃：—

- (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」）。

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。

Directors' Report

董事會報告書

RETIREMENT BENEFIT SCHEMES (cont'd)

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 statement of comprehensive income for the year ended 31st December, 2009 amounted to approximately HK\$5,622,000 (2008: HK\$4,310,000). In addition, an amount of forfeited employer's contributions for the schemes amounted to approximately HK\$320,000 (2008: HK\$192,000) was utilised towards reducing the Group's contributions during the Year and there was no balance available to reduce future contributions (2008: Nil).

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 also intends to attract suitable professional recruits to join the Group and assist in the further development of the Group.

退休福利計劃 (續)

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。

本集團於截至二零零九年十二月三十一日止年度就該等計劃於綜合全面收益報表扣除之總費用約為5,622,000港元（二零零八年：4,310,000港元）。此外，本集團就該等計劃已沒收之僱主供款約為320,000港元（二零零八年：192,000港元），並已於本年度內用作削減供款，因此並沒有餘額可用作減少未來供款（二零零八年：無）。

股份獎勵計劃

股份獎勵計劃（「股份獎勵計劃」）獲本公司股東於二零零九年一月十四日（「採納日期」）舉行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及協助本集團進一步發展。

Directors' Report

董事會報告書

SHARE AWARD SCHEME (cont'd)

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 members 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 be 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 10.65% of the total number of shares in issue at the date of this annual report. No granting of Awarded Shares was made for the Year.

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). As at the date of this Annual Report, the remaining life of the Share Award Scheme is less than 9 years.

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

股份獎勵計劃(續)

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認股權計劃(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10.65%。本集團於本年度內並無授出任何獎勵股份。

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%。

除股份獎勵計劃中任何有關提早終止之條款外，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止)。於本年報日期，股份獎勵計劃尚剩餘之有效期為少於九年。

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內。

Directors' Report

董事會報告書

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.

On behalf of the Board

Joseph Lau, Luen-hung

Chairman

Hong Kong, 30th March, 2010

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指定數額之公眾持股量。

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。

代表董事會

主席

劉鑾雄

香港，二零一零年三月三十日