

Directors' Report

董事會報告書

The directors of the Company (the "Directors" or the "Board") are pleased to 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, 2011 (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, 2011 are set out in Notes 52 and 53 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 pages 71 and 72.

The Board had declared an interim dividend of HK1 cent per share (2010: Nil). No special dividend was declared for the Year (2010: HK40 cents per share). The Board resolved to recommend the payment of a final dividend of HK1 cent per share (2010: HK1 cent) 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 213 and 214.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group as at 31st December, 2011 are set out on pages 215 to 223.

本公司董事（「董事」或「董事會」）欣然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」）截至二零一一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。

營運分類資料

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

本公司於二零一一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52及53。

業績及分配

本集團於本年度之業績載於第71及第72頁之綜合全面收益報表內。

董事會已派付中期股息每股1港仙（二零一零年：無）。本年度並無宣派特別股息（二零一零年：每股40港仙）。董事會議決建議派付本年度之末期股息每股1港仙（二零一零年：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213及第214頁內。

主要物業

本集團於二零一一年十二月三十一日之主要物業詳情載於第215至第223頁內。

PROPERTIES 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.

INVESTMENT PROPERTIES

During the Year, the Group acquired certain leasehold properties in Hong Kong for a total consideration of approximately HK\$926,825,000 (2010: HK\$101,426,000) and a freehold property in the United Kingdom for a consideration of GBP280,000,000 (equivalent to approximately HK\$3,362,492,000) (2010: Nil). Investment properties with an aggregate carrying amounts of approximately HK\$870,682,000 (2010: HK\$3,278,930,000) 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 41 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group during the Year are set out on pages 76 to 79.

As at 31st December, 2011, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted of approximately HK\$2,804,489,000 (2010: HK\$2,708,426,000).

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 39 to the consolidated financial statements.

Interest capitalised during the Year by the Group amounted to HK\$64,910,000 (2010: HK\$43,129,000).

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。

投資物業

於本年度內，本集團以代價總額約926,825,000港元（二零一零年：101,426,000港元）購入若干位於香港之租賃物業，及以代價280,000,000英鎊（相當於約3,362,492,000港元）（二零一零年：無）購入一個位於英國之永久業權物業。本集團於本年度內亦出售總賬面值約870,682,000港元（二零一零年：3,278,930,000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41。

儲備

本集團之儲備於本年度內之變動情況載於第76至第79頁內。

於二零一一年十二月三十一日，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2,804,489,000港元（二零一零年：2,708,426,000港元）。

集團借貸及撥充資本化之利息

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39。

本集團於本年度撥充資本化之利息為64,910,000港元（二零一零年：43,129,000港元）。

PRE-EMPTIVE RIGHTS

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

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

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

CHARITABLE DONATIONS

Charitable donations made by the Group during the Year amounted to HK\$43,226,000 (2010: HK\$438,000).

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 (*Vice Chairman*)

Ms. Amy Lau, Yuk-wai

Independent Non-executive Directors:

Mr. Chan, Kwok-wai

Ms. Phillis Loh, Lai-ping

Mr. Ma, Tsz-chun

Mr. Lau, Ming-wai and Mr. Chan, Kwok-wai will retire from office by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election pursuant to 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).

優先購買權

本公司於百慕達註冊成立，該司法管轄區之法律並無存在優先購買權。

購買、出售或贖回本公司上市證券

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。

慈善捐款

本集團於本年度內之慈善捐款額為43,226,000港元（二零一零年：438,000港元）。

董事

於本年度內及直至本報告書日期止，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（副主席）

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，劉鳴煒先生及陳國偉先生將在即將舉行之股東週年大會上輪席告退為董事，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。

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

As at 31st December, 2011, 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 of Hong Kong Limited (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:—

於二零一一年十二月三十一日，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香港聯合交易所有限公司（「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> | | | 74.94% |
| 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> | | | 74.94% |

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酌情信託之合資格受益人。

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 74.94% 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) Mr. Joseph Lau, by virtue of his 74.94% 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 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I段所披露，劉鑾雄先生因擁有本公司已發行股本中74.94%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I段所披露，劉鑾雄先生因擁有本公司已發行股本中74.94%之權益，故被視為於本公司之間接全資擁有附屬公司巨昇有限公司持有之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持有。

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, 2011.

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, 2011.

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, 2011, 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 | 74.94% |
| Global King (PTC) Ltd. | 1,198,658,948 | (1) | Trustee 信託人 | 62.83% |
| Joseph Lau Luen Hung Investments Limited | 230,984,820 | (2) | Beneficial owner 實益擁有人 | 12.10% |

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二零一一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，於二零一一年十二月三十一日，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，於二零一一年十二月三十一日，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：-

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, 2011, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

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 approximately 8% and 31% 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 suppliers.

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。於二零一一年十二月三十一日，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。

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約佔本集團購貨總額之8%及31%。

董事、董事之聯繫人或本公司股東(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供應商之中擁有權益。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

董事於競爭性業務之權益

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:—

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 Businesses 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

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.

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。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (Cont'd)

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.

In addition, Mr. Joseph Lau had through certain private companies wholly-owned by him (of which Mr. Joseph Lau was a director of such companies throughout the Year; Mr. MW Lau had been a director of certain companies during the Year) acquired the retail shops of York Place, Excelsior Plaza (include Laforet) and Southorn Centre (also known as Wanchai Computer Centre) (the "Private Properties") from the Group in July and August 2010. The Group, in accordance with the term of the respective sale and purchase agreements of the said acquisitions, provided three-year after-sale free leasing agency and management services in respect of the Private Properties, commencing from the respective completion dates of the said acquisitions. There was potential leasing competition for existing and prospective tenancies between the Private Properties and investment properties held by the Group. In order to manage such potential leasing competition, Mr. Joseph Lau had provided certain undertakings and the Company had agreed with the Stock Exchange to implement certain measures for monitoring the compliance of such undertakings. Details of such undertakings and monitoring measures were set out in the circular of the Company dated 18th June, 2010. The Independent Non-executive Directors of the Company had carried out an annual review on the compliance of the said undertakings and monitoring measures and confirmed that such undertakings and monitoring measures were duly complied with and considered adequate monitoring measures were in place to avoid the potential leasing competition.

董事於競爭性業務之權益 (續)

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。

此外，於二零一零年七月及八月，劉鑾雄先生透過若干全資擁有私人公司（劉鑾雄先生於本年度全年為該等公司之董事；劉鳴煒先生於本年度內曾為若干公司之董事）向本集團購入York Place，怡東商場（包括東角Laforet）及修頓中心（亦稱灣仔電腦城）之若干零售商舖（「該等私人物業」）。本集團自上述相關購入事項完成日起，根據該等購入事項之各買賣協議之條款，就該等私人物業提供為期三年之免費租賃代理及管理售後服務。該等私人物業與本集團持有之投資物業之間存在現時及未來租約之潛在租賃競爭。為處理該等潛在租賃競爭，劉鑾雄先生已提供若干承諾，而本公司亦已向聯交所同意就監察該等承諾之遵守情況實施若干措施。有關該等承諾及監察措施之詳情已載於本公司日期為二零一零年六月十八日之通函內。本公司之獨立非執行董事已就上述承諾及監察措施之遵守情況進行年度檢討，並確認已遵守該等承諾及監察措施，並認為本公司已採取充足的監察措施以避免潛在租賃競爭。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (Cont'd)

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 businesses apart from the Company's businesses, which competed or was likely to compete, either directly or indirectly, with the Company's businesses.

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.

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 businesses, 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 businesses 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, expired on 3rd November, 2011 ("First CC Loan"). All such HK\$900 million facility had been drawn by Longman Limited during its term and as at the date immediately before its expiry.

董事於競爭性業務之權益 (續)

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。本公司之獨立非執行董事共三名，全部均為審核委員會成員，故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

本公司或本公司之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。

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，至祥作為貸方，Longman Limited (本公司之間接全資擁有附屬公司)作為借方與本公司作為擔保人簽訂一份於二零一一年十一月三日屆滿，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(「第一至祥貸款」)。於其融資期限內及於緊接在屆滿日期之前，Longman Limited已借取全數900,000,000港元之貸款。

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS (Cont'd)

To continue the said loan arrangement for another term of three years, on 22nd September, 2011, Chi Cheung as lender, Longman Limited as borrower and the Company as guarantor entered into another loan agreement in relation to a three-year revolving facility of up to HK\$900 million, commenced from 3rd November, 2011 and ending on 2nd November, 2014 ("Second CC Loan").

The First CC Loan in the amount of HK\$900 million was deemed to have been repaid on 3rd November, 2011 and the Second CC Loan in the same amount was deemed to have been made on the same date pursuant to the terms of the agreement of the Second CC Loan.

CONNECTED TRANSACTIONS

Connected Transactions

- (1) On 7th November, 2011, Chinese Estates, Limited (being a direct wholly-owned subsidiary of the Company) as vendor entered into a sale and purchase agreement with Marvel Ocean Limited as purchaser (the "Purchaser"), in relation to the disposal of a wholly-owned subsidiary of the Company that hold a residential property known as "LYNX HILL" located at No. 3 Deep Water Bay Road, Hong Kong, at a consideration of HK\$497,238,300.32 (the "Deep Water Bay Road Transaction").

Pursuant to the Listing Rules, the Deep Water Bay Road Transaction constituted a connected transaction for the Company since Mr. Joseph Lau, being a director and the sole beneficial owner of the Purchaser as at the date of the sale and purchase agreement, was a connected person to the Company. As the applicable percentage ratios of the Deep Water Bay Road Transaction were less than 5%, the Deep Water Bay Road Transaction was therefore only subject to the reporting and announcement requirements but was exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules. An announcement in respect of the Deep Water Bay Road Transaction was made on 7th November, 2011.

董事及控權股東於合約之權益 (續)

為了將上述貸款安排再續期三年，於二零一一年九月二十二日，至祥作為貸方，Longman Limited 作為借方與本公司作為擔保人簽訂另一份由二零一一年十一月三日起至二零一四年十一月二日屆滿，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（「第二至祥貸款」）。

根據第二至祥貸款協議之條款，第一至祥貸款金額900,000,000港元被視為已於二零一一年十一月三日償還，而金額相同之第二至祥貸款被視為於同一日借取。

關連交易

關連交易

- (1) 於二零一一年十一月七日，華人置業有限公司（本公司之直接全資擁有附屬公司）作為賣方與Marvel Ocean Limited作為買方（「買方」）訂立一份買賣協議，內容有關出售持有位於香港深水灣道3號，名為LYNX HILL之住宅物業之本公司全資擁有附屬公司，代價為497,238,300.32港元（「深水灣道交易」）。

根據上市規則，由於劉鑾雄先生於該買賣協議日期為買方之董事及唯一實益擁有人，故為本公司之關連人士，因此深水灣道交易構成本公司一項關連交易。由於深水灣道交易之適用百分比率低於5%，故深水灣道交易僅須遵守上市規則第14A章有關申報及公布之規定，獲取獨立股東批准之規定則獲豁免。有關深水灣道交易之公布已於二零一一年十一月七日發出。

CONNECTED TRANSACTIONS (Cont'd)

Connected Transactions (Cont'd)

- (2) On 8th March, 2012, each of Utmost Honest Limited, Jubilee King Limited, Harvest Billion Limited and Keen Dynasty Limited had issued a binding letter of offer to Moon Ocean Ltd., an indirect wholly-owned subsidiary of the Company, pursuant to which each of them offered to purchase certain residential unit(s) of La Scala (the Group's property held for sale) at a consideration of HK\$68,268,600, HK\$81,712,800, HK\$7,593,200 and HK\$13,105,700 respectively (each of the binding letters of offer was referred to as "Utmost Honest Letter", "Jubilee King Letter", "Harvest Billion Letter" and "Keen Dynasty Letter" below).

Superb Ocean Limited had on 8th March, 2012 entered into a preliminary sale and purchase agreement (the "Superb Ocean Agreement") in respect of the purchase of a residential unit of One WanChai (the Group's property held for sale) at a consideration of HK\$9,022,000.

Pursuant to the Listing Rules, the transactions contemplated under Utmost Honest Letter, Jubilee King Letter, Harvest Billion Letter, Keen Dynasty Letter and Superb Ocean Agreement constituted connected transactions for the Company. As at the date of these letters or agreement, Mr. Joseph Lau, was a director and the sole beneficial owner of Utmost Honest Limited; Ms. Chan, Hoi-wan, an associate of Mr. Joseph Lau, was a director and the sole beneficial owner of Jubilee King Limited; and Ms. Mary Lau, Yuk-chun, a sister of Mr. Joseph Lau, was a director and the sole beneficial owner of each of (i) Harvest Billion Limited; (ii) Keen Dynasty Limited; and (iii) Superb Ocean Limited. Therefore, each of Mr. Joseph Lau, Ms. Chan, Hoi-wan and Ms. Mary Lau, Yuk-chun was a connected person to the Company.

As the applicable aggregated percentage ratios in respect of each of (i) the transactions contemplated under Utmost Honest Letter and Jubilee King Letter (taking into account the Deep Water Bay Road Transaction mentioned in (1) above); and (ii) the transactions contemplated under Harvest Billion Letter, Keen Dynasty Letter and Superb Ocean Agreement, was less than 5%, these transactions were only subject to the reporting and announcement requirements but were exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules. An announcement in respect of the said transactions was made on 8th March, 2012.

關連交易(續)

關連交易(續)

- (2) 於二零一二年三月八日，Utmost Honest Limited、Jubilee King Limited、譽萬有限公司及建灝有限公司各自向Moon Ocean Ltd.（本公司之間接全資擁有附屬公司），發出具約束力要約函，分別以代價68,268,600港元、81,712,800港元、7,593,200港元及13,105,700港元，提出購買御海·南灣（本集團持作出售之物業）若干住宅單位（各具約束力要約函於下文稱為「Utmost Honest 函件」、「Jubilee King函件」、「譽萬函件」及「建灝函件」）。

溢泳有限公司於二零一二年三月八日，訂立一份臨時買賣協議，內容有關以代價9,022,000港元購買壹環（本集團持作出售之物業）一個住宅單位（「溢泳協議」）。

根據上市規則，據Utmost Honest函件、Jubilee King函件、譽萬函件、建灝函件及溢泳協議擬進行之交易構成本公司之關連交易。於該等函件或協議日期，劉鑾雄先生為Utmost Honest Limited之董事及唯一實益擁有人；陳凱韻女士（劉鑾雄先生之聯繫人）為Jubilee King Limited之董事及唯一實益擁有人；及劉玉珍女士（劉鑾雄先生之胞妹）為(i)譽萬有限公司；(ii)建灝有限公司；及(iii)溢泳有限公司各自之董事及唯一實益擁有人。因此，劉鑾雄先生、陳凱韻女士及劉玉珍女士各為本公司之關連人士。

由於(i)據Utmost Honest函件及Jubilee King函件（已計入於前述(1)所提及之深水灣道交易）擬進行之交易；及(ii)據譽萬函件、建灝函件及溢泳協議擬進行之交易，各自之適用合併百分比率低於5%，故該等交易僅須遵守上市規則第14A章有關申報及公布之規定，獲取獨立股東批准之規定則獲豁免。有關上述該等交易之公布已於二零一二年三月八日發出。

CONNECTED TRANSACTIONS (Cont'd)

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, expired on 3rd November, 2011, with the Company acting as guarantor for repayment of the loan (the "First GP Loan Transaction"). The First GP 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.

During the term of the First GP Loan Transaction and as at the date immediately before its expiry, 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 was repayable on demand upon receiving not less than one month's prior notice from G-Prop. Pursuant to the terms of the agreement of the Second GP Loan Transaction (as defined in (2) below), the HK\$200 million advance of the First GP Loan Transaction was deemed to have been repaid and replaced by the drawdown in the same amount made under the agreement of the Second GP Loan Transaction on 3rd November, 2011.

Having reviewed the First GP Loan Transaction, the Independent Non-executive Directors of the Company, pursuant to Rule 14A.37 of the Listing Rules on the requirement to carry out an annual review on the continuing connected transaction, confirmed that the First GP 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 it 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, pursuant to Rule 14A.38 of the Listing Rules, confirmed in their letter made in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants (collectively "HKICPA Guidelines") that the First GP Loan Transaction had received the approval of the Board and had been entered into in accordance with the relevant loan agreement.

關連交易 (續)

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 作為借方與金匡作為貸方簽訂一份於二零一一年十一月三日屆滿，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（「第一金匡貸款交易」）。根據上市規則，由於金匡為本公司之關連人士，第一金匡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。

於第一金匡貸款交易之融資期限內及於緊接在屆滿日期之前，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。根據第二金匡貸款交易（定義見下述(2)）之協議條款，第一金匡貸款交易項下貸款金額 200,000,000 港元被視為已於二零一一年十一月三日償還，且被第二金匡貸款交易協議項下相同金額之提取取締。

本公司之獨立非執行董事根據上市規則第 14A.37 條之規定就持續關連交易進行年度檢討，在檢討第一金匡貸款交易後，確認第一金匡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。

本公司之核數師已按照香港會計師公會所頒布之香港核證工作準則 3000「歷史財務信息審計或審閱以外的鑒證業務」，以及參照《實務說明》第 740 號「關於香港《上市規則》所述持續關連交易的核數師函件」（統稱「香港會計師公會準則」），於其根據上市規則第 14A.38 條發出之信件中，確認第一金匡貸款交易已經由董事會批准及根據有關貸款協議進行。

CONNECTED TRANSACTIONS (Cont'd)

Continuing Connected Transactions (Cont'd)

- (2) Before the expiry of the First GP Loan Transaction as mentioned in (1) above, on 22nd September, 2011, Fancy Mark Limited as borrower, G-Prop as lender and the Company as guarantor entered into another loan agreement regarding a three-year revolving facility of up to HK\$300 million, commenced from 3rd November, 2011 and ending on 2nd November, 2014 (the "Second GP Loan Transaction"). The Second GP 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, 2011, a total sum of HK\$300 million had been drawn by Fancy Mark Limited at the interest rate of HIBOR plus 1.5% per annum. The loan was repayable on demand upon receiving not less than one month's prior notice from G-Prop.

Having reviewed the Second GP Loan Transaction, the Independent Non-executive Directors of the Company, pursuant to Rule 14A.37 of the Listing Rules on the requirement to carry out an annual review on the continuing connected transaction, confirmed that the Second GP 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 it 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, pursuant to Rule 14A.38 of the Listing Rules, confirmed in their letter made in accordance with HKICPA Guidelines that the Second GP Loan Transaction had received the approval of the Board and had been entered into in accordance with the relevant loan agreement.

關連交易 (續)

持續關連交易 (續)

- (2) 於上述(1)所提及之第一金匡貸款交易之融資期限屆滿前，於二零一一年九月二十二日，Fancy Mark Limited作為借方、金匡作為貸方及本公司作為擔保人簽訂另一份由二零一一年十一月三日起至二零一四年十一月二日屆滿，有關最多300,000,000港元為期三年之循環貸款融資的貸款協議（「第二金匡貸款交易」）。根據上市規則，由於金匡為本公司之關連人士，第二金匡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。

於二零一一年十二月三十一日，Fancy Mark Limited已借取以香港銀行同業拆息加一點五厘計息合共300,000,000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。

本公司之獨立非執行董事根據上市規則第14A.37條之規定就持續關連交易進行年度檢討，在檢討第二金匡貸款交易後，確認第二金匡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。

本公司之核數師已按照香港會計師公會準則，於其根據上市規則第14A.38條發出之信件中，確認第二金匡貸款交易已經由董事會批准及根據有關貸款協議進行。

CONNECTED TRANSACTIONS (Cont'd)

Continuing Connected Transactions (Cont'd)

- (3) On 18th December, 2009, Chinese Estates, Limited, 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 commenced on 1st January, 2010 and until 31st December, 2012 (the "Contract"). The annual caps of the service charges payable by Mr. Joseph Lau to Chinese Estates, Limited under the Contract for each of the three financial years - 31st December, 2010, 31st December, 2011 and 31st December, 2012, were set at HK\$10 million (the "Caps") as disclosed in the Company's announcement dated 18th December, 2009.

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, announcement and annual review requirements but exempted from the independent shareholders' approval requirement pursuant to the then Rule 14A.34 of the Listing Rules.

Having reviewed the subject continuing connected transactions, the Independent Non-executive Directors of the Company, pursuant to Rule 14A.37 of the Listing Rules on the requirement to carry out an annual review on the continuing connected transactions, confirmed that the transactions were made in the ordinary and usual course of business of the Company (other than those in relation to household management and maintenance services), on normal commercial terms and in accordance with the Contract governing them 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, pursuant to Rule 14A.38 of the Listing Rules, confirmed in their letter made in accordance with HKICPA Guidelines that the subject continuing connected transactions had received the approval of the Board, were in accordance with the pricing policies of the Company, had been entered into in accordance with the Contract and had not exceeded the cap disclosed in the said announcement made on 18th December, 2009.

關連交易 (續)

持續關連交易 (續)

- (3) 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」）。誠如本公司於二零零九年十二月十八日之公布所披露，劉鑾雄先生根據該合約應付予華人置業有限公司之服務費於三個財政年度（即二零一零年十二月三十一日、二零一一年十二月三十一日及二零一二年十二月三十一日）各年之年度上限均定為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，根據當時之上市規則第14A.34條，該合約及年度上限僅須遵守申報、公布及年度檢討之規定，獲取獨立股東批准之規定則獲豁免。

本公司之獨立非執行董事根據上市規則第14A.37條之規定就持續關連交易進行年度檢討，在檢討上述持續關連交易後，確認該等交易屬本公司之日常業務（涉及家居管理及保養服務除外），按照一般商業條款及根據該合約條款進行，該等條款屬公平合理，且符合本公司股東之整體利益。

本公司之核數師已按照香港會計師公會準則，於其根據上市規則第14A.38條發出之信件中，確認上述持續關連交易已經由董事會批准，並按照本公司之定價政策及根據該合約進行，且無超逾於二零零九年十二月十八日之公布中所披露之上限。

CONNECTED TRANSACTIONS (Cont'd)

Continuing Connected Transactions (Cont'd)

- (4) In July and August 2010, the Group had disposed, inter alia, Excelsior Plaza, Laforet and Southorn Centre to the private companies wholly-owned by Mr. Joseph Lau (the "Disposal Transactions").

Subsequent to the completion of the Disposal Transactions, Perfect World Company Limited, the Company's indirect wholly-owned subsidiary, had in accordance with the term of the respective sale and purchase agreements of the Disposal Transactions, entered into the following agreements for a term of three years:-

- (i) property management agreement dated 27th July, 2010 with Sunny Ocean Limited regarding the provision of property management services to Excelsior Plaza ("1st Property Management Agreement");
- (ii) property management agreement dated 20th August, 2010 with Viewide Properties Limited regarding the provision of property management services to Laforet ("2nd Property Management Agreement"); and
- (iii) property management agreement dated 20th August, 2010 with Baharica Limited regarding the provision of property management services to Southorn Centre ("3rd Property Management Agreement")

(collectively the "Property Management Agreements").

Pursuant to the announcement dated 18th May, 2010, the annual caps for the Year of the 1st Property Management Agreement, 2nd Property Management Agreement and 3rd Property Management Agreement were HK\$1,000,000, HK\$12,000,000 and HK\$8,000,000 respectively.

Sunny Ocean Limited, Viewide Properties Limited and Baharica Limited were associates of Mr. Joseph Lau upon completion of the Disposal Transactions, therefore the entering into of the Property Management Agreements constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the aggregate of the expected annual caps of the subject continuing connected transactions as required under Rule 14A.25 of the Listing Rules are less than 5%, the subject continuing connected transactions were only subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

關連交易 (續)

持續關連交易 (續)

- (4) 於二零一零年七月及八月，本集團已出售，其中包括，怡東商場、東角Laforet及修頓中心予由劉鑾雄先生全資擁有之私人公司（「該等出售交易」）。

該等出售交易完成後，忠信物業管理有限公司（本公司之間接全資擁有之附屬公司）已根據該等出售交易之各買賣協議內之條款訂立以下為期三年之協議：—

- (i) 就有關提供物業管理服務予怡東商場，與Sunny Ocean Limited於二零一零年七月二十七日訂立物業管理協議（「第一物業管理協議」）；
- (ii) 就有關提供物業管理服務予東角Laforet，與Viewide Properties Limited於二零一零年八月二十日訂立物業管理協議（「第二物業管理協議」）；及
- (iii) 就有關提供物業管理服務予修頓中心，與Baharica Limited於二零一零年八月二十日訂立物業管理協議（「第三物業管理協議」）

（統稱「該等物業管理協議」）。

根據二零一零年五月十八日之公布，第一物業管理協議，第二物業管理協議及第三物業管理協議截至本年度之年度上限，分別為1,000,000港元，12,000,000港元及8,000,000港元。

於該等出售交易完成後，Sunny Ocean Limited，Viewide Properties Limited及Baharica Limited為劉鑾雄先生之聯繫人，因此，根據上市規則第14A章，訂立該等物業管理協議構成本公司之持續關連交易。由於上市規則第14A.25條項下規定上述持續關連交易之總計預期年度上限之適用百分比少於5%，故根據上市規則第14A.34條，上述持續關連交易僅須遵守上市規則有關申報、公布及年度檢討之規定，而獲豁免有關獨立股東批准之規定。

CONNECTED TRANSACTIONS (Cont'd)

Continuing Connected Transactions (Cont'd)

(4) (Cont'd)

Having reviewed the subject continuing connected transactions, the Independent Non-executive Directors of the Company, pursuant to Rule 14A.37 of the Listing Rules on the requirement to carry out an annual review on the continuing connected transactions, confirmed that the transactions were made in the ordinary and usual course of business of the Company, on normal commercial terms and in accordance with the Property Management Agreements governing them 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, pursuant to Rule 14A.38 of the Listing Rules, confirmed in their letter made in accordance with HKICPA Guidelines that the subject continuing connected transactions had received the approval of the Board, were in accordance with the pricing policies of the Company, had been entered into in accordance with the Property Management Agreements and had not exceeded the annual caps disclosed in the announcement made on 18th May, 2010.

Potential Leasing Competition

As mentioned in "Directors' Interests in Competing Businesses" section of this report, subsequent to the completion of the Disposal Transactions, there was potential leasing competition for existing and prospective tenancies between the Private Properties, being properties owned by Mr. Joseph Lau, and the investment properties held by the Group.

In the course of carrying out an annual review on the subject continuing connected transactions, the Independent Non-executive Directors of the Company had also carried out an annual review on the compliance of the undertakings in respect of the said potential leasing competition provided by Mr. Joseph Lau and the corresponding monitoring measures implemented by the Company, and confirmed that such undertakings and monitoring measures were duly complied with and considered adequate monitoring measures were in place to avoid the potential leasing competition.

Save as aforesaid, there were no other discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules during the Year and up to the date of this report.

關連交易 (續)

持續關連交易 (續)

(4) (續)

本公司之獨立非執行董事根據上市規則第14A.37條之規定就持續關連交易進行年度檢討，在檢討上述持續關連交易後，確認該等交易屬本公司之日常業務，按照一般商業條款及根據有關該等物業管理協議條款進行，該等條款屬公平合理，且符合本公司股東之整體利益。

本公司之核數師已按照香港會計師公會準則，於其根據上市規則第14A.38條發出之信件中，確認上述持續關連交易已經由董事會批准，並按照本公司之定價政策及根據該等物業管理協議進行，且無超逾於二零一零年五月十八日之公布所披露之年度上限。

潛在租賃競爭

誠如於本報告書中「董事於競爭性業務之權益」一節所述，於該等出售交易完成後，該等私人物業（即由劉鑾雄先生持有之物業）與本集團持有之投資物業之間存在現時及未來租約之潛在租賃競爭。

本公司之獨立非執行董事在就上述持續關連交易進行年度檢討之過程中，亦就劉鑾雄先生對於上述潛在租賃競爭所作出之承諾以及本公司實施之相應監察措施之遵守情況進行年度檢討，並確認已遵守該等承諾及監察措施，亦認為本公司已採取充足的監察措施以避免潛在租賃競爭。

除上文所述外，根據上市規則，本公司於本年度內及截至本報告書日期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。

CONNECTED TRANSACTIONS (Cont'd)

Continuing Connected Transactions (Cont'd)

Save as aforesaid, none of the "Material Related Party Transactions" as disclosed in Note 51 to the consolidated financial statements for the year ended 31st December, 2011 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.

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.

關連交易 (續)

持續關連交易 (續)

除上文所述外，根據上市規則，截至二零一一年十二月三十一日止年度綜合財務報表內附註51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。

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。

RETIREMENT BENEFIT SCHEMES (Cont'd)

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 Scheme as mentioned above.

The Group's total cost for the schemes charged to consolidated statement of comprehensive income for the year ended 31st December, 2011 amounted to approximately HK\$8,177,000 (2010: HK\$6,846,000). In addition, an amount of forfeited employer's contributions for the schemes amounted to approximately HK\$483,000 (2010: HK\$397,000) was utilised towards reducing the Group's contributions during the Year and the balance available to reduce future contributions amounted to approximately HK\$29,000 (2010: HK\$42,000).

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 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 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 qualify 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.

退休福利計劃(續)

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」）。補足部分旨在向基本月薪逾20,000港元及／或服務年期逾5年，參加強積金計劃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。

本集團於截至二零一一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費用總額約為8,177,000港元（二零一零年：6,846,000港元）。此外，本集團就該等計劃已沒收之僱主供款約為483,000港元（二零一零年：397,000港元），並已於本年度內用作削減供款，餘額約29,000港元（二零一零年：42,000港元）可用作減少未來供款。

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」）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。

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。

SHARE AWARD SCHEME (Cont'd)

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 10.89% of the total number of shares in issue at the date of this 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 report, the remaining life of the Share Award Scheme is less than 7 years.

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

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") whose term of office will expire upon the conclusion of the forthcoming annual general meeting. In March 2012, the practice of HLB was reorganised as HLB Hodgson Impey Cheng Limited. A resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the ensuing year will be proposed to the shareholders at the forthcoming annual general meeting.

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

Hong Kong, 16th March, 2012

股份獎勵計劃(續)

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%），相當於截至本報告書日期之已發行股份約10.89%。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（即至二零一九年一月十三日止）。於本報告書日期，股份獎勵計劃尚剩餘之有效期為少於七年。

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。

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書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，彼將於即將舉行之股東週年大會結束時任滿。於二零一二年三月，國衛重組為國衛會計師事務所有限公司。本公司將於即將舉行之股東週年大會上，就委任國衛會計師事務所有限公司為本公司來年之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，二零一二年三月十六日