

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 31 December 2009 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 39 to the consolidated financial statements.

REVENUE AND 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 JOINTLY CONTROLLED ENTITIES

Particulars of the Company's principal subsidiaries and jointly controlled entities as at 31 December 2009 are set out in notes 39 and 40 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 39.

No interim dividend was declared for the Year (2008: Nil). The Board resolved to recommend the payment of a final dividend of HK0.1 cent per share for the Year (2008: Nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 111.

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

本公司為投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註39。

收益及經營分類資料

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。

附屬公司及共同控制機構

本公司於二零零九年十二月三十一日之主要附屬公司及共同控制機構之詳情分別載於綜合財務報表附註39及40。

業績及分派

本集團於本年度之業績載於第39頁之綜合全面收入報表。

本年度並無宣派中期股息（二零零八年：無）。董事會議決建議派發本年度之末期股息每股0.1港仙（二零零八年：無）。

財務概要

本集團過往五年之業績、資產及負債概要載於第111頁。

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INVESTMENT PROPERTIES

Movements in investment properties during the Year are set out in note 16 to the consolidated financial statements.

A summary of the investment properties held by the Group as at 31 December 2009 is set out in the schedule of properties on page 112.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the Year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in note 28 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group during the Year are set out on page 42 of the consolidated financial statements.

As at 31 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\$57,222,000 (2008: HK\$54,351,000).

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 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.

投資物業

投資物業於本年度內之變動情況載於綜合財務報表附註16。

本集團於二零零九年十二月三十一日持有之投資物業之概要載於第112頁之物業附表。

物業、廠房及設備

物業、廠房及設備於本年度內之變動情況載於綜合財務報表附註18。

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28。

儲備

本集團之儲備於本年度內之變動情況載於綜合財務報表第42頁。

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例（經修訂）之規定所計算，本公司之可供分派儲備約為57,222,000港元（二零零八年：54,351,000港元）。

優先購買權

本公司於百慕達註冊成立，該司法轄區之法律並無優先購買權存在。

購回、出售或贖回上市證券

於本年度內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

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DIRECTORS

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

Executive Directors

Mr. Kong, Chi-ming (*Deputy Chairman*)

Mr. Leung, Wing-pong (*Chief Executive Officer*)

Independent Non-executive Directors

Dr. David Chain, Chi-woo

Mr. Lam, Yat-fai

Mr. Leung, Yun-fai

Pursuant to Bye-law 87 of the Bye-laws of the Company, Dr. David Chain, Chi-woo and Mr. Lam, Yat-fai will retire from office by rotation at the forthcoming annual general meeting of the Company and being eligible, offer themselves for re-election.

SERVICE CONTRACTS OF DIRECTORS

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVE(S)' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2009, none of the Directors, chief executive(s) nor their associates, had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company under section 352 of the Securities and Futures Ordinance (the "SFO"), or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

董事

本年度及直至本報告日期止，董事為：

執行董事

江志明先生（副主席）

梁榮邦先生（行政總裁）

獨立非執行董事

錢其武醫生

林日輝先生

梁潤輝先生

根據本公司之公司細則第87條，錢其武醫生及林日輝先生將於本公司應屆股東週年大會上輪值告退，並符合資格及願意膺選連任。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本集團訂立不可於一年內終止之服務合約兼毋須支付賠償（法定賠償除外）。

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，概無董事、最高行政人員或彼等之聯繫人於本公司或其相聯法團之股份、相關股份或債券而須記錄於本公司按證券及期貨條例（「證券及期貨條例」）第352條而存置之登記冊內之任何權益或淡倉，或依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」）所載《上市發行人董事進行證券交易的標準守則》須知會本公司及聯交所之任何權益或淡倉。

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SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 31 December 2009, so far as are known to any Director or chief executive of the Company, the following parties (other than a Director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

主要股東於本公司之證券權益

據董事及本公司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%或以上之權益之人士（董事或本公司最高行政人員除外）如下：

Name of Substantial Shareholders 主要股東名稱	Number of Shares (ordinary share) 股份數目 (普通股)	Capacity 身份	Notes 附註	Percentage of Issued Share Capital 已發行股本百分比
Mr. Joseph Lau, Luen-hung ("Mr. Lau") 劉鑾雄先生（「劉先生」）	1,512,059,473	Founder of trust; beneficiary of trust and interest of controlled corporations 信託創立人、信託受益人及受控制公司之權益	1 & 3	62.26%
Asian Kingdom Limited	493,678,883	Beneficial owner 實益擁有人	1	20.33%
Crown Jade Limited	493,678,883	Interest of controlled corporation 受控制公司之權益	1	20.33%
Global King (PTC) Ltd.	1,018,380,590	Trustee 信託人	2	41.93%
GZ Trust Corporation	1,018,380,590	Trustee, beneficiary of trust and interest of controlled corporations 信託人、信託受益人及受控制公司之權益	2	41.93%
Chinese Estates Holdings Limited ("Chinese Estates") （「華置」）	1,018,380,590	Interest of controlled corporations 受控制公司之權益	2	41.93%
Mass Rise Limited ("Mass Rise") 巨昇有限公司（「巨昇」）	1,018,380,590	Beneficial owner 實益擁有人	2	41.93%

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

Notes:

1. The entire issued share capital of Asian Kingdom Limited is owned by Crown Jade Limited, the entire issued share capital of which is wholly owned by Mr. Lau. Crown Jade Limited and Mr. Lau were deemed to be interested in the same parcel of shares in which Asian Kingdom Limited was interested.
2. GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King (PTC) Ltd. was the trustee. Global King (PTC) Ltd. is entitled to exercise more than one-third of the voting power at general meetings of Chinese Estates. Chinese Estates owns the entire issued share capital of Mass Rise. Accordingly, each of Global King (PTC) Ltd., GZ Trust Corporation and Chinese Estates was deemed to be interested in the same interests stated against Mass Rise.
3. Mr. Lau, by virtue of his 73.31% interests in the issued share capital of Chinese Estates, was deemed to be interested in the same interests stated against Chinese Estates.

All the interests stated above represented long position which included interests in shares and underlying shares. As at 31 December 2009, no short position was recorded in the register kept by the Company under section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2009, none of the Directors were interested in any business 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, its subsidiaries, its holding company or its holding 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 in the "Connected Transactions" as mentioned below, there were no 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.

主要股東於本公司之證券權益 (續)

附註：

1. Asian Kingdom Limited之全部已發行股本由Crown Jade Limited擁有，而Crown Jade Limited之全部已發行股本由劉先生全資擁有。Crown Jade Limited及劉先生被視為於Asian Kingdom Limited擁有權益之同一批股份中擁有權益。
2. GZ Trust Corporation (作為一項酌情信託之信託人)持有一項由Global King (PTC) Ltd.任信託人之單位信託基金之單位。Global King (PTC) Ltd. 有權於華置之股東大會行使三分之一以上之投票權。華置擁有巨昇全部已發行股本。因此，Global King (PTC) Ltd.、GZ Trust Corporation及華置各被視為擁有巨昇所擁有之同等權益。
3. 由於劉先生擁有華置之已發行股本73.31%權益，故被視為擁有華置所擁有之同等權益。

上述所有權益均為好倉(包括股份及相關股份之權益)。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條存置之登記冊中並無任何淡倉記錄。

董事於競爭性業務之權益

於二零零九年十二月三十一日，董事概無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、其附屬公司、其控股公司或其控股公司之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

除以下「關連交易」所述者外，本公司或本公司之任何附屬公司概無於年結時或本年度內任何時間訂立與本公司業務有關之重大合約而董事於其中直接或間接擁有重大權益，亦概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重大合約。

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CONNECTED TRANSACTIONS

In November 2008, the Company as lender entered into a conditional loan agreement with Fancy Mark Limited ("Fancy Mark"), a wholly-owned subsidiary of Chinese Estates as borrower, granting a three-year revolving facility of up to HK\$200 million, with Chinese Estates acting as guarantor for repayment of the loan (the "Loan Transaction").

According to the Listing Rules, the Loan Transaction constituted the continuing connected transactions of the Company and was approved by the independent shareholders of the Company at the special general meeting held on 12 December 2008.

As at 31 December 2009, the Company had advanced a total of HK\$200 million to Fancy Mark at the interest rate of HIBOR plus 1% per annum. The loan is repayable on demand upon serving not less than one month's prior notice to Fancy Mark.

Having reviewed the 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 annual review on the continuing connected transactions, confirmed that the Loan Transaction, notwithstanding that it was not made in the ordinary and usual course of business of the Company, was made 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.

Pursuant to Rule 14A.38 of the Listing Rules, the auditors of the Company confirmed that the Loan Transaction:

- (1) had received the approval of the Board;
- (2) had been entered into in accordance with the relevant agreement governing the Loan Transaction; and
- (3) had not exceeded the cap disclosed in the previous announcement made on 4 November 2008.

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

關連交易

於二零零八年十一月，本公司作為貸方與一間華置之全資附屬公司Fancy Mark Limited（「Fancy Mark」）作為借方簽訂一份有條件貸款協議，提供最高200,000,000港元為期三年之循環貸款，而華置則就償還貸款作為擔保人（「貸款交易」）。

根據上市規則，該貸款交易構成本公司一項持續關連交易，並已於二零零八年十二月十二日舉行之股東特別大會取得本公司之獨立股東批准。

於二零零九年十二月三十一日，本公司以香港銀行同業拆息加一厘之年利率貸款總共200,000,000港元予Fancy Mark。本公司可給予Fancy Mark不少於一個月之事先通知後要求其即時償還貸款。

在審閱該貸款交易後，本公司之獨立非執行董事，根據上市規則第14A.37條就持續關連交易進行週年審閱之規定，確認儘管該貸款交易並非本公司之日常業務，該交易是按照一般商業條款，並根據相關貸款協議條款進行，而交易條款屬公平及合理，且符合本公司股東之整體利益。

本公司核數師已就上市規則第14A.38條確認該貸款交易：

- (1) 已經由董事會批准；
- (2) 乃根據該貸款交易之有關協議條款進行；及
- (3) 並無超逾先前於二零零八年十一月四日公布披露之上限。

除上文所述外，本年度內並無其他根據上市規則須作出披露之不獲豁免關連交易或不獲豁免持續關連交易。

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CONNECTED TRANSACTIONS (cont'd)

Related party transactions, including the said continuing connected transactions, entered into by the Group for the year ended 31 December 2009 are disclosed in note 37 to the consolidated financial statements.

To the extent of the related party transactions as disclosed in note 37 to the consolidated financial statements constituted continuing connected transactions, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

Remuneration package comprised salaries and year-end bonuses based on individual merits. The Company had adopted a share option scheme since 15 February 2002 (the "2002 Scheme"). Details of the 2002 Scheme are set out in note 32 to the consolidated financial statements. There were no outstanding options at the beginning and at the end of the Year. No options were granted, exercised, cancelled or lapsed during the Year.

RETIREMENT BENEFIT SCHEMES

The Group operates two defined contribution retirement benefit schemes. Particulars of both schemes are set out in note 34 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's largest customer and five largest customers accounted for approximately 21.35% and 81.49% respectively, of the Group's total turnover for the Year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for approximately 58.70% and 99.83% respectively, of the Group's total purchases for the Year.

None of the Directors, their associates, or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in any of the five largest customers of the Group.

None of the Directors and their associates but a substantial shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in one of the five largest suppliers of the Group.

關連交易 (續)

截至二零零九年十二月三十一日止，由本集團進行之關連人士交易，包括上述持續關連交易，已於綜合財務報表附註37披露。

就綜合財務報表附註37所披露之關連人士交易，倘構成根據上市規則所界定之持續關連交易，本公司已於本年度遵守上市規則第14A章的有關規定。

酬金政策及認股權計劃

酬金待遇包括薪金及按個別表現釐定之年終花紅。自二零零二年二月十五日，本公司採納認股權計劃（「二零零二年計劃」）。二零零二年計劃之詳情載於綜合財務報表附註32。本年初及年終並無認股權尚未行使。本年度亦無授出、行使、註銷或已經失效之認股權。

退休福利計劃

本集團推行兩項定額供款退休福利計劃。兩項計劃之詳情載於綜合財務報表附註34。

主要客戶及供應商

本集團最大客戶及五大客戶之營業總額分別約佔本集團本年度營業總額之21.35%及81.49%。

本集團最大供應商及五大供應商之購貨總額分別約佔本集團本年度購貨總額之58.70%及99.83%。

概無董事，其聯繫人或任何股東（就董事所知擁有本公司股本超過5%）於本集團任何五大客戶之中擁有權益。

概無董事及其聯繫人於本集團五大供應商其中之一間擁有權益，惟有一主要股東（就董事所知擁有本公司股本超過5%）於本集團五大供應商其中之一間擁有權益。

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ADVANCES TO AN ENTITY

As at 31 December 2009, pursuant to Rule 13.20 of the Listing Rules, the Group had made advances of HK\$200 million at HIBOR plus 1% per annum to Fancy Mark, a wholly-owned subsidiary of Chinese Estates, the holding company of the Company. The loan had been granted for the capital expenditure and general working capital of Chinese Estates and its subsidiaries. The loan is a three-year revolving facility, with Chinese Estates acting as the guarantor, but is unsecured, and repayable on demand with maturity date on 3 November 2011.

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

Kong, Chi-ming

Deputy Chairman

Hong Kong, 16 March 2010

給予某實體的貸款

於二零零九年十二月三十一日，根據上市規則第13.20條，本集團向母公司華置之全資附屬公司Fancy Mark提供年利率以香港銀行同業拆息加一厘計息之貸款總共200,000,000港元。該貸款乃供華置及其附屬公司用作資本開支及作為一般營運資金用途。該貸款乃三年期循環貸款，並由華置作為擔保人，但無抵押而須於通知時償還，其到期還款日為二零一一年十一月三日。

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

副主席

江志明

香港，二零一零年三月十六日