



CHI CHEUNG INVESTMENT COMPANY, LIMITED

至祥置業有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)

Stock Code 股份代號 :112

ANNUAL REPORT

年報

2012

至祥

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* Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

* 倘中英文版本出現歧義，概以英文版本為準。

Corporate Information 公司資料

DIRECTORS

Executive Directors:

Yang, Longfei (*Chairman*)
Dai, Hui

Non-executive Directors:

Lee, Vincent Marshall Kwan Ho
Lam, Kwong-wai
Yang, Shao Xing Max

Independent Non-executive Directors:

Fan, Ren Da Anthony
Fan, Chun Wah Andrew
Lau, Yu Fung Wilson

AUDIT COMMITTEE

Fan, Chun Wah Andrew (*Chairman*)
Fan, Ren Da Anthony
Lau, Yu Fung Wilson

REMUNERATION COMMITTEE

Fan, Ren Da Anthony (*Chairman*)
Fan, Chun Wah Andrew
Lau, Yu Fung Wilson

NOMINATION COMMITTEE

Fan, Ren Da Anthony (*Chairman*)
Fan, Chun Wah Andrew
Lau, Yu Fung Wilson

COMPANY SECRETARY

Lam, Yuen Ling Eva

AUDITOR

HLB Hodgson Impey Cheng Limited
Chartered Accountants
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

董事

執行董事:

楊龍飛(*主席*)
戴輝

非執行董事:

李君豪
林光蔚
楊少星

獨立非執行董事:

范仁達
范駿華
劉裕豐

審核委員會

范駿華(*主席*)
范仁達
劉裕豐

薪酬委員會

范仁達(*主席*)
范駿華
劉裕豐

提名委員會

范仁達(*主席*)
范駿華
劉裕豐

公司秘書

林婉玲

核數師

國衛會計師事務所有限公司
英國特許會計師
香港執業會計師
香港中環
畢打街11號
置地廣場
告羅士打大廈31樓

PRINCIPAL BANKERS

Chong Hing Bank Limited
Standard Chartered Bank (Hong Kong) Limited

REGISTERED OFFICE

Unit 2201, Tower 1
Lippo Centre
89 Queensway
Admiralty, Hong Kong

REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

WEBSITE

<http://www.chicheung.com>

STOCK CODE

112

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

For enquiries relating to investor relations, please contact:

Tel: (852) 2530 3313
Fax: (852) 3102 9203
E-mail: contactus@chicheung.com

主要往來銀行

創興銀行有限公司
渣打銀行(香港)有限公司

註冊辦事處

香港金鐘
金鐘道89號
力寶中心
1座2201室

股份過戶登記處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

網址

<http://www.chicheung.com>

股份代號

112

買賣單位

2,000 股

投資關係

有關投資關係之查詢，請聯絡：

電話：(852) 2530 3313
傳真：(852) 3102 9203
電郵： contactus@chicheung.com

Profiles of Directors

董事簡介

EXECUTIVE DIRECTORS

Mr. Yang Longfei (“Mr. Yang”), aged 47, was appointed as the executive director and chairman of the Company on 7th February, 2013 and 28th February, 2013 respectively. He is also the founder and sole director of China Lerthai Commercial Real Estate Holdings Limited. Mr. Yang is also the sole ultimate shareholder and the chairman of the board of directors of China Lerthai Commercial Real Estate Group Limited. Mr. Yang has approximately 15 years of experience in commercial retail and approximately 8 years of experience in property investment. Mr. Yang has also been appointed as director of all the subsidiaries of the Company, namely, Chi Cheung Management Services Limited, Chi Cheung (Nominees) Limited and Jumbo Legend Limited.

Mr. Yang is the father of Mr. Yang, Shao Xing Max, one of the non-executive directors of the Company.

Ms. Dai Hui (“Ms. Dai”), aged 42, was appointed as the executive director and authorised representative of the Company on 7th February, 2013. She joined China Lerthai Commercial Real Estate Group Limited in 2009 and is currently the financial controller of China Lerthai Commercial Real Estate Holdings Limited. Prior to October 2009, Ms. Dai was the financial controller of 河北保龍倉商業連鎖經營有限公司 (Hebei Baolongcang Commercial Chain Operators Co., Ltd.*) from 1996 to 2009. Ms. Dai has over 10 years of experience in corporate financing and accounting management. Ms. Dai has also been appointed as director of all the subsidiaries of the Company, namely, Chi Cheung Management Services Limited, Chi Cheung (Nominees) Limited and Jumbo Legend Limited. Ms. Dai obtained a Master of Business Administration degree from The Open University of Hong Kong in 2007 and is currently attending an Executive Master of Business Administration program at The Chinese University of Hong Kong.

NON-EXECUTIVE DIRECTORS

Mr. Lee, Vincent Marshall Kwan Ho (“Mr. Lee”), Officer of the Order of the Crown (Belgium), aged 57, was appointed as a non-executive director of the Company on 27th March, 2013. He is the chairman of Tung Tai Group of Companies. He has been serving as independent non-executive director of Hong Kong Exchanges and Clearing Limited (Stock Code: 388) since 2000 and is the deputy chairman of audit committee, member of executive committee and panel member of nomination committee, chairman of cash market consultative panel and chairman of disciplinary appeals committee. He was appointed as an independent non-executive director of the Kingway Brewery Holdings Limited (Stock Code: 124) in March 2009 and is the chairman of the audit committee and member of the remuneration committee and the nomination committee.

Mr. Lee has over 30 years of experience in the securities and futures industry and has extensive experience in banking, corporate finance and investment. He worked for Coopers and Lybrand, Los Angeles & Boston from 1978 to 1981; HSBC group, Hong Kong & Vancouver from 1981 to 1990.

* For identification purposes only

執行董事

楊龍飛先生（「楊先生」），現年47歲，分別於二零一三年二月七日及二零一三年二月二十八日獲委任為本公司之執行董事及主席，彼亦為中國勒泰商業地產控股有限公司之創辦人兼唯一董事。楊先生亦為中國勒泰商業地產集團有限公司之唯一最終股東兼董事會主席。楊先生於商業零售方面擁有約十五年經驗，而於物業投資方面亦擁有約八年經驗。楊先生亦已獲委任為本公司所有附屬公司（即至祥管理服務有限公司、Chi Cheung (Nominees) Limited 及 Jumbo Legend Limited）之董事。

楊先生為本公司其中一名非執行董事楊少星先生之父親。

戴輝女士（「戴女士」），現年42歲，於二零一三年二月七日獲委任為本公司之執行董事及授權代表。彼於二零零九年加入中國勒泰商業地產集團有限公司，現為中國勒泰商業地產控股有限公司之財務總監。於二零零九年十月前，戴女士曾於一九九六年至二零零九年期間出任河北保龍倉商業連鎖經營有限公司之財務總監。戴女士於企業融資及會計管理方面擁有逾十年經驗。戴女士亦已獲委任為本公司所有附屬公司（即至祥管理服務有限公司、Chi Cheung (Nominees) Limited 及 Jumbo Legend Limited）之董事。戴女士於二零零七年取得香港公開大學之工商管理碩士學位，現於香港中文大學修讀行政人員工商管理碩士課程。

非執行董事

李君豪先生（「李先生」），比利時官佐勳銜，57歲，於二零一三年三月二十七日獲委任為本公司之非執行董事。彼為東泰集團主席，彼自二零零零年起為香港交易及結算有限公司（股份代號：388）獨立非執行董事，為該公司稽核委員會副主席、常務委員會委員、諮詢小組提名委員會成員、現貨市場諮詢小組主席及紀律上訴委員會主席。於二零零九年三月獲委任為金威啤酒集團有限公司（股份代號：124）獨立非執行董事，為該公司審核委員會主席、薪酬委員會及提名委員會成員。

李先生於證券及期貨業擁有逾30年經驗，在銀行、企業財務及投資方面亦具備豐富經驗。彼曾於一九七八年至一九八一年任職 Coopers and Lybrand 會計師事務所（洛杉磯及波士頓），於一九八一年至一九九零年在匯豐銀行集團（香港及溫哥華）工作。

* 僅供識別

He undertook a number of public service and community activities. In January 2013, he was appointed as a Non-official Member of Financial Services Development Council. He is at present a Vice-Chairman of Standing Committee of the Hong Kong Association For The Promotion of Peaceful Reunification of China. He has been a member of Correctional Services Children's Education Trust Committee and is the Chairman of Sir Murray MacLehose Trust Fund Investment Advisory Committee. He was also a part-time member of Central Policy Unit of the Government of the HKSAR from 2007 to 2008, a member of Academic and Accreditation Advisory Committee of Securities and Futures Commission from 2002 to 2006 and a member of Securities and Futures Appeals Tribunal from 2003 to 2009. He has been a founding member of Canadian International School of Hong Kong Limited since 1990 and acted as its Chairman from 2006 to 2008 and Chairman of the Institute of Securities Dealers Limited from 2005 to February 2009.

Mr. Lee graduated Magna Cum Laude in Accounting and International Finance from the University of Southern California, USA and received a Master of Economics from the London School of Economics and Political Science at the University of London, UK. He is a Certified Public Accountant in State of California, USA and fellow member of Hong Kong Institute of Certified Public Accountants.

Mr. Lam, Kwong-wai ("Mr. Lam"), aged 57, was appointed as the non-executive director of the Company on 7th February, 2013. He was the former group financial controller and company secretary of the Company. He is an executive director, group financial controller and company secretary of Chinese Estates Holdings Limited (Stock code: 127). He was also a non-executive director of G-Prop (Holdings) Limited (Stock code: 286) during the period from 14th August, 2012 to 8th March, 2013. Mr. Lam is a Certified Public Accountant (Practising) in Hong Kong. He holds a Master Degree in Business Administration from the University of Warwick, United Kingdom. Mr. Lam has over 34 years of experience in auditing, finance and accounting.

Mr. Yang, Shao Xing Max, aged 23, was appointed as a non-executive director of the Company on 27th March, 2013. He has been actively involved in real estate business in the People's Republic of China and he is the chief executive officer of Lerthai Investment Company. He graduated from the University of Southern California, U.S.A. with a Bachelor of Art degree in Economics.

Mr. Yang, Shao Xing Max is the son of Mr. Yang, the executive director and the chairman of the Company.

李先生擔任多項公職及社會服務，於二零一三年一月獲香港金融發展局委任為非官方委員。彼現任中國和平統一促進會香港總會常務副會長。彼為麥理浩爵士信託基金投資顧問委員會主席和懲教署人員子女教育信託基金投資顧問委員會委員。於二零零七年至二零零八年間曾任香港特區政府中央政策組非全職顧問，於二零零二年至二零零六年為證券及期貨事務監察委員會之學術評審諮詢委員會委員，及於二零零三年至二零零九年為證券及期貨事務上訴審裁處委員。自一九九零年起為香港加拿大國際學校有限公司之創辦委員會委員及於二零零六年至二零零八年擔任主席，及於二零零五年至二零零九年二月出任證券商協會有限公司之主席。

李先生以 Magna Cum Laude 榮譽畢業於會計及財務學系(美國南加州大學)及於英國倫敦大學經濟及政治學院獲得經濟學碩士。彼為特許會計師(美國加州)及香港會計師公會的資深會員。

林光蔚先生(「林先生」)，現年57歲，於二零一三年二月七日獲委任為本公司之非執行董事，彼亦為本公司之前集團財務總監及公司秘書。彼為Chinese Estates Holdings Limited(股份代號：127)之執行董事、集團財務總監及公司秘書。彼亦曾於二零一二年八月十四日至二零一三年三月八日期間出任金匡企業有限公司(股份代號：286)之非執行董事。林先生為香港執業會計師。彼持有英國華威大學工商管理學碩士學位。林先生在核數、財務及會計方面累積逾三十四年經驗。

楊少星先生，23歲，於二零一三年三月二十七日獲委任為本公司之非執行董事。彼一直積極參與中華人民共和國的房地產業務，並為Lerthai Investment Company之行政總裁。彼畢業於美國南加州大學，並取得經濟學文學士學位。

楊少星先生為本公司執行董事兼主席楊先生之兒子。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fan, Ren Da Anthony, aged 52, was appointed as an independent non-executive director of the Company, chairman of the remuneration committee and nomination committee and member of audit committee of the Company on 27th March, 2013. He holds a Master's degree in Business Administration from the University of Dallas from the United States of America. He is the chairman and managing director of AsiaLink Capital Limited. He held senior positions in various international financial organizations in the past. He is also an independent non-executive director of Uni-President China Holdings Ltd. (Stock Code: 220), Raymond Industrial Limited (Stock Code: 229), Shanghai Industrial Urban Development Group Limited (Stock Code: 563), China Development Bank International Investment Limited (Stock Code: 1062), Technovator International Limited (Stock Code: 1206), Guodian Technology & Environment Group Corporation Limited (Stock Code: 1296), Renhe Commercial Holdings Company Limited (Stock Code: 1387), Hong Kong Resources Holdings Company Limited (Stock Code: 2882), CITIC Resources Holdings Limited (Stock Code: 1205) and Tenfu (Cayman) Holdings Company Limited (Stock Code: 6868), and all listed on the Main Board of the Stock Exchange. On 12th July, 2012, he resigned as the independent non-executive director of World Union Property consultant listed on the Shenzhen Stock Exchange. On 2nd June, 2011, he resigned as an independent non-executive director of Chinney Alliance Group Limited (Stock Code: 385) listed on the Main Board of the Stock Exchange.

Mr. Fan, Chun Wah Andrew, aged 34, was appointed as an independent non-executive director, chairman of the audit committee and members of the remuneration committee and the nomination committee of the Company on 27th March, 2013. He is a practising certified public accountant in Hong Kong with over 7 years of experience. He holds a Bachelor degree of Business Administration (Accounting and Finance) from the University of Hong Kong and a Bachelor degree in Laws from the University of London. He is a practicing CPA under the name of C. W. Fan & Co. and prior to that, he was a vice president of Citigroup and a manager of PricewaterhouseCoopers, Hong Kong. Mr. Fan, Chun Wah Andrew is a member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants. He is also a committee member of the tenth and eleventh Chinese People's Political Consultative Conference of the Zhejiang Province, the fourth and fifth Chinese People's Political Consultative Conference of Shenzhen and the vice chairman of Zhejiang Province United Young Association. Mr. Fan, Chun Wah Andrew is an independent non-executive director of CIG Yangtze Ports PLC (Stock Code: 8233), the shares of which are listed on the Growth Enterprises Market of the Stock Exchange. He is also an independent non-executive director of Milan Station Holdings Limited (Stock code: 1150) and Chuang's China Investments Limited (Stock Code: 298), both of them are the companies listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Far East Holdings International Limited (Stock Code: 36), a company listed on the Main Board of the Stock Exchange, during the period from 9th October, 2009 to 1st March, 2012.

獨立非執行董事

范仁達先生，52歲，於二零一三年三月二十七日獲委任為本公司之獨立非執行董事、本公司薪酬委員會及提名委員會主席及審核委員會成員。彼於美國達拉斯大學取得工商管理碩士學位。彼為東源資本有限公司之主席兼董事總經理。范先生曾在多間國際財務機構擔任高級職位。彼亦為統一企業中國控股有限公司(股份代號：220)、利民實業有限公司(股份代號：229)、上海實業城市開發集團有限公司(股份代號：563)、國開國際投資有限公司(股份代號：1062)、同方泰德國際科技有限公司(股份代號：1206)、國電科技環保集團股份有限公司(股份代號：1296)、人和商業控股有限公司(股份代號：1387)、香港資源控股有限公司(股份代號：2882)、中信資源控股有限公司(股份代號：1205)及天福(開曼)控股有限公司(股份代號：6868)(全部均於聯交所主板上市)之獨立非執行董事。於二零一二年七月十二日，彼辭任深圳證券交易所主板上市的深圳世聯地產顧問股份有限公司之獨立非執行董事。於二零一一年六月二日，彼辭任建聯集團有限公司(股份代號：385，一間於聯交所主板上市之公司)之獨立非執行董事。

范駿華先生，34歲，於二零一三年三月二十七日獲委任為本公司之獨立非執行董事、本公司審核委員會主席、薪酬委員會及提名委員會成員。彼為香港執業會計師，積逾七年經驗。彼持有香港大學工商管理(會計及財務)學士學位及倫敦大學法律學士學位。彼以泛華會計師行之名作為執業會計師，在此之前，彼為花旗集團的副總裁及香港羅兵咸永道會計師事務所的經理。范駿華先生為英國特許公認會計師公會及香港會計師公會會員。彼亦為中國人民政治協商會議浙江省第十屆及第十一屆委員會委員、中國人民政治協商會議第四屆及第五屆深圳市委員會委員及浙江省青年聯合會副主席。范駿華先生為中國基建港口有限公司(股份代號：8233，其股份於聯交所創業板上市)之獨立非執行董事。彼亦為米蘭站控股有限公司(股份代號：1150)及莊士中國投資有限公司(股份代號：298)(兩間均為於聯交所主板上市之公司)之獨立非執行董事。彼曾於二零零九年十月九日至二零一二年三月一日期間擔任遠東控股國際有限公司(股份代號：36，一間於聯交所主板上市之公司)之獨立非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

(cont'd)

Mr. Lau, Yu Fung Wilson (“Mr. Lau”), aged 48, was appointed as an independent non-executive director and members of audit committee, remuneration committee and nomination committee of the Company on 27th March, 2013. He graduated from the University of Adelaide with Bachelor of Laws and South Australian Institute of Technology with Graduate Diploma in Legal Practice. He has over 20 years of experience in legal and commercial practice in Australia and Hong Kong. Mr. Lau is a senior partner of Messrs. Lau Kwong & Hung, a legal firm of Hong Kong. Mr. Lau was an executive director of The Hong Kong Building and Loan Agency Limited (Stock Code: 145), a company listed on the Main Board of the Stock Exchange, during the period from 2nd October, 2009 to 1st December, 2010.

獨立非執行董事(續)

劉裕豐先生(「劉先生」)，48歲，於二零一三年三月二十七日獲委任為本公司之獨立非執行董事、本公司審核委員會、薪酬委員會及提名委員會成員。彼畢業於The University of Adelaide，獲頒法學學士學位，亦獲South Australian Institute of Technology 頒發 Graduate Diploma in Legal Practice (法律執業文憑)。劉先生在澳洲及香港之法律及商務執業方面擁有逾二十年經驗。劉先生為香港律師事務所劉鄺洪律師事務所之高級合夥人。劉先生曾於二零零九年十月二日至二零一零年十二月一日期間擔任香港建屋貸款有限公司(股份代號：145，一間於聯交所主板上市之公司)之執行董事。

Chairman's Statement 主席報告書

I would like to present the results of Chi Cheung Investment Company, Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31st December, 2012 (the "Year") to the shareholders of the Company (the "Shareholders").

RESULTS

Continuing Operation

Revenue for the Year increased to approximately HK\$21.6 million (2011 restated: HK\$16.5 million). Gross profit for the Year recorded at HK\$21.6 million (2011 restated: HK\$16.5 million). Profit from continuing operation attributable to owners of the Company for the Year was HK\$15.3 million compared to HK\$10.4 million with last year. The increment was mainly attributable to the interest income on the loan with principal amount of HK\$900 million to a fellow subsidiary which was renewed in last year. On 30th January, 2013, the principal amount of HK\$490 million under the said loan was repaid by the fellow subsidiary to the Company.

Discontinued Operation

Revenue for the Year increased to approximately HK\$3.13 million (2011 restated: HK\$2.98 million). Gross profit for the Year recorded at HK\$2.90 million (2011 restated: HK\$2.74 million). Profit from discontinuing operation attributable to owners of the Company for the Year was HK\$7.94 million compared to HK\$6.40 million with last year.

DIVIDENDS

The board of directors of the Company (the "Board") resolved that no final dividend was recommended payable to the Shareholders for the Year (2011: HK 1 cent per share). Taking into account of the interim dividend of HK 1 cent per share paid to the Shareholders on 21st September, 2012 and the special interim dividend of HK\$1.4464 per share paid to the Shareholders on 19th February, 2013, this will make a total dividend for the full Year of HK\$1.4564 per share in 2012 (2011: HK 2 cents per share).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting to be held on 11th June, 2013, the register of members of the Company will be closed from 6th June, 2013 to 11th June, 2013, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar and Transfer Office in Hong Kong, namely Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 5th June, 2013.

本人謹此呈報至祥置業有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一二年十二月三十一日止年度(「本年度」)之業績予本公司股東(「股東」)。

業績

持續經營業務

本年度之收入增至約21,600,000港元(二零一一年經重列: 16,500,000港元)。本年度之毛利為21,600,000港元(二零一一年經重列: 16,500,000港元)。本年度之本公司擁有人應佔來自持續經營業務之溢利為15,300,000港元, 而去年則為10,400,000港元。有關增加主要由於向同系附屬公司提供本金額為900,000,000港元貸款(其於去年獲續期)的利息收入。於二零一三年一月三十日, 同系附屬公司已向本公司償還上述貸款本金額中的490,000,000港元。

已終止經營業務

本年度之收入增至3,130,000港元(二零一一年經重列: 2,980,000港元)。本年度之毛利為2,900,000港元(二零一一年經重列: 2,740,000港元)。本年度之本公司擁有人應佔來自已終止經營業務之溢利為7,940,000港元, 而去年則為6,400,000港元。

股息

本公司董事會(「董事會」)議決不建議向股東派發本年度之末期股息(二零一一年: 每股1港仙)。於二零一二年九月二十一日已向股東派發之中期股息每股1港仙連同於二零一三年二月十九日已向股東派發之特別中期股息每股1.4464港元, 二零一二年全年度派發股息合共為每股1.4564港元(二零一一年: 每股2港仙)。

暫停辦理股東登記手續

為確定有權出席即將於二零一三年六月十一日舉行之股東週年大會及投票之股東名單, 本公司將自二零一三年六月六日起至二零一三年六月十一日止(包括首尾兩天在內)暫停辦理股東登記手續, 期間不會進行本公司股份過戶登記手續。為符合資格出席股東週年大會及投票, 所有股份過戶文件連同有關股票必須於二零一三年六月五日下午四時三十分前交回本公司的香港股份過戶登記處卓佳秘書商務有限公司, 地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

BUSINESS REVIEW

During the Year under review, the financial returns from the loan to a fellow subsidiary, an indirect wholly-owned subsidiary of the Chinese Estates Holdings Limited ("Chinese Estates") and certain long and short term fixed and floating rate notes (the "FRNs") approximately constituted the primary source of income of the Group, whereas the car parking licence income from the discontinued operation formed the secondary source.

Finance and Securities Investment

During the Year, the HK\$900 million lent to a fellow subsidiary, an indirect wholly-owned subsidiary of the Chinese Estates, under the three-year revolving loan ("Revolving Loan") facility at the annual interest rate of HIBOR plus 1.5% per annum brought to the Group an interest income in the sum of approximately HK\$16.3 million.

On the other hand, FRNs in the principal sum of about US\$1.5 million was redeemed in June 2012. As at 31st December, 2012, the aggregate principal sum for investment in the FRNs amounted to US\$11.5 million. Overall, the FRNs generated an interest income of approximately HK\$5.3 million for the Year. The fair value of the FRNs amounted to approximately HK\$98.1 million as at 31st December, 2012, representing a net decrease of approximately HK\$9.6 million in comparison with the fair value of approximately HK\$107.7 million as at 31st December, 2011.

Investment Properties

As at 31st December, 2012, the Group held 50 car parking spaces in Gemstar Tower, Hungghom, Kowloon. The rental income from the car parking spaces amounted to about HK\$3.1 million for the Year, comparing to HK\$3.0 million last year.

On 1st July, 2012, the 50 car parking spaces were wholly rented to an independent third party. On 18th December, 2012, it was announced that the entire issued share capital of a wholly-owned subsidiary which owned the said 50 car parking spaces in Gemstar Tower was disposed to an indirect wholly-owned subsidiary of Chinese Estates and the transaction was completed on 23rd January, 2013 upon receiving the approval of the independent Shareholders at an extraordinary general meeting held on 22nd January, 2013. As a result of the completion, the Group has ceased to carry out property leasing business and the business segment of the property leasing has been classified as discontinued operation for the year ended 31st December, 2012.

業務回顧

回顧年內，提供予同系附屬公司 (Chinese Estates Holdings Limited (「華置」) 之間接全資擁有的附屬公司) 之貸款及若干長期及短期定息及浮息票據 (「票據」) 之財務回報構成本集團之主要收入來源，而來自自己終止經營業務的停車位租賃收益則構成次要來源。

融資及證券投資

於本年度內，借予同系附屬公司 (華置之間接全資擁有附屬公司) 的900,000,000港元之三年期循環貸款 (「循環貸款」)，年利率為香港銀行同業拆息加一點五厘，為本集團帶來利息收入合共約16,300,000港元。

此外，本金面額約為1,500,000美元之票據於二零一二年六月贖回。截至二零一二年十二月三十一日，票據之投資總本金額為11,500,000美元。整體上，票據於本年度帶來約5,300,000港元之利息收入。於二零一二年十二月三十一日，票據之公平值約為98,100,000港元，較之截至二零一一年十二月三十一日票據之公平值約107,700,000港元，減少之淨額約為9,600,000港元。

投資物業

截至二零一二年十二月三十一日，本集團持有九龍紅磡駿昇中心五十個停車位。於本年度，來自停車位之租金收入約為3,100,000港元，而去年同期則為3,000,000港元。

於二零一二年七月一日，50個停車位已全數租予一名獨立第三方。於二零一二年十二月十八日，擁有上述於駿昇中心50個停車位的全資擁有附屬公司的全部已發行股本已出售予華置之間接全資附屬公司，有關交易於取得獨立股東於二零一三年一月二十二日召開之股東特別大會上批准後已於二零一三年一月二十三日完成。基於完成有關交易，本集團已不再經營物業租賃業務，而物業租賃業務分類已於截至二零一二年十二月三十一日止年度被分類為已終止經營業務。

BUSINESS REVIEW (cont'd)

EVENTS AFTER THE FINANCIAL YEAR END

Subsequent to the Company's announcement on 18th December, 2012 in respect of Billion Up Limited ("Billion Up"), the former substantial Shareholder holding approximately 61.96% interest in the entire issued share capital of the Company that it agreed to sell its entire shareholding in the Company to China Lerthai Commercial Real Estate Holdings Limited ("China Lerthai") as well as the Company's announcement on 18th December, 2012 of entering into of an agreement to dispose of its entire shareholding in View Success Investments Limited ("View Success") to an indirect wholly-owned subsidiary of Chinese Estates (which constituted the major and connected transaction and a special deal (collectively the "Agreement and Special Deal") under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code")), the transactions contemplated under the Agreement and the Special Deal were approved by the independent Shareholders at an extraordinary general meeting of the Shareholders held on 22nd January, 2013 and the share transaction between Billion Up and China Lerthai was completed on 6th February, 2013. As a result of the completion of the Agreement and Special Deal, the Group has ceased to carry out property leasing business. A mandatory general cash offer (the "Offer") was made at HK\$2.6701 per share to the Shareholders other than those already owned or agreed to be acquired by China Lerthai as the offeror and the parties acting in concert with it (the meaning ascribed to it in the Takeovers Code) for acquisition of approximately 38.04% in the issued share capital of the Company and a composite offer and response document for such purpose in the joint names of the Company and China Lerthai was dispatched to the Shareholders on 7th February, 2013. The Offer was closed on 28th February, 2013 and an announcement of the result of the Offer was posted on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company on 28th February, 2013. The details of the Offer were contained in the composite offer and response document dated 7th February, 2013 which was jointly issued by the Company and China Lerthai.

On 22nd January, 2013, the Company declared the payment of a special interim dividend in a sum of HK\$1.4464 per share to the registered Shareholders whose names appeared in the register of members of the Company at the close of business on 5th February, 2013. The special interim dividend was paid on 19th February, 2013.

On 30th January, 2013, Longman Limited repaid portion of the Revolving Loan with a sum of HK\$490 million together with interest thereof to the Company. At the date of this report, the balance of the Revolving Loan is HK\$410 million. The Company may call for fully or partially repayment of the balance of the Revolving Loan at any time according to the agreement.

Mr. Lam resigned and Ms. Lam, Yuen Ling Eva was appointed as the company secretary of the Company (the "Company Secretary") in place of Mr. Lam on 6th February, 2013.

業務回顧(續)

財政年度結算後事項

隨著本公司於二零一二年十二月十八日就前主要股東Billion Up Limited(「Billion Up」)·其持有本公司全部已發行股本約61.96%)同意出售其於本公司之全部股權予中國勒泰商業地產控股有限公司(「中國勒泰」)作出的公布以及本公司於二零一二年十二月十八日就根據香港公司收購及合併守則(「收購守則」)訂立協議以出售其於景亨投資有限公司(「景亨」)之全部股權予華置之一間間接全資擁有附屬公司(構成一項主要及關連交易及一項特別交易(統稱為「該協議及特別交易」))作出公布後·該協議及特別交易下擬進行的交易已於二零一三年一月二十二日召開之股東特別大會獲獨立股東批准·而Billion Up與中國勒泰之間的股份交易已於二零一三年二月六日完成。基於該協議及特別交易已完成·本集團已不再經營物業租賃業務。本公司已就收購本公司已發行股本約38.04%向股東(不包括已擁有或已同意由中國勒泰(作為要約方)收購以及其行動一致人士(見有收購守則所賦予之涵義))以每股2.6701港元之價格作出強制性全面現金要約(「要約」)·而本公司及中國勒泰就此聯名作出的綜合要約及回應文件已於二零一三年二月七日寄發予股東。要約於二零一三年二月二十八日結束·而有關要約結果的公布已於二零一三年二月二十八日登載於香港聯合交易所有限公司(「聯交所」)及本公司網站。有關要約的詳情載於本公司及中國勒泰於二零一三年二月七日聯合作出的綜合要約及回應文件內。

於二零一三年一月二十二日·本公司宣派每股1.4464港元的特別中期股息予於二零一三年二月五日辦公時間結束時名列本公司股東名冊的已登記股東。特別中期股息已於二零一三年二月十九日派付。

於二零一三年一月三十日·Longman Limited向本公司償還490,000,000港元之部分循環還貸款·連同有關利息。於本報告日期·循環貸款的結餘為410,000,000港元。本公司可隨時要求按照協議償還全部或部分循環還貸款結餘。

於二零一三年二月六日·林先生辭任而林婉玲女士獲委任為本公司之公司秘書(「公司秘書」)·以取代林先生之職務。

BUSINESS REVIEW (cont'd)

EVENTS AFTER THE FINANCIAL YEAR END (cont'd)

Mr. Yang and Ms. Dai were appointed as the executive directors of the Company (the "Directors") and Mr. Lam was appointed as the non-executive Director with effect from 7th February, 2013. On 28th February, 2013, Mr. Matthew Cheong, Veng-va resigned as the executive Director, chairman of the Company (the "Chairman") and chief executive officer of the Company (the "CEO"), whereas Mr. Yang was appointed as the Chairman.

On 25th March, 2013, the Board resolved that Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung will resign as independent non-executive Directors; Mr. Lee and Mr. Yang, Shao Xing Max will be appointed as the non-executive Directors; and Mr. Fan, Ren Da Anthony, Mr. Fan, Chun Wah Andrew and Mr. Lau will be appointed as the independent non-executive Directors, all with effect from 27th March, 2013.

PROSPECTS

Following the completion of the share purchase agreement entered into among Billion Up as the vendor, China Lerthai as the purchaser and Chinese Estates as the guarantor, China Lerthai has become the controlling Shareholder since 6th February, 2013 and has obtained control over the Board. As previously announced in the joint announcement of the Company dated 18th December, 2012 and the composite offer document dated 7th February, 2013, following the completion of the mandatory unconditional cash offer (the "Offer"), China Lerthai will conduct a review of the operations of the Company with a view to developing corporate strategy to broaden its income stream, which may include further securities investment and expansion of the scope of business of the Company should appropriate opportunities arise. Subsequently, following the completion of the Offer and the appointment of the new executive Directors in February 2013, our new executive Directors conducted a review of the existing operations of the Group to consider the future business directions of the Group, with the abundant resources of the Group and the experience and expertise of the new management, in particular, their investment experience in commercial property market in the People's Republic of China and other parts of the world, it may be feasible for the Group to expand its business into commercial property investment alongside its existing business of securities investment and hence maximising the return to shareholders and the value of share of the Company in long run. Meanwhile, no concrete plan of further development of business of the Group has been formulated and the Company will make announcement to update the Shareholders and potential investor of any such plan as and when appropriate.

業務回顧(續)

財政年度結算後事項(續)

楊先生及戴女士獲委任為本公司之執行董事(「董事」)，而林先生則獲委任為非執行董事，自二零一三年二月七日起生效。於二零一三年二月二十八日，昌榮華先生辭任執行董事、本公司主席(「主席」)兼本公司行政總裁(「行政總裁」)，而楊先生獲委任為主席。

於二零一三年三月二十五日，董事會決議賴恩雄先生、莫漢生先生及汪滌東先生將辭任獨立非執行董事；李先生及楊少星先生將獲委任為非執行董事；及范仁達先生、范駿華先生及劉先生則將獲委任為獨立非執行董事，並於二零一三年三月二十七日起生效。

展望

隨著 Billion Up (作為賣方) 及中國勒泰 (作為買方) 與華置 (作為擔保人) 所訂立的股份購買協議完成後，中國勒泰自二零一三年二月六日起成控股股東，並取得董事會的控制權。誠如本公司先前於日期為二零一二年十二月十八日的聯合公布及日期為二零一三年二月七日的綜合要約文件所公布，隨著強制性無條件現金要約(「要約」)完成後，中國勒泰將對本公司的業務進行檢討，從而發展企業策略以擴闊其收入流，當中可能包括進一步證券投資以及於合適機遇出現時拓展本公司的業務範圍。其後，隨著要約完成及於二零一三年二月委任新執行董事後，我們的新執行董事對本集團的現有業務進行檢討，以考慮本集團的日後業務方向。基於本集團的充足資源以及新管理層的經驗及專才(尤其是彼等於中華人民共和國及世界各地商務物業市場的投資經驗)，除現有的證券投資業務外，本集團拓展其業務至商業物業投資乃屬可行，長遠而言，可因而最大化股東回報及本公司股份之價值。同時，本集團尚未制定進一步拓展業務的具體計劃，而本公司將適時刊發公布，向股東及潛在投資者提供任何有關計劃的更新。

APPRECIATION

I would like to take this opportunity to thank the Shareholders of their continuing support, and my fellow Directors and those who have worked for the Group for their valuable contribution.

On behalf of the Board

Yang, Longfei

Chairman and Executive Director

Hong Kong, 25th March, 2013

致謝

本人謹藉此機會對股東一直以來的鼎力支持及各董事及竭誠為本集團付出寶貴貢獻之人士深表謝意。

代表董事會

主席兼執行董事

楊龍飛

香港，二零一三年三月二十五日

Financial Operation Review

財務經營回顧

RESULTS

Continuing Operation

Revenue for the Year increased to approximately HK\$21.6 million (2011 restated: HK\$16.5 million). Profit for the Year from continuing operation attributable to owners of the Company for the Year was approximately HK\$15.3 million compared to approximately HK\$10.4 million as restated in last year. The securities investments and finance segment generated revenue of approximately HK\$21.6 million during the Year (2011: HK\$16.5 million) and the increment was mainly attributable to the interest income on the loan with principal amount of HK\$900 million to a fellow subsidiary which was renewed in last year. On 30th January, 2013, the principal amount of HK\$490 million under the said loan was repaid by the fellow subsidiary to the Company.

Discontinued Operation

On 5th December, 2012, the Group entered into a sale and purchase agreement with Super Kind Limited, Cosmos Success Limited, Wing Lee Development Limited, indirect wholly-owned subsidiaries of Chinese Estates (collectively refer to "Purchasers"), and Chinese Estates, a controlling Shareholder, (as guarantor of the Purchasers), to dispose the entire issued share capital and certain debts of View Success, an indirect wholly-owned subsidiary of the Company which held certain car parking spaces at Gemstar Tower at a total consideration of approximately HK\$41.5 million (the "Disposal"). Details of the Disposal were set out in the announcement and circular of the Company dated 18th December 2012 and 5th January, 2013.

The Disposal was completed on 23rd January, 2013. Upon completion, View Success has ceased to be a subsidiary of the Group. As a result, the business segment of property leasing has been classified as discontinued operation for the Year and the assets and liabilities of View Success have been presented as assets classified as held for sale and liabilities directly associated with assets classified as held for sale respectively as at 31st December, 2012.

Profit Attributable to Owners of the Company

The Group recorded a profit for the Year attributable to owners of the Company of approximately HK\$23.2 million (2011: HK\$16.8 million). Basic and diluted earnings per share are approximately HK6.86 cents (2011: HK4.97 cents).

Major non-cash item included fair value changes of investment properties of HK\$6.5 million from discontinued operation (2011: HK\$5.0 million).

業績

持續經營業務

本年度之收入增加至約21,600,000港元(二零一一年經重列: 16,500,000港元)。來自本公司擁有人本年度應佔持續經營業務的本年度溢利約為15,300,000港元,而去年則約為10,400,000港元(經重列)。證券投資及融資分類於本年度錄得收入約21,600,000港元(二零一一年: 16,500,000港元)。有關增加主要由於向同系附屬公司提供本金額為900,000,000港元貸款(其於去年獲續期)的利息收入。於二零一三年一月三十日,同系附屬公司已向本公司償還上述貸款本金額中的490,000,000港元。

已終止經營

於二零一二年十二月五日,本集團與華置之間接全資擁有附屬公司Super Kind Limited、Cosmos Success Limited及Wing Lee Development Limited(統稱為「買方」)以及控股股東華置(作為買方之擔保人)訂立買賣協議,以出售本公司間接全資擁有附屬公司景亨(其持有駿昇中心若干停車位)的全部已發行股本及若干債務,總代價約為41,500,000港元(「出售事項」)。有關出售事項的詳情載於本公司日期為二零一二年十二月十八日及二零一三年一月五日的公布及通函。

出售事項於二零一三年一月二十三日完成。完成後,景亨不再為本集團的附屬公司。因此,業務分類的物業租賃已獲分類為年內已終止經營業務,而截至二零一二年十二月三十一日,景亨的資產及負債已分別呈列分類為持作出售的資產及與分類為持作出售資產直接相關的負債。

本公司擁有人應佔溢利

本集團錄得本公司擁有人應佔本年度溢利約23,200,000港元(二零一一年: 16,800,000港元)。每股基本及攤薄盈利約為6.86港仙(二零一一年: 4.97港仙)。

主要非現金項目包括來自已終止經營業務的投資物業的公平值變動為6,500,000港元(二零一一年: 5,000,000港元)。

NET ASSET VALUE

As at 31st December, 2012, the Group's net assets attributable to owners of the Company amounted to approximately HK\$1,073.1 million as compared to approximately HK\$1,054.4 million in preceding year. The movement in net assets was mainly due to the profit retained for the Year and payments of 2011 final dividends and 2012 interim dividends of approximately HK\$6.8 million. Net asset value per share to owners of the Company was approximately HK\$3.17 (2011: HK\$3.11).

DEBT AND GEARING

As at 31st December, 2012, time deposits and bank balances amounted to approximately HK\$33.5 million (2011: HK\$12.3 million).

The Group did not have any bank borrowings as at 31st December, 2012 (2011: Nil). The Group's income for the Year was denominated in Hong Kong dollars and United States dollars and no hedging for non-Hong Kong dollars assets or investments has been made during the Year.

FOREIGN EXCHANGE EXPOSURE

The Group's investment, assets and liabilities are mainly denominated in Hong Kong dollars or United States dollars and no hedging has been made during the Year.

PLEDGE OF ASSETS

As at 31st December, 2012 and 2011, no assets were pledged by the Group to secure any banking facilities and the Group did not have any obligations under banking facility documentation.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group did not have any material capital commitments and contingent liabilities as at 31st December, 2012 and 2011.

資產淨值

截至二零一二年十二月三十一日，本公司擁有人應佔本集團之資產淨值約達1,073,100,000港元，而去年則約為1,054,400,000港元。資產淨值之變動乃主要由於本年度保留之溢利以及派付二零一一年末期股息及二零一二年中期股息約6,800,000港元所致。本公司擁有人應佔之每股資產淨值約為3.17港元(二零一一年：3.11港元)。

債務及資本負債

截至二零一二年十二月三十一日，定期存款及銀行結餘約為33,500,000港元(二零一一年：12,300,000港元)。

截至二零一二年十二月三十一日，本集團並無任何銀行借貸(二零一一年：無)。本集團於本年度之收入以港元及美元計算，故於本年度並無就非港元資產或投資進行對沖。

外匯風險

於本年度，本集團之投資、資產及負債主要以港元或美元計算，故並無進行對沖。

資產抵押

截至二零一二年及二零一一年十二月三十一日，本集團並無將任何資產抵押以取得銀行信貸，而本集團概無任何根據銀行信貸文件須履行之責任。

資本承擔及或然負債

截至二零一二年及二零一一年十二月三十一日，本集團並無任何重大資本承擔及或然負債。

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income for the Year increased to approximately HK\$21.6 million (2011: HK\$16.5 million) within which included imputed interest income from fixed and floating rate notes of approximately HK\$0.7 million (2011: HK\$0.6 million) and the interest income on a loan to a fellow subsidiary approximately HK\$16.3 million (2011: HK\$11.5 million).

No interest expenses were recorded for the years ended 31st December, 2012 and 2011.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 31st December, 2012, the Group did not employ any staff (2011: Nil). The total staff cost excluding directors' emoluments for the Year of approximately HK\$1.5 million (2011: HK\$1.3 million) was representing the staff cost recharged by fellow subsidiaries of the Company.

No share option scheme was adopted for the Year.

PROPERTY VALUATION

A property valuation has been carried out by B.I. Appraisals Limited ("B.I. Appraisals"), independent qualified professional valuers, in respect of the Group's investment properties as at 31st December, 2012 and it was used in preparing 2012 final results. Property valuation as at 31st December, 2011 was also carried out by B.I. Appraisals. The valuation was based on either direct comparison approach assuming the property is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets, or investment method by taking into account the current passing rents and the reversionary income potential of the properties.

The Group's investment properties were valued at HK\$40.9 million as at 31st December, 2012 (2011: HK\$34.4 million), an increase in fair value of HK\$6.5 million (2011: HK\$5.0 million) was recognised in the consolidated statement of comprehensive income for the Year.

財務及利息收入／支出

本年度之利息收入增加至約21,600,000港元(二零一一年: 16,500,000港元)。該金額包括定息及浮息票據之名義利息收入約700,000港元(二零一一年: 600,000港元)及同系附屬公司貸款之利息收入約16,300,000港元(二零一一年: 11,500,000港元)。

截至二零一二年及二零一一年十二月三十一日止年度, 本集團並無錄得任何利息支出。

酬金政策及購股權計劃

截至二零一二年十二月三十一日, 本集團並無僱用任何職員(二零一一年: 無)。本年度之僱員成本總額(不包括董事酬金)約為1,500,000港元(二零一一年: 1,300,000港元)指本公司同系附屬公司徵收之僱員成本。

本年度並無採納任何購股權計劃。

物業估值

獨立合資格專業估值師保柏國際評估有限公司(「保柏國際評估」)已就本集團截至二零一二年十二月三十一日之投資物業進行物業估值, 有關估值已用於編製二零一二年全年業績。保柏國際評估亦就截至二零一一年十二月三十一日進行物業估值。該估值乃以直接比較法假設該物業可以現況交吉出售及參照有關市場上可供比較之銷售證據, 或投資法考慮該等物業目前收取之租金及其復歸收入潛力。

本集團投資物業截至二零一二年十二月三十一日之估值為40,900,000港元(二零一一年: 34,400,000港元), 而公平值增加6,500,000港元(二零一一年: 5,000,000港元)已於本年度之綜合全面收益報表中確認。

Corporate Governance Report

企業管治報告書

OBJECTIVE

The Board is committed to maintaining high standards of corporate governance so as to ensure high transparency and protection of the interests of the Shareholder in general. The Board endeavours to ensure effective self-regulatory practices, to maintain sound internal control system and to absorb high calibre members to the Board.

The purpose of this corporate governance report of the Company (the "Corporate Governance Report") is to present to Shareholders how the Company has applied the principles in the Code on Corporate Governance Practices (the "CG Code") under Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the Year.

ADOPTED CODES

Since 2005, the Company has adopted the code provisions and certain recommended best practices set out in the CG Code to enhance corporate governance in the interests of the Company and its Shareholders.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as a code of conduct regarding securities transactions by the Directors. The Company has also adopted a code of conduct regarding securities transactions by the relevant employees on terms no less exacting than the required standard set out in the Model Code (the "Employees' Code"). Having made specific enquiry of all Directors and the relevant employees (viz, the senior executives of Chinese Estates), all Directors and the relevant employees confirmed that they have complied with the required standard set out in the Model Code and the Employees' Code throughout the Year.

BOARD OF DIRECTORS

Structure

During the Year, the Board comprised two executive Directors and three independent non-executive Directors (the "INED(s)"). They are:

Executive Directors

Mr. Matthew Cheong, Veng-va (*Chairman*)
(appointed as CEO on 9th June, 2012 and resigned as executive Director, CEO and Chairman on 28th February, 2013)

Ms. Teresa Poon, Mun-chie
(resigned as executive Director and CEO on 9th June, 2012)

理念

董事會銳意維持高度企業管治，以確保運作更具透明度及全面保障股東利益。董事會致力確保制訂有效之自我監管常規，以維持良好之內部監控制度及吸納卓越之成員加入董事會。

本公司之企業管治報告書(「企業管治報告書」)是向股東呈示本公司本年度如何應用聯交所證券上市規則(「上市規則」)附錄十四《企業管治常規守則》(「企管守則」)之原則。

採納之守則

自二零零五年起，本公司已採納載於企管守則之守則條文及若干建議最佳常規，以提高企業管治，符合本公司及股東之利益。

本公司已採納了上市規則附錄十之《上市發行人董事進行證券交易的標準守則》(「標準守則」)作為董事進行證券交易採納之操守準則。本公司亦就有關僱員進行證券交易採納了一套不遜於標準守則所規定之操守準則(「僱員守則」)。本公司在向所有董事及有關僱員(即華置之高級行政人員)作出具體查詢後，所有董事及有關僱員確認彼等於年內一直遵守標準守則及僱員守則載列之所需標準。

董事會

架構

於本年度內，董事會由兩名執行董事及三名獨立非執行董事(「獨立非執行董事」)組成。包括：

執行董事

昌榮華先生(主席)
(於二零一二年六月九日獲委任為行政總裁，並已於二零一三年二月二十八日辭任執行董事、行政總裁及主席)

潘敏慈女士
(於二零一二年六月九日辭任執行董事及行政總裁)

BOARD OF DIRECTORS (cont'd)

Structure (cont'd)

Independent non-executive Directors

- Mr. Lai, Yun-hung
(resigned on 27th March, 2013)
- Mr. Mok, Hon-sang
(resigned on 27th March, 2013)
- Mr. Wong, Tik-tung
(resigned on 27th March, 2013)

From 1st January, 2013 up to the date of this report, 8 Directors were appointed as follows:

Executive Directors

- Mr. Yang, Longfei (*Chairman*)
(appointed as executive Director on 7th February, 2013 and appointed as Chairman on 28th February, 2013)
- Ms. Dai, Hui
(appointed on 7th February, 2013)

Non-executive Directors

- Mr. Lee, Vincent Marshall Kwan Ho
(appointed on 27th March, 2013)
- Mr. Lam, Kwong-wai
(appointed on 7th February, 2013)
- Mr. Yang, Shao Xing Max
(appointed on 27th March, 2013)

Independent non-executive Directors

- Mr. Fan, Ren Da Anthony
(appointed on 27th March, 2013)
- Mr. Fan, Chun Wah Andrew
(appointed on 27th March, 2013)
- Mr. Lau, Yu Fung Wilson
(appointed on 27th March, 2013)

As at the date of publication of this annual report, the Board consists of 8 Directors.

The INEDs represent more than one-third members of the Board. The profiles of all Directors are set out on pages 4 to 7 of this annual report. Save as disclosed in this annual report, there is no other relationship among members of the Board, including financial, business, family or other material/relevant relationship. The INEDs are highly experienced professionals and businessmen with a broad range of expertise and experience in accounting, finance and business management and one of them has appropriate professional accounting qualification as required by the Stock Exchange.

董事會(續)

架構(續)

獨立非執行董事

- 賴恩雄先生
(於二零一三年三月二十七日辭任)
- 莫漢生先生
(於二零一三年三月二十七日辭任)
- 汪滌東先生
(於二零一三年三月二十七日辭任)

自二零一三年一月一日起直至本報告日期，已委任以下八名董事：

執行董事

- 楊龍飛先生(*主席*)
(於二零一三年二月七日獲委任為執行董事，並於二零一三年二月二十八日獲委任為主席)
- 戴輝女士
(於二零一三年二月七日獲委任)

非執行董事

- 李君豪先生
(於二零一三年三月二十七日獲委任)
- 林光蔚先生
(於二零一三年二月七日獲委任)
- 楊少星先生
(於二零一三年三月二十七日獲委任)

獨立非執行董事

- 范仁達先生
(於二零一三年三月二十七日獲委任)
- 范駿華先生
(於二零一三年三月二十七日獲委任)
- 劉裕豐先生
(於二零一三年三月二十七日獲委任)

截至本年報刊發日期，董事會由八名董事組成。

獨立非執行董事之人數超過董事會成員總數之三分之一。全體董事之履歷載於本年報第4頁至第7頁。除本年報所披露者外，董事會成員之間並無其他關係，包括金融、商業、家庭或其他重要／相關關係。獨立非執行董事為極富經驗之專業人士及商界人士，在會計、金融及商業管理具備豐富專業知識及經驗，其中一人更具備聯交所規定之合適專業會計資格。

BOARD OF DIRECTORS (cont'd)

Structure (cont'd)

The Board is responsible for directing and supervising the Company's affairs. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to the Company's affairs during the Year.

All the Directors, including the INEDs, must retire by rotation at least once every three years, and no Director shall hold office for a continuous period in excess of three years, or past the third annual general meeting, following the Director's appointment or re-election, whichever is longer, without submitting himself/herself for re-election at the annual general meeting, under the articles of association of the Company (the "Articles of Association"). As such, the term of office of each Director has been specified under the Articles of Association.

Assistance to Directors in Decision Making

Throughout their period in office, the Directors have been informed of the Group's business, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industry it operates in as a whole. They have also been advised on appointment of their legal and other duties and obligations as directors of a company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

The Directors are given access to the Company Secretary or independent professionals for advice at the Company's expense, when they deem it is necessary in order for them to carry out their responsibilities from time to time.

To enhance the Directors' consciousness on the importance of the directors' duties under common law and to comply with the requirement of the Companies Ordinance (Cap. 32, Laws of Hong Kong), a "Guide on Directors' Duties" in which the general principles a director should follow in the performance of his/her functions and exercise of his/her powers was distributed to the Directors.

董事會 (續)

架構 (續)

董事會負責領導及監督本公司事務。各董事均以本公司之最佳利益為前提，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。於本年度，彼等已付出足夠時間及專注力以處理本公司事務。

根據本公司組織章程細則（「組織章程細則」），所有董事（包括獨立非執行董事）須每三年最少輪席退任一次，且規定董事在未於股東週年大會上膺選連任之情況下，出任董事職位之持續期間不得超過三年或獲委任或重選連任後不得超逾三次股東週年大會（以較長期間者為準）。因此，各董事之任期按本公司組織章程細則而特定。

給予董事決策之協助

本公司於董事在任期間，向彼等匯報有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為公司董事之法定及其他職能以及職責提供意見，並於彼等成為董事後更新有關本集團之法定及監管規定之變動。

董事可不時視乎履行其職責所需而尋求公司秘書或獨立專業人士之意見，費用概由本公司承擔。

為提高董事對普通法下董事職責重要性之意識及遵守公司條例（香港法例第32章）之要求，一份載有董事於執行其職能及行使其權力時應遵守之一般原則之「董事責任指引」已分發予董事。

BOARD OF DIRECTORS (cont'd)

Conduct of Meetings

The Directors are consulted and properly briefed for matters to be included in the meeting agenda. The Board is supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board meeting is given to all Directors providing them with the opportunity to attend the meeting. Board papers are dispatched to all Directors at least 3 days before the meeting to ensure that they have sufficient time to review the papers and will be adequately prepared for the meeting. Senior management is invited to attend the meeting to address to the Board members' queries. This enables the Board to have pertinent data and insight for a comprehensive and informed evaluation as part of the Board's decision-making purpose.

The Chairman has delegated the responsibility to the Company Secretary for drawing up and approving the meeting's agenda for each Board meeting, taking into account of any matter proposed by the other Directors for inclusion in the agenda.

The proceedings of the Board at its meetings are generally monitored by the Chairman who would ensure that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to each Director to express his/her views and concerns.

Each Director has to declare his/her interest and to abstain from voting on any board resolution in which he/she or any of his/her associates has a material interest pursuant to the Articles of Association and the Companies Ordinance (Cap. 32, Laws of Hong Kong).

All Directors have full access to the advice and services of the Company Secretary to ensure the Board's procedures, rules and regulations are followed. Draft and final versions of minutes of each Board meeting in sufficient details are sent to the Directors for comments and records within reasonable time after the meeting is held. The minutes of the Board and the Board committees' meetings are kept by the Company, which are open for inspection by the Directors on reasonable notice.

董事會(續)

會議之舉行

董事可獲諮詢及簡報會議議程內所載之事宜，並於每次定期董事會會議前獲發有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，讓其有機會出席會議。董事會文件於會議舉行前最少三日發給全體董事，以確保彼等具備足夠時間審閱該文件，並為會議作好充份準備。高級管理層成員獲邀與會，以解答董事會成員之提問。此舉令董事會在作出全面而知情之評估時，具有中肯之數據及認知，有助董事會作出決策。

主席已委派公司秘書負責在考慮各董事建議之議程後，編撰及批核每次董事會會議之議程。

董事會之議事程序一般由主席監察，以確保分配充裕時間作出討論及考慮議程內之各個項目。每位董事均獲平等機會表達意見及其關注事宜。

根據組織章程細則及公司條例(香港法例第32章)，每位董事均須申報其權益，並就其本身或其任何聯繫人士擁有重大權益之任何董事決議案放棄投票。

全體董事均有權全面尋求公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。各董事會會議之詳盡記錄草稿及定稿將於舉行會議後的合理時間內，送交董事提供意見及記錄。董事會會議及董事會轄下委員會會議之記錄由本公司存置，並可由董事發出合理通知下供其查閱。

BOARD OF DIRECTORS (cont'd)

Conduct of Meetings (cont'd)

During the Year, 5 Board meetings were held on 8th March, 2012 (2 meetings), 1st June, 2012, 10th August, 2012 and 28th November, 2012 and 1 general meeting was held on 25th May, 2012. The Company Secretary and the Company's senior management had attended the Board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting, finance and business. The individual attendance of each Director at the Board meetings and general meeting held during the Year is as follows:

Board meetings	No. of Board meetings attended/held (Percentage of attendance in total)	董事會會議	出席／舉行董事會會議數目 (總出席率)
Directors during the Year		年內之董事	
<i>Executive Directors</i>		<i>執行董事</i>	
Mr. Matthew Cheong, Veng-va (resigned as executive Director, CEO and Chairman on 28th February, 2013)	5/5 (100%)	昌榮華先生 (於二零一三年二月二十八日 辭任執行董事、行政總裁 及主席)	5/5 (100%)
Ms. Teresa Poon, Mun-chie (resigned as executive Director and CEO on 9th June, 2012)	2/2 (100%)	潘敏慈女士 (於二零一二年六月九日 辭任執行董事及行政總裁)	2/2 (100%)
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Lai, Yun-hung (resigned on 27th March, 2013)	5/5 (100%)	賴恩雄先生 (於二零一三年三月二十七日辭任)	5/5 (100%)
Mr. Mok, Hon-sang (resigned on 27th March, 2013)	5/5 (100%)	莫漢生先生 (於二零一三年三月二十七日辭任)	5/5 (100%)
Mr. Wong, Tik-tung (resigned on 27th March, 2013)	5/5 (100%)	汪滌東先生 (於二零一三年三月二十七日辭任)	5/5 (100%)

董事會 (續)

會議之舉行 (續)

於本年度，董事會於二零一二年三月八日(兩次會議)、二零一二年六月一日、二零一二年八月十日及二零一二年十一月二十八日舉行共五次董事會會議及於二零一二年五月二十五日舉行一次股東大會。公司秘書及本公司高級管理層均已出席董事會會議，匯報企業管治、風險管理、法規遵守、會計、財務及業務相關之事宜。於本年度內，各董事於董事會會議及股東大會之出席率如下：

BOARD OF DIRECTORS (cont'd)

Conduct of Meetings (cont'd)

General meeting	No. of general meeting attended/held (Percentage of attendance in total)	出席／舉行 股東大會數目 (總出席率)	
		股東大會	
Directors during the Year		年內之董事	
<i>Executive Directors</i>		<i>執行董事</i>	
Mr. Matthew Cheong, Veng-va (resigned as executive Director, CEO and Chairman on 28th February, 2013)	1/1 (100%)	昌榮華先生 (於二零一三年二月二十八日 辭任執行董事、行政總裁及 主席)	1/1 (100%)
Ms. Teresa Poon, Mun-chie (resigned as executive Director and CEO on 9th June, 2012)	1/1 (100%)	潘敏慈女士 (於二零一二年六月九日辭任 執行董事及行政總裁)	1/1 (100%)
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Lai, Yun-hung (resigned on 27th March, 2013)	1/1 (100%)	賴恩雄先生 (於二零一三年三月二十七日辭任)	1/1 (100%)
Mr. Mok, Hon-sang (resigned on 27th March, 2013)	1/1 (100%)	莫漢生先生 (於二零一三年三月二十七日辭任)	1/1 (100%)
Mr. Wong, Tik-tung (resigned on 27th March, 2013)	1/1 (100%)	汪濂東先生 (於二零一三年三月二十七日辭任)	1/1 (100%)

Works Performed

During the Year, besides attending the Board meetings to consider and make decision on corporate governance, risk management, statutory compliance, accounting, finance and business matters, the Directors had brought independent opinion and judgment on the Company's strategy, performance and standards of conduct; had taken the lead where potential conflicts of interests arose; had served on Board committees; amended the terms of reference of the Board committees; endorsed on various corporate governance related matters and policies; had ensured that the Board maintained high standards of financial and other mandatory reporting; carried out reviews on matters reported by the Board committees, and had provided adequate checks and balance to safeguard the interests of Shareholders in general and the Company as a whole.

During the Year, the INEDs had actively participated in the Board meetings, brought independent judgment and given their comments to the information or reports submitted to the meetings.

Besides attending the Board or committee's meetings, in order to make timely decision and have effective implementation of the Company's policy and practice, the Board had also adopted written resolutions signed by all Directors to make decision on corporate affairs from time to time.

董事會(續)

會議之舉行(續)

履行之工作

於本年度，除了出席董事會會議以考慮及決定企業管治、風險管理、法規遵守、會計、財務及業務事宜，董事亦對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時發揮領導作用；出任董事會轄下委員會委員；修改董事會轄下委員會之職權範圍；通過企業管治相關事宜及政策；確保董事會維持高水平之財務及其他強制申報準則；審閱董事會轄下委員會報告之事項；以及提供足夠審查及平衡以保障全體股東與本公司之整體利益。

於本年度，獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。

除了出席董事會或委員會會議，為了能及時作出決定及有效實施本公司之政策及實務，董事會亦不時採納經全體董事簽署之書面決議書為公司事務作出決定。

BOARD OF DIRECTORS (cont'd)

Works Performed (cont'd)

As part of the continuing process on supervising the Company's affairs, the Directors, acting through by the audit committee of the Company (the "Audit Committee"), had reviewed the adequacy of resources, qualifications and experience of the Company's accounting staff and financial reporting function (which is being performed by the former accounting staff of Chinese Estates, the former holding company), and their training programmes and budget in November 2012.

Directors' Confirmation

The Company has received, from each INED, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

Besides, having made specific enquiry of all Directors and the relevant employees, all Directors of the Year had complied with the Employees' Code regarding securities transaction throughout the Year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the Year, since the resignation of Ms. Teresa Poon, Munchie as the executive Director and CEO on 9th June, 2012, Mr. Matthew Cheong, Veng-va has acted as the Chairman and CEO with responsibility for overseeing the function of the Board, formulating overall strategies and policies of the Company and the overall business and operation of the Group.

With the appointment of Mr. Yang as the new Chairman upon the change of control in the Company from Chinese Estates to China Lertai in February 2013, the role of the Chairman performed by Mr. Yang vesting with responsibility for overseeing the function of the Board, formulating overall strategies and policies of the Company.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

But the office of the CEO was vacated upon the resignation of Mr. Matthew Cheong, Veng-va as the CEO on 28th February, 2013. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

董事會 (續)

履行之工作 (續)

作為持續監督本公司業務之程序，董事已於二零一二年十一月由審核委員會（「審核委員會」）代行審閱本公司會計及財務匯報職能方面（由前控股公司華置之會計員工履行）的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠。

董事之確認

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

此外，本公司在向所有董事及有關僱員作出具體查詢後，本年度所有董事已於本年度就進行證券交易一直遵守僱員守則。

主席及行政總裁

年內，由於潘敏慈女士於二零一二年六月九日辭任執行董事及行政總裁，故昌榮華先生已出任主席兼行政總裁，負責監察董事會的功能、制定本公司整體策略及政策以及本集團的整體業務與營運。

自本公司控制權自華置易手至中國勒泰後而楊先生獲委任為新主席，主席的角色由楊先生擔任，彼負責監察董事會的功能以及制定本公司整體策略及政策。

根據企業管治守則的守則條文第A.2.1條，主席及行政總裁的角色應有區分而不應由同一人兼任。

然而，由於昌榮華先生於二零一三年二月二十八日辭任行政總裁，故行政總裁職位一直懸空。董事會將繼續不時檢討董事會的現有架構，並會於物色到具備合適知識、技能及經驗的候選人後適時予以委任以填補該職位。

BOARD COMMITTEES

The Board has established the Audit Committee and remuneration committee of the Company (the “Remuneration Committee”) with defined roles and terms of reference. A nomination committee of the Company (the “Nomination Committee”) has also been formed and commenced functioning on 1st April, 2012.

Audit Committee

Structure

The Audit Committee has been established since December 2000 with the roles to assist the Board in establishing formal and transparent arrangements for considering how it will apply the financial reporting and the internal control principles and for maintaining an appropriate relationship with the Company’s external auditor (the “Independent Auditor”). It acts in an advisory capacity and makes recommendations to the Board.

All the Audit Committee members possess diversified industry experience. The chairman of the Audit Committee has appropriate professional qualification, accounting or related financial management expertise as required by the Listing Rules. During the Year, the Audit Committee is made up of the INEDs, namely:

Mr. Wong, Tik-tung (*Chairman*)
(resigned on 27th March, 2013)
Mr. Lai, Yun-hung
(resigned on 27th March, 2013)
Mr. Mok, Hon-sang
(resigned on 27th March, 2013)

As at the date of the publication of this annual report, the Audit Committee is made up of the INEDs, namely:

Mr. Fan, Chun Wah Andrew (*Chairman*)
(appointed on 27th March, 2013)
Mr. Fan, Ren Da Anthony
(appointed on 27th March, 2013)
Mr. Lau, Yu Fung Wilson
(appointed on 27th March, 2013)

Function

The Audit Committee’s terms of reference can be found on the websites of the Company and the Stock Exchange. The major duties of the Audit Committee are summarised below:

- i) to make recommendations to the Board on the appointment, re-appointment and removal of the Independent Auditor, review and monitor their independence and objectivity as well as the effectiveness of the audit process;

董事會轄下委員會

董事會已成立審核委員會及本公司之薪酬委員會(「薪酬委員會」)，並界定其角色及職權範圍。本公司提名委員會(「提名委員會」)亦已於二零一二年四月一日成立並開始運作。

審核委員會

架構

審核委員會於二零零零年十二月成立，其角色為協助董事會建立正式及具透明度之安排，讓董事會考慮如何應用財務匯報及內部監控原則，以及如何與本公司外部核數師(「獨立核數師」)維持恰當的關係。審核委員會具有顧問職能，並向董事會提供意見。

審核委員會全體成員具備多元化的業務經驗。審核委員會主席具備了上市規則規定之適當專業資格、會計或相關財務管理專業知識。於本年度，審核委員會由獨立非執行董事組成，彼等為：

汪滌東先生(*主席*)
(於二零一三年三月二十七日辭任)
賴恩雄先生
(於二零一三年三月二十七日辭任)
莫漢生先生
(於二零一三年三月二十七日辭任)

於本年報刊發日期，審核委員會由獨立非執行董事組成，彼等為：

范駿華先生(*主席*)
(於二零一三年三月二十七日獲委任)
范仁達先生
(於二零一三年三月二十七日獲委任)
劉裕豐先生
(於二零一三年三月二十七日獲委任)

職能

有關審核委員會之職權範圍，可瀏覽本公司及聯交所網頁。審核委員會之主要職責概述如下：

- i) 就委任、重新委任及罷免獨立核數師向董事會提供推薦意見、審核及監控彼等之獨立性及客觀性，以及審核程序之有效性；

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Function (cont'd)

- ii) to monitor the integrity of the interim and annual consolidated financial statements, reports and accounts of the Company, and to review any significant financial reporting judgments contained in them;
- iii) to review and ensure the effectiveness of the Company's financial control, internal control and risk management systems; and
- iv) to develop and review the Company's policies and practices on corporate governance, make recommendations to the Board, and to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

Conduct of Meetings

The Audit Committee shall meet at least twice each year. The Company prepares and delivers an information memorandum that includes all relevant information about the meetings to the Audit Committee members at least 3 days prior to such meetings. During the Year, the Audit Committee members reviewed the information memorandum with due care and discussed with the former Group financial controller (who was also the former Company Secretary) and other senior management (if necessary) during the meetings.

During the Year, the Audit Committee held 4 meetings on 7th February, 2012, 6th March, 2012, 7th August, 2012 and 28th November, 2012 with the presence of the Company's senior management. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company and copies of the minutes were sent to the Audit Committee members for records.

Individual attendance of each Audit Committee member at the meetings held during the Year is as follow:

Members	No. of Audit Committee meetings attended/held (Percentage of attendance in total)
Mr. Wong, Tik-tung (<i>Chairman</i>) (resigned on 27th March, 2013)	4/4 (100%)
Mr. Lai, Yun-hung (resigned on 27th March, 2013)	4/4 (100%)
Mr. Mok, Hon-sang (resigned on 27th March, 2013)	4/4 (100%)

董事會轄下委員會(續)

審核委員會(續)

職能(續)

- ii) 監察本公司中期及全年綜合財務報表、報告和賬目之真實性，以及審閱上述各項所載之任何重大財務報告之判斷；
- iii) 審閱及確保本公司財務監控、內部監控及風險管理系統之有效性；及
- iv) 發展及審閱本公司就企業管治之政策及實務，向董事會作出推薦建議，並檢討本公司遵守企管守則之情況及於企業管治報告中的披露情況。

會議之舉行

審核委員會每年須最少開會兩次。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於審核委員會開會前最少三日提交予審核委員會成員。於本年度內，審核委員會成員審慎地審閱資料備忘錄，並於會議上與前集團財務總監(彼亦為前公司秘書)及其他高級管理層成員(如有需要)討論。

於本年度內，審核委員會分別於二零一二年二月七日、二零一二年三月六日、二零一二年八月七日及二零一二年十一月二十八日舉行共四次會議，而本公司的高級管理層成員均有出席。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員提供意見。經簽署之會議記錄由本公司存置，而有關副本亦已送交審核委員會成員以作記錄。

於本年度內，各審核委員會成員於該等會議之出席率如下：

成員	出席／舉行審核委員會會議數目(總出席率)
汪滌東先生(主席) (於二零一三年三月二十七日辭任)	4/4 (100%)
賴恩雄先生 (於二零一三年三月二十七日辭任)	4/4 (100%)
莫漢生先生 (於二零一三年三月二十七日辭任)	4/4 (100%)

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Works Performed

The works performed by the members of the Audit Committee in the Year are summarised below:

- i) reviewed and considered the Group accounts and financial statements for the year ended 31st December, 2011 and interim accounts for 2012;
- ii) reviewed, discussed and agreed with the Independent Auditor in respect of the audit fee for the Year; the terms of the engagement letters; the nature, scope of audit and reporting obligations for the Year;
- iii) reviewed and assessed the adequacy and effectiveness of the Group's financial reporting and controls, internal control procedures and risk management systems;
- iv) reviewed the corporate governance practices and monitored the progress of compliance of the CG Code and its disclosure in the Corporate Governance Report;
- v) carried out annual review on the continuing connected transactions of the Company (including those not having been made public and fallen outside Rule 14A.33 of the Listing Rules, if any) and their financial implication in their capacity as members of the independent board committee;
- vi) reviewed the performance of the properties of the Group for the year ended 31st December, 2011;
- vii) reviewed the adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmes and budget;
- viii) amended the terms of reference of the Audit Committee to comply with the CG Code effective on 1st April, 2012;
- ix) recommended the engagement of HLB Hodgson Impey Cheng Limited ("HLB Limited") as new auditor of the Company in lieu of the retired auditor Messrs. HLB Hodgson Impey Cheng ("HLB");

董事會轄下委員會(續)

審核委員會(續)

履行之工作

審核委員會成員於本年度所履行之工作概述如下：

- i) 審閱及省覽本集團截至二零一一年十二月三十一日止年度之賬目及財務報表，以及二零一二年之中期賬目；
- ii) 與獨立核數師審閱、討論及同意本年度之核數費用；本年度委聘書之條款；核數之性質、範圍及申報責任；
- iii) 審閱及評估本集團之財務匯報及監控、內部監控程序及風險管理系統是否足夠及有效；
- iv) 檢討企業管治常規及監控遵守企管守則之進度及其於企業管治報告中的披露情況；
- v) 以獨立董事委員會之身份，對本公司之持續關連交易(包括上市規則第14A.33條所涵蓋的範圍以外及無需披露，如有)及其財務影響進行週年審閱；
- vi) 審閱本集團截至二零一一年十二月三十一日止年度之物業表現；
- vii) 審閱會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠；
- viii) 修改審核委員會之職權範圍，以遵守於二零一二年四月一日生效之企管守則；
- ix) 推薦國衛會計師事務所有限公司(「國衛有限公司」)作為本公司之新核數師，以取代退任核數師國衛會計師事務所(「國衛」)；

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Works Performed (cont'd)

- x) in the capacity as members of independent board committee, gave an independent advice to the independent Shareholders in respect of the disposal of the entire issued share capital of View Success to a wholly-owned subsidiary of Chinese Estates, which constituted the major and connected transaction under the Listing Rules and a special deal under the Hong Kong Code on Takeovers and Mergers;
- xi) in their capacity as members of independent board committee, gave an independent advice to the independent Shareholders in respect of the mandatory unconditional cash offer by CCB International Capital Limited on behalf of China Lerthai for all the issued shares of the Company (other than those already acquired or agreed to be acquired by China Lerthai and parties acting in concert with it);
- xii) adopted and made recommendation to the Board for endorsement of the following required under the CG Code effective on 1st April, 2012:
- (a) Corporate Governance Policy and Practices;
 - (b) Company's Policy and Practices on Compliance with Legal and Regulatory Requirements; and
 - (c) Code of Conduct for the Directors of the Company.

On 30th January, 2013, the Audit Committee reviewed the Group's accounts and financial statements for the Year.

Overall, the Audit Committee is satisfied with the condition of the Company, including the corporate governance practices, internal control system, the conduct of the continuing connected transactions and adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function (which is being performed by the accounting staff of Chinese Estates, the former holding company) during the Year, and the training programmes and budget.

To comply with the amendments to the Listing Rules effective on 1st April, 2012, the Board had approved the amendments of the terms of reference of the Audit Committee on 8th March, 2012, which became effective on 1st April, 2012.

董事會轄下委員會(續)

審核委員會(續)

履行之工作(續)

- x) 以獨立董事委員會成員身份，就向華置之全資附屬公司出售景亨全部已發行股本一事(其構成上市規則項下之主要及關連交易，以及香港公司收購及合併守則項下之特別交易)，向獨立股東提供獨立意見；
- xi) 以獨立董事委員會成員身份，就建銀國際金融有限公司代表中國勒泰就本公司所有已發行股份(中國勒泰及與其一致行動之人士已收購或同意收購者除外)提出之強制性無條件現金要約，向獨立股東提供獨立意見；
- xii) 採納並就根據於二零一二年四月一日生效之企管守則向董事會作出建議以通過以下規定：
- (a) 企業管治政策與實務；
 - (b) 本公司有關遵守法律及規例規定的政策與實務；及
 - (c) 本公司董事之行為守則。

於二零一三年一月三十日，審核委員會已審閱本集團本年度之賬目及財務報表。

整體而言，審核委員會滿意本公司於本年度之狀況，包括企業管治實務、內部監控制度、持續關連交易之進行，以及會計及財務匯報職能方面(由前控股公司華置之會計員工履行)之資源、員工之資歷及經驗與員工所接受的培訓課程及有關預算是足夠的。

為遵守於二零一二年四月一日生效之上市規則之修訂，董事會於二零一二年三月八日通過對審核委員會之職權範圍之修訂，並已於二零一二年四月一日生效。

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Works Performed (cont'd)

One of the specific works vested upon the Audit Committee is to develop and review the Company's policies and practices on corporate governance. Upon reviewed by the Audit Committee and endorsed with approval by the Board, the main policy for the Company's corporate governance is to develop the Company itself as a sustainable and competitive company in the business sector in the interests of the Company and the Shareholders as a whole, with an aim for a prudent and profitable development and long term achievement of growth through the well-established corporate governance principles, management and practices. As a listed company in Hong Kong, the Company is obliged to follow the principles, code provisions and recommended best practices (if applicable) set forth in Appendix 14 to the Listing Rules as the substantial requirement on achieving a high corporate governance standard as well as a fundamental part of the corporate governance policy of the Company.

Remuneration Committee

Structure

The Remuneration Committee has been established since June 2005 with the role to assist the Board in reviewing and determining the framework or broad policy for remuneration packages of the Directors and senior management, overseeing any major changes in employee benefit structures and considering other topics as defined by the Board.

During the Year, the Remuneration Committee comprises INEDs, namely:

Mr. Mok, Hon-sang (*Chairman*)
(resigned on 27th March, 2013)
Mr. Lai, Yun-hung
(resigned on 27th March, 2013)
Mr. Wong, Tik-tung
(resigned on 27th March, 2013)

As at the date of the publication of this annual report, the Remuneration Committee is made up of the INEDs, namely:

Mr. Fan, Ren Da Anthony (*Chairman*)
(appointed on 27th March, 2013)
Mr. Fan, Chun Wah Andrew
(appointed on 27th March, 2013)
Mr. Lau, Yu Fung Wilson
(appointed on 27th March, 2013)

董事會轄下委員會(續)

審核委員會(續)

履行之工作(續)

審核委員會的其中一項特定工作為發展及檢討本公司有關企業管治的政策及常規。經審核委員會審閱並由董事會批准後，本公司的主要企業管治政策乃於符合本公司及股東整體利益的情況下將本公司本身發展為一間可持續發展及具競爭力的商業公司，並旨在透過成熟的企業管治原則、管理及常規，達致審慎及高利潤的發展以及長遠增長。作為一間香港上市公司，本公司須遵守上市規則第附錄十四所載的原則、守則條文及建議最佳常規(如適用)，此乃達致高水平企業管治的重大要求及本公司企業管治政策的基石。

薪酬委員會

架構

薪酬委員會於二零零五年六月成立，其角色為協助董事會檢討及釐定董事及高級管理層之薪酬架構或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

於本年度內，薪酬委員會由獨立非執行董事組成，彼等為：

莫漢生先生(*主席*)
(於二零一三年三月二十七日辭任)
賴恩雄先生
(於二零一三年三月二十七日辭任)
汪滌東先生
(於二零一三年三月二十七日辭任)

於本年報刊發日期，薪酬委員會由獨立非執行董事組成，彼等為：

范仁達先生(*主席*)
(於二零一三年三月二十七日獲委任)
范駿華先生
(於二零一三年三月二十七日獲委任)
劉裕豐先生
(於二零一三年三月二十七日獲委任)

BOARD COMMITTEES (cont'd)

Remuneration Committee (cont'd)

Function

The principal responsibilities of the Remuneration Committee are as follows:

- i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedures for developing remuneration policy;
- ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management; and
- iii) to review and make recommendation to the Board for approving the services contracts/agreements of all Directors.

The Remuneration Committee's terms of reference can be found on the websites of the Company and the Stock Exchange.

The Remuneration Committee would consult the Chairman about its proposals on remuneration of other executive Directors and seek internal and external professional advices if considered necessary.

Conduct of Meetings

During the Year, the Remuneration Committee held 1 meeting on 28th November, 2012 to consider and recommend, among others, to the Board on the annual remuneration of the executive Directors for the Year.

Individual attendance of each committee member at the meeting held during the Year is as follows:

Members	No. of Remuneration Committee meeting attended/held (Percentage of attendance in total)
Mr. Mok, Hon-sang (<i>Chairman</i>) (resigned on 27th March, 2013)	1/1 (100%)
Mr. Lai, Yun-hung (resigned on 27th March, 2013)	1/1 (100%)
Mr. Wong, Tik-tung (resigned on 27th March, 2013)	1/1 (100%)

董事會轄下委員會(續)

薪酬委員會(續)

職能

薪酬委員會之主要職責如下:

- i) 按照本公司全體董事及高級管理層之薪酬政策及結構，及就建立正規且具透明度之程序以制定薪酬政策，向董事會提出建議；
- ii) 就個別執行董事及高級管理人員之薪酬待遇向董事會提出建議；及
- iii) 檢討及向董事會提出建議以批准所有董事之服務合約／協議。

有關薪酬委員會之職權範圍，可瀏覽本公司及聯交所網頁。

薪酬委員會須就其他執行董事之薪酬建議諮詢主席，並在認為有需要時尋求內部及外界專業意見。

會議之舉行

於本年度內，薪酬委員會於二零一二年十一月二十八日舉行一次會議，以考慮及向董事會建議(其中包括)執行董事於本年度之年度酬金。

於本年度內，各委員會成員於會議之出席率如下：

成員	出席／舉行 薪酬委員會 會議數目 (總出席率)
莫漢生先生(主席) (於二零一三年三月二十七日辭任)	1/1 (100%)
賴恩雄先生 (於二零一三年三月二十七日辭任)	1/1 (100%)
汪滌東先生 (於二零一三年三月二十七日辭任)	1/1 (100%)

BOARD COMMITTEES (cont'd)

Remuneration Committee (cont'd)

Works Performed

The works performed by the members of the Remuneration Committee during the Year are summarised below:

- i) considered and made recommendation to the Board for endorsement of the remuneration policy of the Company and letters of appointment of the Directors (viz, Mr. Matthew Cheong, Veng-va (resigned on 28th February 2013), Mr. Mok, Hon-sang, Mr. Lai, Yun-hung and Mr. Wong, Tik-tung (all resigned on 27th March, 2013)) with major terms and conditions, to comply with the new requirements under the CG Code; and
- ii) considered and made recommendation to the Board on the annual remuneration of the executive Directors for the Year.

The non-executive Directors, namely Mr. Lee, Vincent Marshall Kwan Ho and Mr. Yang, Shao Xing Max, and the new INEDs, namely Mr. Fan, Ren Da Anthony, Mr. Fan, Chun Wah Andrew and Mr. Lau, Yu Fung Wilson are entitled to a remuneration of HK\$180,000 per annum.

Besides, after obtaining the Board's approval, the remuneration of each of the executive Directors, namely Mr. Yang and Ms. Dai and the non-executive Directors, Mr. Lam were increased from HK\$150,000 per annum to HK\$180,000 per annum with effect from 27th March, 2013.

No share option scheme is adopted by the Company during the Year.

Upon the implementation of CG Code on 1st April, 2012, the Board had adopted the model of making recommendations to the Board on the remuneration packages of individual executive Director and senior management, instead of running former model of delegating to the Remuneration Committee by the Board the responsibility for approving remuneration of individual executive Directors.

董事會轄下委員會(續)

薪酬委員會(續)

履行之工作

薪酬委員會成員於本年度內所履行之工作概述如下：

- i) 就本公司薪酬政策及本公司董事(即昌榮華先生(於二零一三年二月二十八日辭任)、莫漢生先生、賴恩雄先生及汪滌東先生(全部於二零一三年三月二十七日辭任))委聘書的主要條款及條件作出考慮並提出建議予董事會作批註，以符合企管守則的新規定；及
- ii) 考慮執行董事於年內的年度薪酬並向董事會提出建議。

非執行董事(即李君豪先生及楊少星先生)及新任獨立非執行董事(即范仁達先生、范駿華先生及劉裕豐先生)可獲得薪酬每年180,000港元。

此外，在取得董事會批准後，各執行董事(即楊先生及戴女士)及非執行董事林先生之薪酬由每年150,000港元增加至每年180,000港元，自二零一三年三月二十七日起生效。

於本年度內，本公司並無採納任何購股權計劃。

隨著企管守則於二零一二年四月一日實施，董事會已採納就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議的模式，而非按先前模式(即董事會授權薪酬委員會負責批准個別執行董事的薪酬)運作。

BOARD COMMITTEES (cont'd)

Nomination Committee

Structure

The Nomination Committee was established in 2012 with the role to lead the process and to make recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in the light of challenges and opportunities facing the Company, as well as business development and requirements of the Company.

During the Year, the Nomination Committee comprises INEDs, namely:

Mr. Lai, Yun-hung (*Chairman*)
(resigned on 27th March, 2013)
Mr. Mok, Hon-sang
(resigned on 27th March, 2013)
Mr. Wong, Tik-tung
(resigned on 27th March, 2013)

As at the date of the publication of this annual report, the Nomination Committee is made up of the INEDs, namely:

Mr. Fan, Ren Da Anthony (*Chairman*)
(appointed on 27th March, 2013)
Mr. Fan, Chun Wah Andrew
(appointed on 27th March, 2013)
Mr. Lau, Yu Fung Wilson
(appointed on 27th March, 2013)

Function

The principal responsibilities of the Nomination Committee are as follows:

- i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's strategy;
- ii) to assess on the independence of the independent non-executive Directors; and
- iii) to make recommendations to the Board on the appointment or re-appointment and succession planning of Directors and to identify individuals suitably qualified to become Board members.

The Nomination Committee's terms of reference can be found on the websites of the Company and the Stock Exchange.

董事會轄下委員會(續)

提名委員會

架構

提名委員會於二零一二年成立，其角色為就委任程序作出領導及向董事會提出建議，(當不論作為新增委任或填補董事空缺發生時)，以應付本公司所面對的挑戰及機遇，以及本公司業務開發及要求。

於本年度內，提名委員會由獨立非執行董事組成，彼為：

賴恩雄先生(主席)
(於二零一三年三月二十七日辭任)
莫漢生先生
(於二零一三年三月二十七日辭任)
汪滌東先生
(於二零一三年三月二十七日辭任)

於本年報刊發日期，提名委員會由獨立非執行董事組成，彼等為：

范仁達先生(主席)
(於二零一三年三月二十七日獲委任)
范駿華先生
(於二零一三年三月二十七日獲委任)
劉裕豐先生
(於二零一三年三月二十七日獲委任)

職能

提名委員會之主要職責如下：

- i) 至少每年檢討董事會的架構、規模及組成(包括技能、知識及經驗方面)，並就任何為配合本公司策略而擬對董事會作出的變動提出建議；
- ii) 評核獨立非執行董事的獨立性；及
- iii) 就董事之委任或重新委任，以及董事繼任計劃向董事會提出建議，並物色具備合適資格可擔任董事會成員的人士。

有關提名委員會之職權範圍，可瀏覽本公司及聯交所網頁。

BOARD COMMITTEES (cont'd)

Nomination Committee (cont'd)

Conduct of Meetings

During the Year, the Nomination Committee held 1 meeting on 28th November, 2012.

Individual attendance of each committee member at the meeting held during the Year is as follows:

Members	No. of Nomination Committee meetings attended/held (Percentage of attendance in total)
Mr. Lai, Yun-hung (<i>Chairman</i>) (resigned on 27th March, 2013)	1/1 (100%)
Mr. Mok, Hon-sang (resigned on 27th March, 2013)	1/1 (100%)
Mr. Wong, Tik-tung (resigned on 27th March, 2013)	1/1 (100%)

Works Performed

The works performed by the members of Nomination Committee in the Year are summarised below:

- i) considered the replacement upon the resignation of Ms. Teresa Poon, Mun-chie as the executive Director and CEO on 8th June, 2012;
- ii) considered and adopted the policy, procedures and process and criteria for the nomination of the Directors and made recommendation to the Board for its endorsement; and
- iii) reviewed the structure, size and composition of the Board.

董事會轄下委員會(續)

提名委員會(續)

會議之舉行

於本年度內，提名委員會於二零一二年十一月二十八日舉行一次會議。

於本年度內，各委員會成員於會議之出席率如下：

成員	出席／舉行 提名委員會 會議數目 (總出席率)
賴恩雄先生(主席) (於二零一三年三月二十七日辭任)	1/1 (100%)
莫漢生先生 (於二零一三年三月二十七日辭任)	1/1 (100%)
汪滌東先生 (於二零一三年三月二十七日辭任)	1/1 (100%)

履行之工作

提名委員會成員於本年度所履行之工作概述如下：

- i) 潘敏慈女士於二零一二年六月八日辭任執行董事及行政總裁時考慮替任人選；
- ii) 考慮及採納提名董事的政策、程序及過程及準則，並向董事提出建議，以供其批註；及
- iii) 檢討董事會的架構、規模及組成。

BOARD COMMITTEES (cont'd)

Nomination Committee (cont'd)

Nomination Procedures and Process

The Nomination Committee may nominate any person that having the relevant qualities and criteria as determined by the Nomination Committee as well as required by the Companies Ordinance (Cap. 32, Laws of Hong Kong), the Listing Rules or other applicable laws and regulations in Hong Kong to become a director (whether executive or non-executive) whenever (i) the executive Director(s) or the Nomination Committee is/are of the view that according to the current or prospective business development and requirements of the Company; or (ii) for succession planning for the Board, there is a demand for an appointment of new Director as an addition to the Board or to fill up the casual vacancy in the Board.

During the nomination process, the Nomination Committee may evaluate the balance of skills, experience, independence and knowledge in the Board members and may prepare a description or job specification of the role and capabilities required for any new or particular appointment to the Board if it thinks fit and proper. The Nomination Committee may seek independent professional advice or assistance including engagement of recruitment agent or external research consultancy, or use open advertising or other appropriate means in appropriate circumstances at the Company's expense to assess a wide base of potential candidates to become a Director.

MANAGEMENT FUNCTIONS

The Board and the management have separate responsibilities, accountabilities and contributions, with decision making vested in the Board and daily operation and administration vested in the management. Besides, the Board may assign or delegate other functions on ad hoc basis to the management and such delegation is often reflected in the board minutes/resolutions. The members of the Board, individually and as a collective body, are accountable to the Company whereas the management is accountable to the Company.

Basically, during the Year, the Board and its committees were responsible on the following matters:-

- (i) oversee the general operations of the Company;
- (ii) ensure effective implementation of the Board decisions and corporate governance, with the assistance of the Company Secretary;
- (iii) ensure the short and long term sustainability of the business;

董事會轄下委員會(續)

提名委員會(續)

提名程序及過程

倘(i)執行董事或提名委員會因應本公司現時或未來業務發展及要求認為;或(ii)就董事會的繼任安排,需要委任新董事作為董事會新增成員或填補董事會的空缺,則提名委員會可就提名委員會所釐定的相關質素及準則以及公司條例香港法例第32章、上市規則或香港其他適用法例及法規提名任何人士為董事(不論執行或非執行)。

於提名過程中,提名委員會可評估董事會成員於技能、經驗、獨立性及知識方面的平衡,並須為董事會認為屬恰當的任何新委任或特定委任編製所需角色及能力的描述或工作詳情。提名委員會於適當情況下可尋求獨立專業意見或協助,包括委聘招聘代理或外聘研究顧問,或使用公開廣告或其他合適方式,以接觸更大層面上的潛在候選人擔任董事,而有關費用由本公司承擔。

管理層職能

董事會及管理層具有不同的職責、問責性及貢獻,董事會負責決策而管理層則負責日常營運及行政工作。此外,董事會可按個別項目形式將其他職能指派或授權予管理層,而有關授權一般反映於董事會會議記錄/決議案。董事會成員個別及共同地向本公司問責,而管理層則向本公司問責。

基本上,董事會及其委員會於本年度內負責以下事項:

- (i) 監察本公司的一般營運;
- (ii) 於公司秘書的協助下,確保董事會的決定及企業管治能有效實施;
- (iii) 確保業務具有短期及長期的持續性;

MANAGEMENT FUNCTIONS (cont'd)

- (iv) lead the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;
- (v) provide coherent leadership of the Company;
- (vi) satisfy itself on the integrity of financial information and on robustness and defensibility of the financial controls and systems of risk management and carry out review thereon;
- (vii) scrutinise the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;
- (viii) constructively challenge and help developing proposals on business strategy;
- (ix) uphold high standards of corporate governance and compliance;
- (x) participate in the process of dealing with any conflict of interest between the Company and the Director, his/her associates or substantial Shareholder who has material interest in the transaction with the Company, especially connected transactions under the Listing Rules;
- (xi) attend the Shareholders' meeting to help developing a balanced understanding of their issues and concerns; and
- (xii) give independent opinion and advice to the Shareholders where required by the Listing Rules or any applicable laws and regulations on the business affairs of the Company.

During the Year, the management was mainly responsible for:

1. daily investment, management, operation and administration of the Company, including letting of the properties and sourcing of new investment opportunities;
2. compliance with the rules and regulations, including the Listing Rules, as well as to implement corporate governance policy determined by the Board;
3. draw the Directors' attention on the new corporate governance requirements;
4. organise the Board and various meetings for the Directors' discussion;
5. prepare various reports to the Board for review and decision making;

管理層職能(續)

- (iv) 領導本公司管理層於達致協定方針及目標的表現以及監察表現的申報工作；
- (v) 為本公司提供一致的領導；
- (vi) 信納財務資料的真確性、財務監控及風險管理系統的可信性及可辯解性，並就此進行有關檢討；
- (vii) 詳細檢討本公司管理層於達致協定方針及目標的表現，並監管表現的申報；
- (viii) 就發展業務策略計劃書提供具建設性的建議及協助；
- (ix) 保持高水平的企業管治及合規工作；
- (x) 參與處理就本公司與董事、彼等聯繫人或於本公司交易(尤其是上市規則下的關連交易)中擁有重大權益的主要股東之間的任何利益衝突的過程；
- (xi) 參與股東會議，藉此協助對彼等的問題及憂慮有更均衡的了解；及
- (xii) 根據上市規則或任何適用法例及法規所規定就本公司業務事宜向股東提供獨立建議及意見。

於本年度內，管理層主要負責：

1. 本公司的日常投資、管理、營運及行政，包括出租物業及物色新投資機遇；
2. 遵守規例及法規(包括上市規則)以及推行董事會所釐定的企業管治政策；
3. 提請董事關注有關企業管治的新規定；
4. 組織董事會會議及各種會議供董事討論；
5. 編製各種報告供董事會審閱及決策；

MANAGEMENT FUNCTIONS (cont'd)

6. coordinate with the Chinese Estates in provision of and for sharing with its accounting and financial reporting resources, including human resources, accounting programmes and other information system facilities to ensure that the Company had fulfilled the legal and the Listing Rules' requirements on the preparation of financial reporting and internal control, including cost control; and
7. organise training for the Directors.

During the period from 1st April, 2012 to 31st December, 2012, the management provided all members of the Board with monthly updates in accordance with the code provision C.1.2 of the CG Code.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

During the Year, Mr. Matthew Cheong Veng-va, Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung had participated in the continuous professional training funded and organised by the Company with the assistance of the Company's solicitors, to develop and refresh their knowledge and skills. The training topics, with emphasis on the roles, functions and duties of a listed company director included:

- 1) Price-sensitive information disclosure;
- 2) Updates on directors' roles and responsibilities; and
- 3) Best practice guide of independent non-executive Directors.

Besides, the Directors in their professional capacities such as professional accountants had also received continuing professional development training during the Year.

管理層職能(續)

6. 與華置協調其所提供及與本公司分享的會計及財務報告資源，包括人力資源、會計程序及其他資料系統設備，以確保本公司於編製財務報告以及成本監控等內部監控時能符合法定及上市規則的要求；及
7. 為董事安排培訓。

於二零一二年四月一日至二零一二年十二月三十一日期間，管理層已根據企管守則之守則條文第C.1.2條向全體董事會成員提供每月更新資料。

董事之持續專業發展

於本年度內，昌榮華先生、賴恩雄先生、莫漢生先生及汪滌東先生於公司律師的協助下已參與由本公司出資及組織的持續專業培訓，以發展及更新彼等的知識及技能。培訓題材強調上市公司董事的角色、功能及職責，包括：

- 1) 股價敏感資料的披露；
- 2) 董事角色及責任的更新；及
- 3) 獨立非執行董事的最佳實踐指引。

此外，董事於本年度內亦有接受其專業身份（如專業會計師）的持續專業發展培訓。

INDEPENDENT AUDITOR

Owing to the business reorganisation of HLB from partnership to a limited company, HLB retired as the Independent Auditor and HLB Limited was newly appointed as the Independent Auditor by Shareholders at the 2012 annual general meeting of the Company. In order to maintain the independence and objectivity of the Independent Auditor (which for these purposes include any entity under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), they will not be engaged for non-audit work unless it has been pre-approved by the Audit Committee.

Independent Auditor were engaged on an ad hoc basis to supply non-audit service, such as to provide a confirmation letter to the Board and to the Stock Exchange to confirm, among others, that the continuing connected transactions have not exceeded the stipulated cap for the transactions as required under Chapter 14A of the Listing Rules during the Year. The fundamental policy is to ensure that the engagement of the Independent Auditor for non-audit service will not harm their independence or cause any bias on audit works for the presentation of financial statements of the Group. During the Year and for the period from 1st January, 2013 right up to the date of publication of the annual report, the fee for engaging Independent Auditor to carry out the works in connection with the non-audit services are as follows :-

1. annual review of the continuing connected transactions amounted to HK\$20,000; and
2. services as independent reporting accountants for the special deal and major and connected transaction in relation to the disposal of a subsidiary amounted and general offer and preparation of completion account amounted to HK\$233,000 in total.

At the annual general meeting held on 25th May, 2012, HLB Limited were re-appointed by the Shareholders as the Independent Auditor at a fee to be agreed with the Board. The Audit Committee reviewed the terms of engagement letter of HLB Limited in late November 2012 and agreed with HLB Limited the audit fees for auditing the financial statements of the Group for the Year at HK\$220,000.

In March 2012, the practice of HLB as partnership has been reorganised as HLB Limited. The accounts for the Year were audited by HLB Limited whose term of office will expire upon the forthcoming annual general meeting. HLB Limited will retire at the conclusion of the forthcoming annual general meeting. The Board has resolved, with the recommendation from Audit Committee, to propose the appointment of Deloitte Touche Tohmatsu as the new Independent Auditor to fill the vacancy following the retirement of HLB Limited at the forthcoming annual general meeting.

獨立核數師

基於國衛進行業務重組，自合夥業務改為有限公司，故國衛退任獨立核數師，而國衛有限公司於本公司二零一二年股東週年大會上已獲股東新委任為獨立核數師。為保持獨立核數師之獨立性及客觀性(就此而言包括與核數師行共同控制、擁有或管理之任何實體，或合理及知情第三方在接獲一切相關資料後合理認為在國家或國際方面屬核數師行一部分之任何實體)，其將不會受聘進行非核數工作，除非已獲審核委員會事先批准。

獨立核數師於特別情況下提供非審核之服務，如於本年度內按上市規則第14A章規定提供確認書予董事會及聯交所，以確認(連同其他事項)持續關連交易並無超過該交易既定之上限。基本政策乃確保獨立核數師對非審核服務之參與不會損害其獨立性或導致編製本集團財務報表時構成審核偏頗。於本年度內及於二零一三年一月一日起直至刊發年報日期期間，聘任獨立核數師進行與非審核服務有關的費用如下：

1. 對持續關連交易進行年度審閱的費用為20,000港元；及
2. 對出售一間附屬公司及全面要約及編製完整賬目相關的特別交易及主要與關連交易提供作為獨立申報會計師的服務的費用合共為233,000港元。

於二零一二年五月二十五日舉行之股東週年大會上，國衛有限公司以董事會將協定的費用獲股東續聘為獨立核數師。審核委員會於二零一二年十一月月底審閱國衛有限公司之聘書條款，並與國衛有限公司協定審核本集團於本年度的財務報表之審核費用為220,000港元。

於二零一二年三月，國衛已由合夥業務營運模式重組為國衛有限公司。本年度之賬目經由國衛有限公司審核，其任期將於應屆股東週年大會上屆滿。國衛有限公司將於應屆股東週年大會結束時退任。董事會已議決按照審核委員會的建議，於應屆股東週年大會上建議委任德勤•關黃陳方會計師行為新任獨立核數師，以填補國衛有限公司退任後產生之空缺。

FINANCIAL REPORTING

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as other price-sensitive announcements and financial disclosures published as required under the Listing Rules.

The management provides explanation, information and progress update to the Board for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

Throughout the Year, the Directors had selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with generally accepted accounting standards published by the Hong Kong Institute of Certified Public Accountants. A statement by the Independent Auditor about their reporting responsibilities for the Year is set out in this annual report.

The Independent Auditor did not report for the Year that there were any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL

Scope of Works

The Board recognises its responsibility for establishment, maintenance and review of the internal control system that provides reasonable assurance on the reliability and integrity of financial and operational information, effective and efficient operations, safeguarding of assets and compliance with laws and regulations. The internal control system is designed to manage rather than to eliminate all risks of failure while its goal is to provide reasonable, not absolute, assurance regarding the achievement of organisational objectives. The Audit Committee is responsible to assist the Board for the annual review of the effectiveness of the internal control system of the Group.

To ensure sufficient resources provided to the Audit Committee, information and assessment of financial and internal controls, risk management systems were sent to the Audit Committee members. Internal control procedures of the Group had been commented by the Audit Committee members during the Year.

財務報告

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以盡早發布為基礎，而中期報告及年報，連同其他股價敏感資料公布及財務披露則根據上市規則之規定而公布。

管理層向董事會提供解釋、資料及最新進度，讓董事會就財務及其他事項於提交董事會審批及考慮前，可作出知情評估。

於本年度內，董事已選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目，賬目須真實而公平，並根據香港會計師公會公布而普遍被採用之會計準則。獨立核數師就彼等於本年度之報告責任所發出之聲明已載於本年報內。

獨立核數師並無就本年度有關任何重大涉及可能對本公司持續經營能力存疑之事件或狀況之重大不確定因素作出報告。

內部監控

工作範疇

董事會確認其責任為制訂、維持及檢討內部監控制度，使它能就財務及營運資料之可靠性及完整性、營運效率及效能、資產保障以及法例及法規遵守方面提供合理之確定。內部監控制度乃為管理（而非完全消除）失責風險而設，旨在為達至機構目標而提供合理（而非絕對）確定。審核委員會負責協助董事會對本集團內部監控制度進行效用評估之年度審閱。

為確保審核委員會獲得足夠資源，財務及內部監控、風險管理系統之資料及評估已送交審核委員會成員。於本年度內，本集團內部監控程序已由審核委員會成員批閱。

INTERNAL CONTROL (cont'd)

Audit Committee's Review

The Audit Committee had reviewed the financial control, internal control and risk management systems of the Company for the Year. It considered the internal control system effective and adequate as they allowed the Board to monitor the Group's overall financial position and to provide reasonable assurance that assets are safeguarded against unauthorised use or material financial misstatement; transactions were executed in accordance with management's authorisation; and the accounting records were reliable for preparing financial information used within the business or for publication and reflecting accountability for assets and liabilities. Further reviews will be conducted on the request of any Audit Committee member, Company Secretary, or any Director.

The Audit Committee and the Board considered that the Company had complied with the code provisions on internal control during the Year, and the internal control system is effective and adequate, as:

- i) a framework of prudent and effective control has been established to enable risks to be identified, evaluated and managed; and
- ii) periodic review of the system of the internal control is carried out by the Audit Committee to ensure the effectiveness of such control.

COMPANY SECRETARY

Mr. Lam, the Company Secretary and Group financial controller in the Year (currently non-executive Director) had taken up the position as Company Secretary since late 2002 and owing to his status as the executive director of Chinese Estates, he did not enter into employment contract with the Company. During the Year, the primary contact person in the Company with Mr. Lam was Mr. Matthew Cheong, Vengva, the former executive Director and Mr. Wong, Tik-tung, the former INED. Upon the resignation of Mr. Lam as the Company Secretary with effective from 6th February, 2013, Ms. Lam, Yuen Ling Eva has been appointed as the Company Secretary and is delegated by an external service provider. The external service provider's primary contact person in the Company is Ms. Dai, Hui, the executive Director. Therefore, the code provision F.1.1 of the CG Code is complied.

內部監控(續)

審核委員會之審閱

審核委員會已審閱本公司本年度之財務監控、內部監控及風險管理系統。審核委員會認為內部監控系統屬有效及足以讓董事會監察本集團之整體財務狀況及可合理確定資產不會被未授權使用或虛報重大財務資料；交易乃根據管理層之授權簽立；及會計記錄能可靠地編製供業務內使用或作刊發之財務資料，並反映資產及負債之可表述性。在任何審核委員會成員、公司秘書或任何董事要求之情況下，可進行額外審閱。

審核委員會及董事會認為本公司已於本年度內遵守內部監控之守則條文，而內部監控系統為足夠且有效，因為：

- i) 已設立審慎且有效監控之架構，以確保能識別、評估及管理風險；及
- ii) 審核委員會定期審閱內部監控系統，以確保有關監控之有效性。

公司秘書

林先生，於本年度內為公司秘書兼集團財務總監(現為非執行董事)自二零零二年年年底起一直擔任公司秘書。基於彼為華置的執行董事，彼並無與本公司訂立僱用合同。於本年度內，林先生於本公司之主要聯絡人為前執行董事昌榮華先生及前獨立非執行董事汪滌東先生。自林先生於二零一三年二月六日起辭任公司秘書後，林婉玲女士獲委任為公司秘書，並由外聘服務供應商所委派。外聘服務供應商於本公司之主要聯絡人為執行董事戴輝女士。因此，企管守則之守則條文第F.1.1條已獲遵守。

SHAREHOLDERS' RIGHTS

The Company is committed to safeguarding the Shareholders' and the Company's interests as a whole and encouraging Shareholders to attend general meetings of the Shareholders to participate in the important decisions of the Company for which the Shareholders' approval is required under the Listing Rules and the Companies Ordinance. The Company regards general meetings of the Shareholders as an important event as it provides an important opportunity for direct communication between the Board and the Shareholders. The Directors, including the INEDs were available to answer questions at the annual general meeting and extraordinary general meeting held in May 2012 and January 2013 respectively. The chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, the Independent Auditor and the chairman of the independent board committee (if applicable) were also available at the general meetings to address Shareholders' queries.

With the implementation of poll voting in lieu of show of hands at all general meetings of the Company, the Shareholders can fully reflect their proprietary rights and interests by means of poll voting which is regarded as a fairer method of determination on business matters by the Shareholders than voting on a show of hands at the general meetings. Notice of the annual general meeting, together with the annual report and circular, were sent to the Shareholders more than 20 clear business days before the meeting whereas notice of the extraordinary general meeting together with circular, were sent to the Shareholders more than 10 clear business days before the meeting. These can allow more time for the Shareholders to digest information in the annual report and circulars, and to consider whether joining the meetings or not.

The CEO and Chairman, when acting as the chairman of the annual general meeting and extraordinary general meeting held on 25th May, 2012 and on 22nd January, 2013 respectively, took the initiative to demand for a poll at the commencement of the meetings and explained the detailed procedures for conducting a poll to the Shareholders. All resolutions were put to vote and passed by poll under the scrutiny of the independent share registrar. The poll results were made public by means of public announcements which were uploaded to the websites of the Company and the Stock Exchange.

Statutory announcements, financial and other information of the Group are made available on the Company's website, which is regularly updated.

股東權利

本公司銳意保障股東及本公司之整體利益，並鼓勵股東出席股東大會，以參與上市規則及公司條例要求股東批准之重要決策。鑑於股東大會為董事會與股東直接溝通之主要機會，故本公司視股東大會為一項重要事項。董事（包括獨立非執行董事）均已出席分別於二零一二年五月及二零一三年一月舉行之股東週年大會及股東特別大會並回答提問。審核委員會、薪酬委員會及提名委員會主席、獨立核數師及獨立董事委員會主席（如適合）亦已出席股東大會並解答股東提問。

隨公司於所有股東大會上實行以投票方式表決以代替舉手方式表決，股東以投票方式表決能全面反映股東之財產權益，且於股東大會上作為股東決定業務之辦法，較舉手方式表決更為公平。召開股東週年大會之通告，連同年報及通函，已在開會前超過二十個營業日發送予股東，而召開股東特別大會之通告連同通函，已在開會前超過十個營業日發送予股東，以讓股東有更多時間消化年報及通函之資料，及考慮是否參與會議。

行政總裁及主席，分別於二零一二年五月二十五日及二零一三年一月二十二日舉行之股東週年大會及股東特別大會上擔任主席時，於會議開始時主動要求以投票方式表決，並向股東解釋進行投票表決之詳細程序。在獨立股份過戶登記處之監察下，所有決議案交予大會以投票方式表決及通過。投票方式表決之結果已透過公布之方式在本公司及聯交所網頁上載公開。

本集團之法定公布、財務及其他資料可於本公司網頁瀏覽，並定期更新。

SHAREHOLDERS' RIGHTS (cont'd)

The following set forth the procedures on (a) how Shareholders can convene an extraordinary general meeting, (b) the procedures by which enquiries may be put to the Board and sufficient contact details to enable these enquires to be properly directed; and (c) the procedures and sufficient contact details for putting forward proposals at Shareholders' meetings.

(a) Procedures on how Shareholders can convene an extraordinary general meeting

1. Any registered Shareholder in his/her sole name or the registered Shareholders jointly or collectively (whose name(s) appear in the register of the members of the Company) holding at the date of the deposit of the requisition not less than one-twentieth (5%) of the issued and paid up capital of the Company carrying the right to vote at general meeting of the Company may send a requisition to the Company to convene an extraordinary general meeting of the Company ("EGM").
2. The requisition must state the objects of the EGM, and must be signed by the requisitionists and deposited at the registered office of the Company at Unit 2201, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong for the attention of the Company Secretary.
3. The request will then be verified with the share registrar of the Company. Upon receiving confirmation from the share registrar of the Company that the request is in order, the Company Secretary will tender the request of the Shareholder to the Board to include the resolution in the notice and agenda for the EGM.
4. Upon receiving such requisition, the Directors shall, within 21 days from the date of the deposit of the requisition, proceed to convene the EGM. The EGM shall be held on a day not more than 28 days after the date on which the notice convening the meeting is given.
5. If the Directors fail to convene the EGM as requisitioned by the Shareholder(s) concerned in the aforesaid manner, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene the EGM, but any EGM so convened shall not be held after the expiration of 3 months from the date of deposit of the requisition.
6. Where the EGM is held by the requisitionists, the requisitionists may claim from the Company any reasonable expenses incurred through the Directors' default.

股東權利(續)

以下載列(a) 股東召開股東特別大會之程序，(b) 向董事會作出提問的程序及充足之聯絡資料讓該等查詢可妥善轉達；及(c) 於股東大會上提呈建議之程序及充足之聯絡資料。

(a) 股東召開股東特別大會之程序

1. 於遞交請求日期持有不少於二十分之一(5%)本公司已發行繳足股本且於本公司股東大會上有投票權的單一名稱登記股東，或共同或集體登記股東(名列於本公司股東名冊)可向本公司請求以召開本公司股東特別大會(「股東特別大會」)。
2. 有關請求必須註明股東特別大會的主題，且必須由請求人士簽署並送達本公司註冊辦事處，地址為香港金鐘金鐘道89號力寶中心1座2201室，且註明收件人為公司秘書。
3. 有關請求將由本公司股東登記處核實。於接獲本公司股份登記處確認有關要求乃妥善後，則公司秘書會將股東的要求提呈予董事會，以供載入股東特別大會通告及議程。
4. 於接獲有關請求後，董事須於遞交請求日期起二十一日內安排召開股東特別大會。股東特別大會須於發出召開會議通告日期起不多於二十八日內舉行。
5. 倘董事未能以上述方式應有關股東的請求召開股東特別大會，則請求人士或佔全體請求人士一半以上總投票權之任何請求人士可自行召開股東特別大會，惟按此召開之股東特別大會不得於遞交請求日期起計三個月屆滿後舉行。
6. 倘股東特別大會由請求人士舉行，則請求人士可就董事之違反行為所產生的任何合理支出向本公司索償。

SHAREHOLDERS' RIGHTS (cont'd)

(b) Procedures by which enquiries may be put to the Board and sufficient contact details to enable these enquiries to be properly directed

1. For any enquiry that a Shareholder may put to the Board otherwise than at the general meetings to be held from time to time, the Shareholder concerned should send the enquiry to the Board by means of letter to the registered office of the Company at Unit 2201, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong for the attention of the Company Secretary.
2. The Company Secretary will collect and read the letters received from the Shareholders.
3. Any enquiry to the Board shall be made by means of a letter bearing the address, contact telephone number and signature of the enquirer who must be registered Shareholder with his/her name appears in the register of members of the Company. No enquiry by other means like telephone, fax or email will be entertained.
4. Any enquiry should confine to any factual information contained in the announcement, circular, interim or annual report of the Company published within the recent 3 years.
5. Any enquiry will be replied within 21 days in any ordinary case. If the Board regards the Shareholder's enquiry is a complicate one, the reply will be given within one month or any extended period for reply that the Directors consider fit and proper.
6. No enquiry shall be made by the Shareholder on any publication, hearsay or rumour come from the unidentified source concerning the business affairs of the Company. The Board may consider issuing an announcement to the general public whenever it is necessary under the requirements of the Listing Rules or other applicable laws and regulations to clarify any publication, hearsay or rumour that may appear in the newspaper or from any source that the Company may have known.
7. Reply by the Board to the Shareholder concerning his/her enquiry is privy to the Shareholder concerned and no such reply shall be made public without the consent of the Company and the Company reserves the legal right to pursue for any breach thereof.

股東權利(續)

(b) 向董事會作出提問的程序及充足之聯絡資料讓該等查詢可妥善轉達

1. 就股東可能向董事會作出的任何提問，除不時舉行的股東大會外，有關股東應以書面形式將提問送達本公司註冊辦事處，地址為香港金鐘金鐘道89號力寶中心1座2201室，且註明收件人為公司秘書。
2. 公司秘書將收集及閱讀股東所發出的函件。
3. 向董事會的任何提問均應以書面形式作出，且註明提問人的地址、聯絡電話及簽署，其必須為登記股東且名列本公司股東名冊上。以電話、傳真或電郵等其他形式作出的提問均不會受理。
4. 任何提問應僅與任何已載於本公司在最近三年內刊發的公布、通函、中期報告或年報的事實資料有關。
5. 在正常情況下，任何提問均會在二十一日內回覆。倘董事會認為股東的提問複雜，則回覆會於一個月內或董事認為合適的任何延長期間內作出。
6. 股東不得基於任何刊物、來源不明的謠傳或傳聞而作出有關本公司業務事宜的提問。倘董事會認為根據上市規則或其他適用法例及條例而言屬於適當，董事會可能向公眾刊發公布，以澄清報章可能報導或來自本公司可能知悉的任何來源的任何刊物、謠傳或傳聞。
7. 董事會對股東的提問回覆僅向有關股東作出，有關回覆一概不應在未經本公司同意下公開，本公司對任何違反保留法律權利追究。

SHAREHOLDERS' RIGHTS (cont'd)

8. The Board reserves the right to turn down the request for answering enquiries or giving any explanation thereof in case:-
- answering to the enquiry will require disclosure of any confidential or price-sensitive information of the Company;
 - answering to the enquiry will require disclosure of any information that the Board consider (i) it is unlawful to disclose them under the current laws and regulations that the Company is subject to, including the laws and regulations of the place where the Company is incorporated or the place where the main business of the Company is operating or the place in which the Company is having its securities listed therein; or (ii) in the interest of the Company it should not be disclosed; or (iii) it is unreasonable to disclose them; and
 - the enquiries themselves contain any defamatory or irresponsible statements with malice, or the enquiries are of irrelevance or of prejudicial or vexatious nature or showing any element of abuse of the rights by the Shareholder concerned.
9. At the general meeting of the Shareholders to be held from time to time, any shareholder, his/her proxy or corporate representative may raise any enquiry verbally to the Directors present at the meeting concerning any business to be transacted at the meeting as set forth in the notice and agenda of the general meetings. The Directors presented may answer verbally the enquiries raised by the Shareholders at the general meeting as the Directors consider appropriate. The Directors may decline to answer any enquiry based on the factors mentioned above in item 8, or irrelevant to the core theme of the general meeting purpose, or in order to allow the general meeting to be conducted in the orderly and lawful manner without undue disruption and to achieve a good sense of the general meeting.

股東權利(續)

8. 倘出現以下情況，董事會保留權利拒絕回應提問或給予任何解釋的要求：-
- 回應提問將致使披露任何本公司的機密資料或股價敏感資料；
 - 回應提問將導致披露任何董事會認為(i) 根據本公司須遵守的現行法例及條例(包括本公司註冊地點或本公司主要業務的經營所在地或本公司證券上市地點的法例及條例)屬於違法的資料；或(ii) 不披露有關資料符合本公司的利益；或(iii) 披露有關資料並不合理；及
 - 提問本身含有任何構成誹謗或不承擔責任的蓄意陳述；或提問的性質不恰當或引起偏見或無理取鬧，或顯示濫用股東權利的任何因素。
9. 於不時舉行的股東大會上，任何股東、其委任代表或企業代表可口頭向出席董事，就股東大會通告及議程所載要處理的事項作出任何提問。倘出席董事認為適當，則可口頭回答股東於大會上作出的提問。董事可基於上文第8項所述因素，或因提問與股東大會的主要目的並不相關，而拒絕回答任何提問，致使股東大會可在不受不當延誤的情況下有秩序及合法地順利進行。

SHAREHOLDERS' RIGHTS (cont'd)

10. Any reply by the Board or by any of its members (whether acting collectively or individually and in whatsoever manner or circumstances) to the Shareholder concerned must not be treated as any advice for investment in the securities of the Company or for any other purpose whatsoever and the Board and any of its members and the Company disclaim any liability that may be suffered by the Shareholder concerned or any third party as a result of or arising from any reliance on any reply made by the Board or any of its members on behalf of the Company to the enquiries raised by the Shareholder concerned.

(c) Procedures and sufficient contact details for putting forward proposals at shareholders' meetings

1. Any number of registered Shareholders (whose name(s) appeared in the register of members) representing not less than one-fortieth (2.5%) of the total voting rights of all members having at the date of the requisition a right to vote at the meeting to which the requisition relates, or not less than 50 members holding shares in the Company on which there has been paid up an average number, of not less than \$2,000 (namely, such members holding between them a minimum of shares on which there has been paid up at least HK\$100,000), may request the Company to give to members of the Company a notice of any resolution which he/she/they may intend to move at the annual general meeting; and/or to circulate to members entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolutions or the business to be dealt with at that meeting.

2. A copy of the requisition signed by the requisitionists shall be deposited at the registered office of the Company at Unit 2201, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong for the attention of the Company Secretary not less than 6 weeks before the meeting (in case of a requisition requiring notice of a resolution) and not less than one week before the meeting (in case of any other requisition) and there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

股東權利(續)

10. 董事會或其任何成員(不論共同或個別地作出且在任何形式或情況下)向有關股東作出的任何回覆，不應被視作對本公司證券的任何投資意見，或作為任何其他目的，而董事會及其任何成員及本公司概不就有關股東或任何第三方因董事會或其任何成員代表本公司就有關股東的提問所作出的任何回覆或依賴該等回覆而引致的損失承擔任何責任。

(c) 於股東大會上提呈建議之程序及充足之聯絡資料

1. 持有全體股東總投票權不少於四十分之一(2.5%)且於遞交請求當日於有關請求所涉大會上擁有投票權的任何數目登記股東(名列於股東名冊)或不少於五十名持有本公司股份而已繳足金額的平均數不少於2,000港元(換言之，該等股東所持的股份須為已繳足最少100,000港元)，則可要求本公司向本公司股東發出彼等擬於股東週年大會上動議之任何決議案的通告；及／或有權接收任何股東大會通告之股東傳閱任何不超過一千字之陳述書，以告知該大會上任何提呈之決議案所述事宜或將處理之事項。

2. 由請求人士簽署的請求書須於不少於會議前六個星期(倘有關請求乃要求決議案通告)及不少於會議前一個星期遞交至本公司註冊辦事處，地址為香港金鐘金鐘道89號力寶中心1座2201室，並註明收件人為公司秘書，而遞交或呈交的請求書須連同一筆足夠公司舉行有關會議所需合理費用的款項。

SHAREHOLDERS' RIGHTS (cont'd)

3. The request will be verified with the share registrar of the Company. Upon receiving confirmation from the share registrar of the Company that the request is in order, and provided that the Shareholder(s) concerned have deposited a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement, the Company Secretary will tender the request of the Shareholder to the Board to include the resolution in the notice and agenda for the annual general meeting.
4. Should the request be not in order after verification by the share registrar of the Company or the Company finds that the sum not reasonably sufficient to meet the Company's expenses, the Company is not bound to give notice of any such resolutions or to circulate any such statement. The Shareholder will be advised accordingly and the proposed resolution will not be included in the agenda for the annual general meeting.

Regarding the "Procedures for Shareholders to propose a person for election as a Director", please visit the website of the Company for details.

INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company considers good investor relations as a key part of its operations and continues to promote investor relations and enhances communications with the investors.

The Company maintains a corporate website (www.chicheung.com) to make the corporate information available on the internet to facilitate its communication with Shareholders and to provide important information to the investing public, including corporate governance structure and terms of reference of Board committees.

The Company welcomes suggestions from investors and Shareholders, and invites them to share their views and suggestions at contactus@chicheung.com.

股東權利(續)

3. 有關要求將會由本公司股份登記處核實。於接獲本公司股份登記處確認有關要求乃妥善後，而倘有關股東已存入一筆足夠本公司發出決議案通告及傳閱陳述書的合理款項，則公司秘書會將股東的要求提呈予董事會，以供載入股東週年大會通告及議程。
4. 倘經本公司股份登記處核實後發現要求有所不妥，或本公司發現有關款項不足以支付本公司之合理支出，則本公司並無責任就任何該等決議案發出通告或傳閱陳述書。股東會因而接獲通知，而建議決議案不會載入股東週年大會議程。

有關「股東提名董事人選的程序」的詳情，請瀏覽本公司網站。

投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東(包括機構投資者)定時溝通更屬不可或缺之部分。本公司認為良好投資者關係乃其運作之主要部分，並持續推廣投資者關係及加強與投資者之溝通。

本公司設有公司網頁(www.chicheung.com)，使股東可透過互聯網取得公司資料，加強與股東之溝通，並提供重要資料予公眾投資，包括企業管治架構以及董事會轄下委員會之職權範圍。

本公司歡迎投資者及股東提出意見，並誠邀彼等分享意見及建議，電郵地址為：contactus@chicheung.com。

INVESTOR RELATIONS (cont'd)

Change in the Company's Articles of Association

During the Year, the Company has amended the Articles of Association in order to bring the Articles of Association in line with certain recent amendments made to the Listing Rules and to remove certain reference to the interest of a director together with any of his associates of 5% or more in another company in determining whether the Director concerned can vote or be counted in the quorum on certain arrangement. The amendment of the Articles of Association means a higher demand on corporate governance in requiring the Directors a high degree to abstain from voting at the Board meetings to avoid conflict of interests.

CODE ON CORPORATE GOVERNANCE PRACTICES

Since 2005, the Company has adopted the code provisions set out in the CG Code to enhance corporate governance in the interests of the Company and its Shareholders.

Upon review of the corporate governance practice of the Company, the Board believed that the Company has applied the principles in the CG Code and complied with the code provisions of the CG Code throughout the Year. None of the Director was aware of any information that would reasonably indicate that the Company was during the Year non-compliant with the code provisions of the CG Code, except for the deviations as follows:

Under code provision A.1.8 of the CG Code, a company should arrange appropriate insurance cover in respect of legal action against its directors. The Board, in consideration of the streamlined businesses of the Company with low risks, regarded that taking out of the directors' and officers' insurance ("D&O insurance") would involve expenses out of proportion to the value to the Shareholders and therefore no D&O insurance cover was renewed upon expiry of its policy during the Year. With the completion of change of control in the Company from Chinese Estate to China Lerthai, the Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities, therefore, the Company now complies with the CG Code. The insurance coverage is reviewed on an annual basis.

Under code provision A.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. With the resignation of Ms. Teresa Poon, Mun-chie as the executive Director and CEO on 9th June, 2012, Mr. Matthew Cheong, Veng-va has been appointed as the CEO in addition to his role as the executive Director and Chairman, for a period of 10 months. With the resignation of Mr. Matthew Cheong, Veng-va and the appointment of Mr. Yang, Longfei as the new Chairman, the office of the CEO is vacated. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

投資者關係(續)

更改本公司組織章程細則

於本年度內，本公司已修訂組織章程細則，以便符合上市規則近期的若干修訂以及刪除有關董事及其聯繫人於其他公司享有5%或以上的權益，以此釐定有關董事可否就若干安排作出投票或被計入法定人數。組織章程細則之修訂乃指比企業管治的要求更高，當中規定董事於董事會會議上更大程度上須放棄投票，以避免利益衝突。

企業管治常規守則

自二零零五年以來，本公司已採納企管守則所載之守則條文，以提升本公司及其股東之利益。

經審閱本公司之企業管治常規後，董事會相信本公司已於本年度內已應用守則內之原則並已遵守企管守則。概無董事知悉任何合理地顯示本公司於本年度未有遵守企管守則之守則條文的資料，惟以下偏離除外：

根據企管守則之守則條文第A.1.8條，公司應就其董事可能會面對的法律行動作適當的投保安排。董事會經考慮本公司減少業務後所面臨的風險較低，認為購買董事及高級人員保險（「董事及高級人員保險」）所涉及的開支乃來自股東所佔的價值。因此，於董事及高級人員保險的保單於本年度屆滿後並無予以續期。本公司控制權由華置改為中國勒泰之變動完成後，本公司已安排適當保險，為董事在公司事務中可能產生之責任提供保障，故本公司現時已符合企管守則。投保範圍會每年進行檢討。

根據企管守則之守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。潘敏慈女士於二零一二年六月九日辭任執行董事兼行政總裁後，昌榮華先生（本身為執行董事兼主席）已獲委任為行政總裁，為期十個月。隨著昌榮華先生之辭任及楊龍飛先生獲委任為新任主席後，行政總裁之職位仍懸空。然而，董事會將繼續不時檢討董事會目前之架構，若發現具備適當知識、技能及經驗之人選，本公司將於適當時間作出委任以填補職位之空缺。

CODE ON CORPORATE GOVERNANCE PRACTICES (cont'd)

Under code provision C.2.2 of the CG Code, the board of directors of a company should consider the adequacy of resources, staff qualifications and experience, training programmes and budget of a company's accounting and financial reporting function, as part of internal control of a company in the annual review. Under code provision C.3.3(g) of the CG Code, the terms of reference of audit committee of a company should include the duty to discuss the internal control system with the management to ensure that the management has performed its duty to have an effective internal control system and such discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting and financial reporting function. Although the Company did not engage any staff for the Year, the Board had secured the assistance of Chinese Estates to provide and to share with its accounting and financial reporting resources, including human resources, accounting programmes and other information system facilities to ensure that the Company had fulfilled the legal and the Listing Rules' requirements on the preparation of financial reporting and internal control. The Board believed that the arrangement with Chinese Estates would substantially reduce the cost of the Company in accounting, financial reporting and internal controls functions. With the completion of change of control in the Company from Chinese Estates to China Lerthai, the Company has engaged an external accounting professional to manage the Company's accounting and financial reporting. The Company has employed new employees and would allocate adequate resources, budget and training programmes to the new employees to maintain an efficient, effective and independent accounting and financial reporting system and internal control system.

Under code provision C.3.7 of the CG Code, the terms of reference of the audit committee of a company should require it to review arrangements that the employees of the company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action. During the Year, as the Company did not have any employee, the Board considered that it might not cause material effect on the functions of financial reporting, internal control or other related matters without the relevant arrangements in place. With the completion of change of control in the Company from Chinese Estates to China Lerthai, the Company has engaged external accounting professional and employed employees to manage the Company's financial reporting and internal control. Consideration is being given for preparation of the procedure and arrangements to allow the external accounting professional and employees who are handling with the accounting matters of the Company to raise concerns about possible improprieties in financial reporting, internal control and other related matters in confidence.

企業管治常規守則(續)

根據企管守則之守則條文第C.2.2條，公司董事會每年進行檢討時，應特別考慮公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠，作為內部監控之一部份。根據企管守則之守則條文第C.3.3(g)條，公司審核委員會之職權範圍內之責任應包括與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統。討論內容應包括公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足。儘管本公司於該年度並無招聘員工，董事會已取得華置提供及分享其會計及財務匯報資源，包括人力資源、會計程序及其他資訊系統設施，確保本公司能履行法律及上市規則就預備財務報告及內部監控之規定。董事會相信，與華置達成此安排將能大幅減少本公司於會計、財務匯報及內部監控功能之成本。本公司控制權由華置持有改為由中國勒泰持有之變動完成後，本公司已招聘外聘專業會計人員，以管理本公司之會計及財務匯報。本公司已僱用新僱員，並會將足夠資源、預算及培訓計劃分配予新僱員，以維持有效率、有效及獨立的會計及財務匯報系統及內部監控系統。

根據企管守則之守則條文第C.3.7條，公司之審核委員會職權範圍應包括檢討上市公司：公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注。審核委員會應確保有適當安排，讓發行人對此等事宜作出公平獨立的調查及採取適當行動。於本年度內，由於本公司尚未有任何僱員，故董事會認為未有設定相關安排不會對財務匯報、內部監控或其他相關事宜的功能造成重大影響。本公司控制權由華置持有改為由中國勒泰持有之變動完成後，本公司已招聘外聘專業會計人員並僱用僱員以管理本公司之財務匯報及內部監控事宜，並已考慮制定程序及安排，讓處理本公司會計事宜的外聘專業會計人員及僱員可暗中就財務匯報、內部監控或其他相關事宜可能發生的不正當行為提出關注。

CODE ON CORPORATE GOVERNANCE PRACTICES (cont'd)

Under code provision D.1.4 of the CG Code, the company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. As reported in the 2012 interim results announcement, the remuneration committee of the Company and the Board would in late 2012 consider the directors' fee payable to the executive Director and the independent non-executive Directors for the Year together with the formal letters of appointment for Directors with key terms and conditions. In late November 2012, the annual directors' fee had been determined and the formal letters of appointment for Directors with key terms and conditions had been adopted. Therefore, the code provision D.1.4 of the CG Code had been complied with.

Under code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Owing to the pre-occupation of other business, Mr. Matthew Cheong, Veng-va, the former Chairman could not attend the 2012 annual general meeting of the Company and Ms. Teresa Poon, Mun-chie, the former executive Director and the CEO acted as chairman of the 2012 annual general meeting instead.

Under code provision F.1.1 of the CG Code, the company secretary of a company should be an employee of the listed company and should have day-to-day knowledge of the company's affairs. Mr. Lam, Kwong-wai, the executive Director and the group financial controller of Chinese Estates, had taken up the position as group financial controller of the Company since 2000 and Company Secretary since late 2002 and he had extensive day-to-day knowledge of the Group, notwithstanding that he was not an employee of the Company. Upon the resignation of Mr. Lam, Kwong-wai with effective from 6th February, 2013, Ms. Lam, Yuen Ling Eva has been appointed as the Company Secretary and is delegated by an external service provider. The external service provider's primary contact person in the Company is Ms. Dai, Hui, the executive Director. Therefore, the code provision F.1.1 of the CG Code is complied.

Upon the close of the Offer on 28th February, 2013, there were 66,270,099 shares of the Company, representing approximately 19.56% of the total issued share capital of the Company, held by the public (as defined in the Listing Rules). As at 22nd April, 2013, being the latest practicable date prior to the printing of this annual report, the Company cannot fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. A waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 28th February, 2013 up to and including 31st May, 2013 has been granted by the Stock Exchange. China Lerthai and the Company will take appropriate steps to restore the required minimum public float as soon as possible.

企業管治常規守則(續)

根據企管守則之守則條文第D.1.4條，公司須具備董事的正式委聘書，載明彼等獲委任的主要條款及條件。誠如二零一二年中期業績公布所述，本公司薪酬委員會及董事會會於二零一二年年底考慮該年度應付予執行董事及獨立非執行董事的董事袍金，連同董事正式委聘書的主要條款及條件。於二零一二年十一月底，已釐定年度董事袍金及採納董事正式委聘書的主要條款及條件。因此，企管守則之守則條文第D.1.4條已獲遵守。

根據企管守則之守則條文第E.1.2條，董事會主席應出席股東週年大會。由於有其他業務安排在先，前主席昌榮華先生未能出席本公司之二零一二年股東週年大會，而前執行董事兼行政總裁潘敏慈女士則於二零一二年股東週年大會上擔任主席。

根據企管守則之守則條文第F.1.1條，公司之公司秘書應是公司的僱員，對公司的日常事務有所認識。華置之執行董事兼集團財務總監林光蔚先生分別自二零零零年及二零零二年年年底起出任本公司的集團財務總監及公司秘書。儘管彼並非本公司之僱員，但彼對本集團的日常事務認識深入。林光蔚先生之辭任於二零一三年二月六日起生效後，林婉玲女士已獲委任為公司秘書，彼乃由外聘服務供應商所委派。外聘服務供應商於本公司之主要聯絡人為執行董事戴輝女士。因此，企管守則之守則條文第F.1.1條已獲遵守。

於二零一三年二月二十八日要約結束後，66,270,099股本公司股份(佔本公司已發行總股本約19.56%)由公眾人士(定義見上市規則)持有。於二零一三年四月二十二日(即本年報付印前最後實際可行日期)，本公司未能符合上市規則第8.08(1)(a)條的最低公眾持股量規定。聯交所已授予豁免於二零一三年二月二十八日至二零一三年五月三十一日(包括當日)期間嚴格遵守上市規則第8.08(1)(a)條。中國勒泰及本公司將在可行情況下儘快採取適當措施，回復最低公眾持股量之規定。

Directors' Report

董事會報告書

The Directors present to the Shareholders their report together with the audited financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities and other particulars of its subsidiaries as at 31st December, 2012 are set out in Note 33 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 62.

An interim dividend for HK1 cent per share was declared (2011: HK1 cent per share) and special interim dividend of HK\$1.4464 per share was paid for the Year. The Board resolved that no final dividend was recommended payable to the Shareholders for the Year (2011: HK1 cent per share).

SEGMENT INFORMATION

An analysis of the Group's revenue and contribution to profit for the Year by its principal activities is set out in Note 8 to the financial statements.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 109.

INVESTMENT PROPERTIES

Movements in the investment properties during the Year are set out in Note 17 to the financial statements.

A summary of the investment properties held by the Group as at 31st December, 2012 is set out in the schedule of properties on page 110.

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in Note 25 to the financial statements.

董事謹向股東提呈董事會報告書連同本集團於本年度之經審核財務報表。

主要業務

本公司為投資控股公司，其附屬公司於二零一二年十二月三十一日之主要業務及其他資料載於財務報表附註33。

業績及分配

本集團於本年度之業績載於第62頁之綜合全面收益報表。

於本年度內已宣派中期股息每股1港仙(二零一一年：每股1港仙)，並已支付特別中期股息每股1.4464港元。董事會決議不建議向股東派付本年度末期股息(二零一一年：每股1港仙)。

分類資料

本集團按主要業務劃分之本年度收入及溢利分析載於財務報表附註8。

財務概要

本集團過往五個財政年度之業績、資產與負債概要載於第109頁內。

投資物業

投資物業於本年度內之變動載於財務報表附註17。

本集團截至二零一二年十二月三十一日持有之投資物業之概要載於第110頁之物業附表內。

股本

本公司之股本於本年度內之變動載於財務報表附註25。

RESERVES

Movements in the reserves of the Group and the Company during the Year are set out on page 65 and in Note 26 to the financial statements respectively.

The Company's reserves available for distribution as at 31st December, 2012 amounted to HK\$522,019,000 (2011: HK\$497,010,000).

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.

CHARITABLE DONATIONS

During the Year, no charitable donations had been made by the Group (2011: Nil).

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers amounted for 60% and 69% of the Group's total purchases for the Year.

The aggregate turnover attributable to the Group's largest customer and five largest customers accounted for 66% and 88% of the Group's total turnover for the Year.

Longman Limited ("Longman"), a wholly-owned subsidiary of Chinese Estates, was one of the Group's five largest customers during the Year. As at 31st December, 2012, Chinese Estates, through its wholly-owned subsidiaries, beneficially owned 61.96% of the entire issued share capital of the Company, is deemed as a substantial Shareholder (as defined in the Listing Rules).

Apart from aforesaid, none of the Directors, their associates, or any Shareholder (which to the knowledge of the Directors owned more than 5% of the Company's issued shares) had interests in any of the Group's five largest suppliers and customers during the Year.

儲備

本集團及本公司之儲備於本年度內之變動情況分別載於第65頁及財務報表附註26。

截至二零一二年十二月三十一日，本公司可供分派之儲備為522,019,000港元(二零一一年：497,010,000港元)。

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。

慈善捐款

於本年度內，本集團概無作出慈善捐款(二零一一年：無)。

主要供應商及客戶

本年度本集團之最大供應商及五大供應商應佔之購貨總額分別佔本集團購貨總額之60%及69%。

本年度本集團之最大客戶及五大客戶應佔之營業總額分別佔本集團營業總額之66%及88%。

於本年度內，華置之全資擁有附屬公司 Longman Limited (「Longman」) 乃本集團五大客戶之一。截至二零一二年十二月三十一日，華置透過其全資擁有附屬公司，實益擁有本公司全部已發行股本61.96%，因此根據上市規則被視為主要股東。

除上述外，董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司已發行股份逾5%)概無於本年度內擁有本集團任何五大供應商及客戶之權益。

DIRECTORS

The Directors during the Year and up to the date of this Director's report are:

Executive Directors:

- Mr. Yang, Longfei (*Chairman*)
(appointed as executive Director and Chairman
on 7th February, 2013 and 28th February, 2013 respectively)
- Ms. Dai, Hui
(appointed on 7th February, 2013)
- Mr. Matthew Cheong, Veng-va (*Chairman*)
(appointed as CEO on 9th June, 2012 and resigned
as executive Director, CEO and Chairman
on 28th February, 2013)
- Ms. Teresa Poon, Mun-chie (*CEO*)
(resigned as executive Director and CEO on 9th June, 2012)

Non-executive Directors:

- Mr. Lee, Vincent Marshall Kwan Ho
(to be appointed on 27th March, 2013)
- Mr. Lam, Kwong-wai
(appointed on 7th February, 2013)
- Mr. Yang, Shao Xing Max
(to be appointed on 27th March, 2013)

Independent Non-executive Directors:

- Mr. Fan, Ren Da Anthony
(to be appointed on 27th March, 2013)
- Mr. Fan, Chun Wah Andrew
(to be appointed on 27th March, 2013)
- Mr. Lau, Yu Fung Wilson
(to be appointed on 27th March, 2013)
- Mr. Lai, Yun-hung
(will resign on 27th March, 2013)
- Mr. Mok, Hon-sang
(will resign on 27th March, 2013)
- Mr. Wong, Tik-tung
(will resign on 27th March, 2013)

In accordance with Article 92 of the Articles of Association, Mr. Yang, Longfei, Ms. Dai, Hui, Mr. Lee, Vincent Marshall Kwan Ho, Mr. Lam, Kwong-wai, Mr. Fan, Ren Da Anthony, Mr. Fan, Chun Wah Andrew, Mr. Lau, Yu Fung Wilson and Mr. Yang, Shao Xing Max will hold office until the forthcoming annual general meeting and will retire and being eligible, offer themselves for re-election.

董事

於本年度內及直至本董事會報告書日期止，董事為：

執行董事：

- 楊龍飛先生 (*主席*)
(分別於二零一三年二月七日及二零一三年
二月二十八日獲委任為執行董事及主席)
- 戴輝女士
(於二零一三年二月七日獲委任)
- 昌榮華先生 (*主席*)
(於二零一二年六月九日獲委任為行政總裁
，並於二零一三年二月二十八日
辭任執行董事、行政總裁及主席)
- 潘敏慈女士 (*行政總裁*)
(於二零一二年六月九日辭任
執行董事及行政總裁)

非執行董事：

- 李君豪先生
(將於二零一三年三月二十七日獲委任)
- 林光蔚先生
(於二零一三年二月七日獲委任)
- 楊少星先生
(將於二零一三年三月二十七日獲委任)

獨立非執行董事：

- 范仁達先生
(將於二零一三年三月二十七日獲委任)
- 范駿華先生
(將於二零一三年三月二十七日獲委任)
- 劉裕豐先生
(將於二零一三年三月二十七日獲委任)
- 賴恩雄先生
(將於二零一三年三月二十七日辭任)
- 莫漢生先生
(將於二零一三年三月二十七日辭任)
- 汪滌東先生
(將於二零一三年三月二十七日辭任)

根據組織章程細則第92條，楊龍飛先生、戴輝女士、李君豪先生、林光蔚先生、范仁達先生、范駿華先生、劉裕豐先生及楊少星先生將留任直至應屆股東週年大會，並將輪值告退，且符合資格膺選連任。

SERVICE CONTRACTS OF DIRECTORS

Mr. Yang and Ms. Dai, the executive Directors, each entered into a service agreement and Mr. Lam, the non-executive Director, has entered into an appointment letter with the Company for a term of three years commencing from 7th February, 2013, during which such service agreements/appointment letter can be terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung, the independent non-executive Directors (all will resign on 27th March, 2013), each entered into an appointment letter with the Company commencing from 28th November, 2012, subject to retirement by rotation under the articles of association of the Company, under which they shall be required to retire by rotation at least once every three years and that they shall not hold office for a continuous period in excess of three years, or past the third annual general meeting of the Company, following their appointments or re-elections as an independent non-executive Directors, whichever is longer, without submitting themselves for re-elections at the annual general meeting of the Company. Such appointment letters can be terminated at any time and subject to the early termination provisions contained therein.

Mr. Lee and Mr. Yang, Shao Xing Max, Mr. Fan, Ren Da Anthony, Mr. Fan, Chun Wah Andrew and Mr. Lau, will each enter into an appointment letter with the Company for a term of three years commencing from 27th March, 2013, during which such appointment letters can be terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

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 31st December, 2012, none of the Directors or chief executive(s) of the Company had 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 Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules. During the Year, none of the Directors or chief executive(s) of the Company, nor their spouses or children under the age of 18 years, were granted or had exercised any right to subscribe for any securities of the Company or its associated corporations.

董事之服務合約

執行董事楊先生及戴女士已各自與本公司訂立服務合同，而非執行董事林先生已與本公司訂立委聘函，任期均自二零一三年二月七日起為期三年，有關服務合同／委聘函可由一方於任期內向另一方發出不少於三個月的書面通知而予以終止，惟須符合當中所載的提前終止條文。

獨立非執行董事賴恩雄先生、莫漢生先生及汪滌東先生(全部均將於二零一三年三月二十七日辭任)已各自與本公司訂立委聘函，自二零一二年十一月二十八日起開始，惟根據本公司組織章程細則，彼等須每三年最少輪席退任一次，且在未於股東週年大會上膺選連任之情況下，出任董事職位之持續期間不得超過三年或獲委任或重選連任為獨立非執行董事後不得超逾三次股東週年大會(以較長期間者為準)。委聘函可隨時予以終止，惟須符合當中所載的提前終止條文。

李先生及楊少星先生、范駿華先生及劉先生將各自與本公司訂立委聘函，任期均自二零一三年三月二十七日起為期三年，有關委聘函可由一方於任期內向另一方發出不少於三個月的書面通知而予以終止，惟須符合當中所載的提前終止條文。

擬於應屆股東週年大會上被建議膺選連任之董事概無訂立本集團不可於一年內毋須支付賠償(法定賠償除外)而終止之服務合約。

董事及最高行政人員於本公司及相聯法團之證券權益

截至二零一二年十二月三十一日，概無董事或本公司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)之本公司之股份、相關股份或債券中擁有根據證券及期貨條例第352條置存之登記冊所載錄或根據聯交所上市規則所載的標準守則須知會本公司及聯交所之任何權益或淡倉。於本年度內，概無董事或本公司最高行政人員以及彼等之配偶或十八歲以下子女獲授予或已行使任何可認購本公司或其相聯法團任何證券之權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY 主要股東於本公司之證券權益

As at 31st December, 2012, so far as are known to the 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:

據董事及本公司最高行政人員所知悉，截至二零一二年十二月三十一日，本公司根據證券及期貨條例第336條須置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（董事或本公司最高行政人員除外）如下：

Names 名稱	Number of Shares (ordinary share) 股份數目(普通股)	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Billion Up Limited	209,931,186 (Notes 1&4) (附註1及4)	Beneficial owner 實益擁有人	61.96%
Lucky Years Ltd.	209,931,186 (Notes 1&4) (附註1及4)	Interests in controlled corporation 於受控制公司之權益	61.96%
Chinese Estates Holdings Limited	209,931,186 (Notes 1&4) (附註1及4)	Interests in controlled corporation 於受控制公司之權益	61.96%
Mr. Joseph Lau, Luen-hung 劉鑾雄先生	209,931,186 (Note 2) (附註2)	Founder of a discretionary trust and beneficiary of a trust and interests in controlled corporation 酌情信託創立人及信託受益人以及於受控制公司之權益	61.96%
Global King (PTC) Ltd.	209,931,186 (Note 3) (附註3)	Trustee 信託人	61.96%
GZ Trust Corporation	209,931,186 (Note 3) (附註3)	Trustee and beneficiary of a trust 信託人及一項信託之受益人	61.96%
Mr. Yang Longfei 楊龍飛先生	209,931,186 (Note 4) (附註4)	Interest in controlled corporation 於受控制公司之權益	61.96%
China Lerthai Commercial Real Estate Holdings Limited 中國勒泰商業地產控股有限公司	209,931,186 (Note 4) (附註4)	Beneficial owner 實益擁有人	61.96%
Mr. Li Ka-shing 李嘉誠先生	20,827,142 (Notes 5 & 6) (附註5及6)	Founder of discretionary trusts and interests of controlled corporations 酌情信託之創立人及受控制公司之權益	6.15%

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd) 主要股東於本公司之證券權益(續)

Names 名稱	Number of Shares (ordinary share) 股份數目(普通股)	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Li Ka-Shing Unity Trustcorp Limited	20,827,142 (Notes 5 & 6) (附註5及6)	Trustee and beneficiary of a trust 信託人及一項信託之受益人	6.15%
Li Ka-Shing Unity Trustee Corporation Limited	20,827,142 (Notes 5 & 6) (附註5及6)	Trustee and beneficiary of a trust 信託人及一項信託之受益人	6.15%
Li Ka-Shing Unity Trustee Company Limited	20,827,142 (Notes 5 & 6) (附註5及6)	Trustee 信託人	6.15%
Cheung Kong (Holdings) Limited 長江實業(集團)有限公司	20,827,142 (Notes 5 & 6) (附註5及6)	Interests of controlled corporations 受控制公司之權益	6.15%
Hutchison Whampoa Limited 和記黃埔有限公司	20,827,142 (Note 5) (附註5)	Interests of controlled corporations 受控制公司之權益	6.15%
Hutchison International Limited 和記企業有限公司	20,827,142 (Note 5) (附註5)	Interests of a controlled corporation 一間受控制公司之權益	6.15%
Primetek Holdings Limited	20,827,142 (Note 5) (附註5)	Beneficial owner 實益擁有人	6.15%
Mr. Lai, Kwok-kwong 黎國光先生	28,482,000 (Note 7) (附註7)	Beneficial owner 實益擁有人	8.41%

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

Notes:

1. Billion Up Limited is a wholly-owned subsidiary of Lucky Years Ltd., which in turn is a wholly-owned subsidiary of Chinese Estates. By virtue of the SFO, Lucky Years Ltd. and Chinese Estates were deemed to be interested in the 209,931,186 shares of the Company held by Billion Up Limited.
2. Mr. Joseph Lau, Luen-hung, by virtue of his approximately 74.99% interests in the issued share capital of Chinese Estates, was deemed to be interested in the same interests stated against Chinese Estates under the SFO.
3. GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King (PTC) Ltd. is the trustee. Global King (PTC) Ltd. is entitled to exercise more than one-third of the voting power at the general meetings of Chinese Estates. Accordingly, Global King (PTC) Ltd. and GZ Trust Corporation were deemed to be interested in the same interests stated against Chinese Estates by virtue of the SFO.
4. Reference is made to the Company's announcement on 18th December, 2012, Billion Up Limited, an indirect wholly-owned subsidiary of Chinese Estates and the former substantial Shareholder held 209,931,186 shares of the Company (represented approximately 61.96% interest in the entire issued share capital of the Company) agreed to sell its entire shareholding in the Company to China Lerthai, China Lerthai is a Company which is wholly, beneficially and directly owned by Mr. Yang, Longfei. By virtue of the SFO, Mr. Yang, Longfei was deemed to be interested in the 209,931,186 shares of the Company held by China Lerthai. For further details, please refer to the paragraph headed "EVENT AFTER THE FINANCIAL YEAR END" on page 10 of this annual report.
5. Primetek Holdings Limited ("Primetek") is a wholly-owned subsidiary of Hutchison International Limited ("HIL"), which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"). By virtue of the SFO, each of HWL and HIL was deemed to be interested in the 20,827,142 shares of the Company beneficially owned by Primetek.
6. Li Ka-Shing Unity Holdings Limited, of which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-third of its entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited ("TUT1"). TUT1 as trustee of The Li Ka-Shing Unity Trust ("UT1"), together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited ("CKH"). Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

主要股東於本公司之證券權益(續)

附註:

1. Billion Up Limited 為 Lucky Years Ltd. 之全資擁有附屬公司，其後為華置之全資擁有附屬公司。根據證券及期貨條例，Lucky Years Ltd. 及華置均被視為擁有 Billion Up Limited 持有之 209,931,186 股本公司股份之權益。
2. 根據證券及期貨條例，劉鑾雄先生於華置已發行股本中擁有約 74.99% 權益，因此被視為擁有華置所持有之相同權益。
3. 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。Global King (PTC) Ltd. 有權於華置之股東大會上行使三分之一以上之投票權。因此，根據證券及期貨條例，Global King (PTC) Ltd. 及 GZ Trust Corporation 被視為擁有華置所持有之相同權益。
4. 茲提述日期為二零一二年十二月十八日之本公司公布，Billion Up Limited (華置之間接全資附屬公司及前主要股東，持有 209,931,186 股本公司股份 (佔本公司全部已發行股本約 61.96%)) 同意向中國勒泰出售其於本公司之全部股權。中國勒泰為一間由楊龍飛先生全資實益直接擁有之公司。根據證券及期貨條例，楊龍飛先生被視為於中國勒泰所持之 209,931,186 股本公司股份中擁有權益。有關進一步詳情，請參閱本年報第 10 頁的「財政年度結算後事項」一段。
5. Primetek Holdings Limited (「Primetek」) 為和記企業有限公司 (「和記企業」) 之全資擁有附屬公司，而後為和記黃埔有限公司 (「和黃」) 之全資擁有附屬公司。根據證券及期貨條例，和黃及和記企業各自被視為擁有 Primetek 所實益擁有之 20,827,142 股本公司股份之權益。
6. 由李嘉誠先生及李澤鉅先生分別擁有全部已發行股本之三分之一及三分之二權益之 Li Ka-Shing Unity Holdings Limited，擁有 Li Ka-Shing Unity Trustee Company Limited (「TUT1」) 之全部已發行股本。TUT1 以 The Li Ka-Shing Unity Trust (「UT1」) 信託人之身份，連同若干公司 (TUT1 以 UT1 信託人之身份有權在其股東大會上行使或控制行使三分之一以上之投票權之公司) 合共持有長江實業 (集團) 有限公司 (「長實」) 三分之一以上之已發行股本。長實之附屬公司有權在和黃之股東大會上行使或控制行使三分之一以上之投票權。

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

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in the UT1.

By virtue of the SFO, Mr. Li Ka-shing, being the settler of DT1 and DT2 may be regarded as a founder of DT1 and DT2 and for the purpose of the SFO, each of Mr. Li Ka-shing, TDT1, TDT2, TUT1 and CKH was deemed to be interested in the 20,827,142 shares of the Company beneficially owned by Primetek.

7. Of the 28,482,000 shares of the Company in which Mr. Lai, Kwok-kwong was interested, 6,000,000 shares were held by Powerplanet Limited, a company wholly-owned by Mr. Lai, Kwok-kwong. By virtue of the SFO, Mr. Lai, Kwok-kwong was deemed to be interested in the 6,000,000 shares of the Company held by Powerplanet Limited. The remaining 22,482,000 shares of the Company were beneficially owned by Mr. Lai, Kwok-kwong personally.

All the interests stated above represent long positions. As at 31st December, 2012, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no arrangements to which the Company, its ultimate holding company, or any of its ultimate holding company's subsidiaries was a party to enable the Directors to acquire benefit by means of the acquisition of shares in, or debentures of, the Company or any other body corporate during the Year.

主要股東於本公司之證券權益(續)

此外，Li Ka-Shing Unity Holdings Limited 亦擁有 Li Ka-Shing Unity Trustee Corporation Limited (「TDT1」) (The Li Ka-Shing Unity Discretionary Trust (「DT1」) 之信託人) 及 Li Ka-Shing Unity Trustcorp Limited (「TDT2」) (另一酌情信託 (「DT2」) 之信託人) 之全部已發行股本。TDT1 及 TDT2 各自持有 UT1 之單位。

根據證券及期貨條例，李嘉誠先生身為 DT1 及 DT2 之財產授予人，可被視為 DT1 及 DT2 之創立人；李嘉誠先生、TDT1、TDT2、TUT1 及長實就證券及期貨條例而言各自被視為擁有由 Primetek 所實益擁有之 20,827,142 股本公司股份之權益。

7. 於黎國光先生持有權益之 28,482,000 股本公司股份中，6,000,000 股股份由一間由黎國光先生全資擁有之公司 Powerplanet Limited 持有。根據證券及期貨條例，黎國光先生被視為擁有由 Powerplanet Limited 所持有之 6,000,000 股本公司股份之權益。餘下之 22,482,000 股本公司股份由黎國光先生個人實益擁有。

上述所有權益均為好倉。截至二零一二年十二月三十一日，本公司按證券及期貨條例第336條置存之登記冊所載概無任何淡倉。

購買股份或債券之安排

本公司、其最終控股公司或其最終控股公司之任何附屬公司概無於本年度內作出任何安排，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' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in the "CONNECTED TRANSACTIONS AND CONTINUING 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.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

In November 2008, the Company as lender made a conditional loan agreement with Longman as borrower, granting a three-year revolving facility of up to HK\$900 million, with Chinese Estates acting as guarantor for repayment of the loan (the "First Loan Transaction").

The First Loan Transaction constituted the continuing connected transactions of the Company. The First Loan Transaction was approved by the independent Shareholders at the extraordinary general meeting held on 12th December, 2008. It expired on 3rd November, 2011.

In September 2011, before the expiry of the First Loan Transaction, the Company as lender made a conditional loan agreement with Longman as borrower, granting a three-year revolving facility of up to HK\$900 million, with Chinese Estates acting as guarantor for repayment of the loan commenced on 3rd November, 2011 (the "Second Loan Transaction"). The Second Loan Transaction was approved by the independent Shareholders at the extraordinary general meeting held on 28th October, 2011.

As at 31st December, 2012, a total sum of HK\$900 million had been drawn by Longman.

Having reviewed the First Loan Transaction and the Second Loan Transaction, the independent non-executive Directors, pursuant to Rule 14A.37 of the Listing Rules on the requirement to carry annual review on all continuing connected transactions, other than fully exempt continuing connected transactions under the Listing Rules (if any), confirmed that the First Loan Transaction and the Second Loan Transaction, notwithstanding that they were not made in the ordinary and usual course of business of the Company, were made on normal commercial terms and in accordance with the relevant loan agreements governing on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

董事及控權股東於合約之權益

除以下「關連交易及持續關連交易」所述外，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。

關連交易及持續關連交易

於二零零八年十一月，本公司作為貸方與Longman作為借方簽訂一份有條件貸款協議，授出最高900,000,000港元為期三年之循環貸款，而華置則為償還貸款作為擔保人（「第一貸款交易」）。

第一貸款交易構成本公司持續關連交易。第一貸款交易於二零零八年十二月十二日所舉行的股東特別大會上由獨立股東批准，並於二零一一年十一月三日屆滿。

於二零一一年九月，就第一貸款交易將到期之前，本公司作為貸方與Longman作為借方簽訂一份有條件貸款協議，由二零一一年十一月三日起，授出最高900,000,000港元為期三年之循環貸款，而華置則為償還貸款作為擔保人（「第二貸款交易」）。第二貸款交易於二零一一年十月二十八日所舉行的股東特別大會上由獨立股東批准。

截至二零一二年十二月三十一日，Longman已借取合共900,000,000港元。

在檢討第一貸款交易及第二貸款交易後，獨立非執行董事，根據上市規則第14A.37條就所有持續關連交易進行週年檢討之規定（除按上市規則完全豁免之持續關連交易外（如有）），確認儘管第一貸款交易及第二貸款交易並非本公司之日常業務，該等交易是按照一般商業條款，並根據該等交易的協議條款進行，交易之條款屬公平及合理，且符合股東之整體利益。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(cont'd)

The Independent Auditor was engaged to report on the Group's continuing connected transactions 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. The auditor had issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Rules 14A.38 of the Listing Rules. A copy of the aforesaid auditor's letter had been submitted by the Company to the Stock Exchange.

Pursuant to Rule 14A.38 of the Listing Rules, the auditor of the Company confirmed that the First Loan Transaction and the Second Loan Transaction:

- (1) had received the approval of the Board;
- (2) had been entered into in accordance with the relevant agreements governing the First Loan Transaction and the Second Loan Transaction; and
- (3) had not exceeded the cap disclosed in the previous announcements made on 4th November, 2008 and 22nd September, 2011.

On 5th December, 2012, the Company entered into a sale and purchase agreement with Super Kind Limited, Cosmos Success Limited and Wing Lee Development Limited, which are the indirect wholly-owned subsidiaries of Chinese Estates (collectively refer to as "Purchasers"), and Chinese Estates, a former controlling Shareholder (as guarantor of the Purchasers) who is interested in 209,931,186 shares of the Company, representing approximately 61.96% of the entire issued share capital of the Company (the "Disposal Agreement"), to dispose the entire issued share capital and certain debts of View Success, an indirect wholly-owned subsidiary of the Company (the "Disposal").

關連交易及持續關連交易(續)

獨立核數師受委聘就本集團之持續關連交易，按照香港會計師公會所頒布的香港核證工作準則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」進行報告。核數師已按上市規則第14A.38條發出無保留信函，包含其對有關持續關連交易作出之調查及結論。本公司已向聯交所呈交上述之核數師信函副本。

本公司核數師已就上市規則第14A.38條確認第一貸款交易及第二貸款交易：

- (1) 已經由董事會批准；
- (2) 乃根據第一貸款交易及第二貸款交易之有關協議條款進行；及
- (3) 並無超逾先前分別於二零零八年十一月四日及二零一一年九月二十二日作出之公布所披露之上限。

於二零一二年十二月五日，本公司與華置之間接全資擁有附屬公司Super Kind Limited、Cosmos Success Limited及Wing Lee Development Limited（統稱為「買方」）以及其於209,931,186股本公司股份中擁有權益，佔本公司全部已發行股本約61.96%的前控股股東華置（作為買方之擔保人）訂立買賣協議（「出售協議」），以出售本公司間接全資擁有附屬公司景亨的全部已發行股本及若干債務（「出售事項」）。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(cont'd)

As the Purchasers are indirect wholly-owned subsidiaries of Chinese Estates, the Purchasers are connected persons of the Company, thus the Disposal constitutes a connected transaction for the Company for the purpose of the Listing Rules. As the applicable percentage ratios in respect of the Disposal are more than 25% but less than 75%, the Disposal also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

On 23rd January, 2013, the conditions precedent to the completion of the Disposal and the transactions contemplated under the Disposal Agreement have been fulfilled and the completion of the Disposal took place.

Details of the Disposal have been published on the Company's announcements dated 18th December, 2012, 4th January, 2013, 22nd January, 2013 and 23rd January, 2013 respectively and the Company's circular dated 4th January, 2013.

Save as mentioned above, there were no other discloseable non-exempted connected transactions or non-exempted continuing connected transactions under the Listing Rules.

Related party transactions, inclusive of the continuing connected transactions, entered into by the Group for the Year are disclosed in Note 32 to the financial statements.

To the extent of the related party transactions as disclosed in Note 32 to the financial statements constituted continuing connected transactions, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31st December, 2012, none of the Directors was interested in any business, which competed or was likely to compete, either directly or indirectly, with the Company's businesses.

RETIREMENT BENEFIT SCHEMES

Particulars of retirement benefits schemes of the Group are set out in Note 31 to the financial statements.

關連交易及持續關連交易(續)

由於買方為華置之間接全資附屬公司，故買方乃本公司之關連人士，因此，就上市規則而言，出售事項構成本公司的一項關連交易。由於出售事項之適用百分比率超過25%但少於75%，故就上市規則第14章而言，出售事項構成本公司一項主要交易。

於二零一三年一月二十三日，完成出售事項及出售協議項下擬進行交易之先決條件已獲達成，而出售事項已完成。

有關出售事項的詳情已刊載於本公司日期分別為二零一二年十二月十八日、二零一三年一月四日、二零一三年一月二十二日及二零一三年一月二十三日的公布以及本公司日期為二零一三年一月四日的通函。

除上文所述外，根據上市規則，並無其他不獲豁免關連交易或不獲豁免持續關連交易須作出披露。

由本集團本年度進行之關連人士交易，內含持續關連交易，已於財務報表附註32披露。

就財務報表附註32所披露之關連人士交易倘構成持續關連交易，本公司已於本年度內遵守上市規則第14A章的有關規定。

董事於競爭性業務之權益

截至二零一二年十二月三十一日，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。

退休福利計劃

本集團退休福利計劃之詳情載於財務報表附註31。

ADVANCES TO AN ENTITY

As at 31st December, 2012, pursuant to Rule 13.20 of the Listing Rules, the Group had made advances of HK\$900 million at HIBOR plus 1.5% per annum to Longman. 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 2nd November, 2014.

PUBLIC FLOAT

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

However, upon the close of the Offer on 28th February, 2013, there were 66,270,099 shares of the Company, representing approximately 19.56% of the total issued share capital of the Company, held by the public (as defined in the Listing Rules). Accordingly, the Company cannot fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. A waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 28th February, 2013 up to and including 31st May, 2013 has been granted by the Stock Exchange. China Lerthai and the Company will take appropriate steps to restore the required minimum public float as soon as possible.

給予某實體的貸款

截至二零一二年十二月三十一日，根據上市規則第13.20條，本集團向Longman提供年利率以香港銀行同業拆息加一點五厘計息之貸款為900,000,000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，並由華置為擔保人，但無抵押且須於通知時償還，到期償還日為二零一四年十一月二日。

公眾持股量

根據本公司所得悉的公開資料及董事所知悉，本公司於本年度內已按上市規則規定維持指定數額的公眾持股量。

然而，於二零一三年二月二十八日要約結束後，66,270,099股本公司股份（佔本公司已發行總股本約19.56%）由公眾人士（定義見上市規則）持有。因此，本公司未能符合上市規則第8.08(1)(a)條的最低公眾持股量規定。聯交所已授予豁免於二零一三年二月二十八日至二零一三年五月三十一日（包括當日）期間嚴格遵守上市規則第8.08(1)(a)條。中國勒泰及本公司將在可行情況下儘快採取適當措施，回復最低公眾持股量之規定。

AUDITOR

In March 2012, the practice of HLB as partnership has been reorganised as HLB Limited. As such, HLB did not offer themselves for re-appointment as auditor of the Company and passed a resolution for the appointment of HLB Limited as new Independent Auditor at the annual general meeting held on 25th May, 2012.

The accounts for the Year were audited by HLB Limited, whose term of office will expire upon the forthcoming annual general meeting.

HLB Limited will retire at the conclusion of the forthcoming annual general meeting. The Board has resolved, with the recommendation from Audit Committee, to propose the appointment of Deloitte Touche Tohmatsu as new Independent Auditor to fill the vacancy following the retirement of HLB Limited at the forthcoming annual general meeting.

On behalf of the Board

Yang, Longfei

Chairman and Executive Director

Hong Kong, 25th March, 2013

核數師

國衛於二零一二年三月已由合夥業務營運模式重組為國衛有限公司。因此，國衛並無意獲續聘為本公司核數師，且於二零一二年五月二十五日舉行之股東週年大會上通過一項決議案，委任國衛有限公司為本公司新任獨立核數師。

年內的賬目乃經國衛有限公司審核，其任期將於應屆股東週年大會上屆滿。

國衛有限公司將於應屆股東週年大會結束時退任。董事會已議決按照審核委員會的建議，於應屆股東週年大會上建議委任德勤•關黃陳方會計師行為新任獨立核數師，以填補國衛有限公司退任後產生之空缺。

代表董事會

主席兼執行董事

楊龍飛

香港，二零一三年三月二十五日

Independent Auditor's Report

獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF CHI CHEUNG INVESTMENT COMPANY, LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Chi Cheung Investment Company, Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 108, which comprise the consolidated and the company statements of financial position as at 31st December, 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 置地廣場
Hong Kong 告羅士打大廈31樓

致至祥置業有限公司股東
(於香港註冊成立之有限公司)

吾等已審核第62頁至第108頁所載至祥置業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一二年十二月三十一日之綜合及公司財務狀況報表、與截至該日止年度之綜合全面收益報表、綜合股本權益變動表及綜合現金流量表，以及主要會計政策概要及其他資料說明。

董事編製綜合財務報表之責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及按照香港公司條例編製及真實而公平地列報該等綜合財務報表，以及負責 貴公司董事認為必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師之責任

吾等負責根據吾等之審核結果對綜合財務報表發表意見。本報告謹按照香港公司條例第141條而僅向閣下編製，並不作其他用途。吾等不會就報告內容而向任何其他人士負責或承擔責任。吾等按照香港會計師公會頒布之香港核數準則進行審核工作。該等準則要求吾等在策劃和進行審核工作時須符合道德規範，使吾等能就綜合財務報表是否存有重要錯誤陳述作合理之確定。

AUDITOR'S RESPONSIBILITY (cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and the company financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2012 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited

Chartered Accountants
Certified Public Accountants

Yu Chi Fat

Practising Certificate Number: P05467

Hong Kong, 25th March, 2013

核數師之責任(續)

審核範圍包括進行程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選用之程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實公平地呈列綜合財務報表有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，貴公司董事所作會計估算之合理性，並就綜合財務報表之整體呈列方式作出評估。

吾等相信，就提出審核意見而言，吾等所獲審核憑證屬充分恰當。

意見

吾等認為，根據香港財務報告準則，綜合及公司之財務報表真實公平地反映貴公司及貴集團於二零一二年十二月三十一日之財務狀況以及貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例妥為編製。

國衛會計師事務所有限公司

英國特許會計師
香港執業會計師

余智發

執業證書編號：P05467

香港，二零一三年三月二十五日

Consolidated Statement Of Comprehensive Income

綜合全面收益報表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (經重列)
Continuing operation	持續經營業務			
Revenue	收入	7	21,595	16,546
Cost of sales	銷售成本		-	-
Gross profit	毛利		21,595	16,546
Other income	其他收入	9	2	7
Transfer from equity on disposal of available-for-sale financial assets	出售待售金融 資產時從股本權益轉撥		-	(34)
Administrative expenses	行政開支		(2,991)	(4,003)
Other gains and losses, net	其他收益及虧損淨額		-	80
Profit before tax	除稅前溢利		18,606	12,596
Income tax expense	所得稅開支	12	(3,297)	(2,171)
Profit for the year from continuing operation	本年度 來自持續經營業務之溢利		15,309	10,425
Discontinued operation	已終止經營業務			
Profit for the year from discontinued operation	本年度來自 已終止經營業務之溢利	14	7,938	6,398
Profit for the year	本年度溢利	10	23,247	16,823
Other comprehensive income (expense)	其他全面收益(支出)			
Fair value changes on available-for-sale financial assets	待售金融資產之公平值變動		2,269	(1,740)
Reclassification relating to disposal of available-for-sale financial assets	就出售待售金融資產 重新分類		-	34
Other comprehensive income (expense) for the year (net of tax)	本年度其他 全面收益(支出)(除稅後)		2,269	(1,706)
Total comprehensive income for the year	本年度全面收益總額		25,516	15,117
Profit for the year attributable to owners of the Company:	本公司擁有人 應佔本年度溢利:			
Continuing operation	持續經營業務		15,309	10,425
Discontinued operation	已終止經營業務		7,938	6,398
			23,247	16,823
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人 應佔本年度全面收益		25,516	15,117
Earnings per share - Basic and diluted (HK cents)	每股盈利 - 基本及攤薄(港仙)	16		
From continuing and discontinued operations	來自持續經營及 已終止經營業務		6.86	4.97
From continuing operation	來自持續經營業務		4.52	3.08

The accompanying notes form an integral part of these financial statements. 財務報表附註乃該等財務報表的一部分。

Consolidated Statement Of Financial Position

綜合財務狀況報表

At 31st December, 2012 於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	17	-	34,400
Available-for-sale financial assets	待售金融資產	19	66,603	96,263
			66,603	130,663
Current assets	流動資產			
Available-for-sale financial assets	待售金融資產	19	31,454	11,415
Loan to a fellow subsidiary	借予同系附屬公司貸款	20	900,000	900,000
Debtors, deposits and prepayments	應收賬項、按金及預付款項	21	2,392	2,917
Time deposits and bank balances	定期存款及銀行結餘	22	33,487	12,284
			967,333	926,616
Assets classified as held for sale	分類為持作出售物業之資產	14	44,689	-
			1,012,022	926,616
Current liabilities	流動負債			
Amount due to a fellow subsidiary	欠負同系附屬公司款項	23	102	144
Creditors and accruals	應付賬項及應計款項	24	279	413
Deposits and receipts in advance	按金及預收款項		-	309
Tax liabilities	稅項負債		1,694	1,514
			2,075	2,380
Liabilities directly associated with assets classified as held for sale	直接與分類為 持作出售資產有關之負債	14	3,417	-
			5,492	2,380
Net current assets	流動資產淨值		1,006,530	924,236
Total assets less current liabilities	資產總額減流動負債		1,073,133	1,054,899
Equity attributable to owners of the Company	本公司 擁有人之應佔股本權益			
Share capital	股本	25	3,388	3,388
Share premium	股份溢價		495,160	495,160
Contribution from shareholders	股東注資		20,719	20,719
Securities investments reserve	證券投資儲備		6,952	4,683
Retained profits	保留溢利		-	3,388
- proposed dividend	- 擬派股息		-	3,388
- others	- 其他		546,914	527,055
Total equity	股本權益總額		1,073,133	1,054,393
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	28	-	506
			1,073,133	1,054,899

Approved and authorised for issue by the Board of Directors on 25th March, 2013 and signed on its behalf by:

已獲董事會於二零一三年三月二十五日批准及授權發佈，並由下列董事代表董事會簽署：

Yang, Longfei 楊龍飛
Director 董事

Dai, Hui 戴輝
Director 董事

The accompanying notes form an integral part of these financial statements.

財務報表附註乃該等財務報表的一部分。

Statement Of Financial Position

財務狀況報表

At 31st December, 2012 於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Non-current assets	非流動資產			
Investments in subsidiaries	附屬公司投資	18	181,679	181,679
Amounts due from subsidiaries	附屬公司欠款	18	121,673	117,318
			303,352	298,997
Current assets	流動資產			
Loan to a fellow subsidiary	借予同系附屬公司貸款	20	900,000	900,000
Debtors, deposits and prepayments	應收賬項、按金及預付款項	21	807	1,315
Time deposits and bank balances	定期存款及銀行結餘	22	15,569	10,529
			916,376	911,844
Current liabilities	流動負債			
Amount due to a fellow subsidiary	欠負同系附屬公司款項	23	102	98
Creditors and accruals	應付賬項及應計款項	24	207	211
Tax liabilities	稅項負債		1,483	598
			1,792	907
Net current assets	流動資產淨值		914,584	910,937
Total assets less current liabilities	資產總額減流動負債		1,217,936	1,209,934
Equity attributable to owners of the Company	本公司擁有人之應佔股本權益			
Share capital	股本	25	3,388	3,388
Share premium	股份溢價	26	495,160	495,160
Contribution from shareholders	股東注資	26	20,719	20,719
Retained profits	保留溢利			
- proposed dividend	- 擬派股息		-	3,388
- others	- 其他		522,019	493,622
Total equity	股本權益總額		1,041,286	1,016,277
Non-current liability	非流動負債			
Amount due to a subsidiary	遞延稅項負債	27	176,650	193,657
			1,217,936	1,209,934

Approved and authorised for issue by the Board of Directors on 25th March, 2013 and signed on its behalf by:

已獲董事會於二零一三年三月二十五日批准及授權發佈，並由下列董事代表董事會簽署：

Yang, Longfei 楊龍飛
Director 董事

Dai, Hui 戴輝
Director 董事

The accompanying notes form an integral part of these financial statements.

財務報表附註乃該等財務報表的一部分。

Consolidated Statement Of Changes In Equity

綜合股本權益變動表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contribution from shareholders 股東注資 HK\$'000 千港元	Securities investments reserve 證券投資儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total equity 股本權益總額 HK\$'000 千港元
			(Note) (附註)				
At 1st January, 2011	於二零一一年一月一日	3,388	495,160	20,719	6,389	523,783	1,049,439
Profit for the year	本年度溢利	-	-	-	-	16,823	16,823
Fair value changes on available-for-sale financial assets	待售金融資產之公平值變動	-	-	-	(1,740)	-	(1,740)
Reclassification relating to disposal of available-for-sale financial assets	就出售待售金融資產重新分類	-	-	-	34	-	34
Total comprehensive (expense) income for the year	本年度全面(支出)收益總額	-	-	-	(1,706)	16,823	15,117
Final dividend paid	已付末期股息	-	-	-	-	(6,775)	(6,775)
Interim dividend paid	已付中期股息	-	-	-	-	(3,388)	(3,388)
At 31st December, 2011	於二零一一年十二月三十一日	3,388	495,160	20,719	4,683	530,443	1,054,393
Profit for the year	本年度溢利	-	-	-	-	23,247	23,247
Fair value changes on available-for-sale financial assets	待售金融資產之公平值變動	-	-	-	2,269	-	2,269
Total comprehensive income for the year	本年度全面收益總額	-	-	-	2,269	23,247	25,516
Final dividend paid	已付末期股息	-	-	-	-	(3,388)	(3,388)
Interim dividend paid	已付中期股息	-	-	-	-	(3,388)	(3,388)
At 31st December, 2012	於二零一二年十二月三十一日	3,388	495,160	20,719	6,952	546,914	1,073,133

Note:

Contribution from shareholders represents the excess of the fair value of the net assets acquired from Chinese Estates Holdings Limited over the consideration paid in relation to the asset transaction completed on 7th November, 2003.

The accompanying notes form an integral part of these financial statements.

附註:

股東注資指有關於二零零三年十一月七日完成的資產交易中，向Chinese Estates Holdings Limited收購之資產淨值的公平值超出所付代價之金額。

財務報表附註乃財務報表的一部分。

Consolidated Statement Of Cash Flows

綜合現金流量表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (經重列)
Operating activities	經營業務		
Profit before tax from continuing operation	來自持續經營業務之除稅前溢利	18,606	12,596
Profit before tax from discontinued operation	來自已終止經營業務之除稅前溢利	9,245	7,461
Adjustments for:	因下列事項之調整:		
Interest income	利息收入	(21,597)	(16,554)
Fair value changes on investment properties	投資物業之公平值變動	(6,500)	(5,000)
Transfer from equity on disposal of available-for-sale financial assets	出售待售金融資產時由股本權益轉發	-	34
Net exchange loss	匯兌虧損淨額	275	174
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	29	(1,289)
(Increase) decrease in debtors, deposits and prepayments	應收賬項、按金及預付款項(增加)減少	(250)	84
Decrease in creditors and accruals	應付賬項及應計款項減少	(4)	(238)
Increase in deposits and receipts in advance	按金及預收款項增加	565	14
Cash generated from (used in) operating activities	來自(用於)經營業務之現金	340	(1,429)
Hong Kong Profits Tax paid	已付香港利得稅淨額	(2,518)	(8,461)
Net cash used in operating activities	用於經營業務之現金淨額	(2,178)	(9,890)
Investing activities	投資業務		
Redemption of available-for-sale financial assets	贖回待售金融資產	11,645	15,582
Proceeds on disposal of available-for-sale financial assets	出售待售金融資產所得款項	-	11,590
Purchases of available-for-sale financial assets	購買待售金融資產	-	(38,151)
Interest received	已收利息	22,110	14,698
Net cash generated from investing activities	來自投資業務之現金淨額	33,755	3,719
Financing activities	融資業務		
Dividends paid	已付股息	(6,776)	(10,163)
Net (repayment to) advances from fellow subsidiaries	同系附屬公司(還款)墊款淨額	(42)	171
Net cash used in financing activities	用於融資業務之現金淨額	(6,818)	(9,992)

Consolidated Statement Of Cash Flows

綜合現金流量表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目 增加(減少)淨額		24,759	(16,163)
Cash and cash equivalents at 1st January	於一月一日之現金及現金 等值項目		12,284	28,493
Cash and cash equivalents of assets classified as held for sale	分類為持作出售資產之 現金及現金等值項目	14	(3,534)	-
Effect on foreign exchange rate changes	匯率變動之影響		(22)	(46)
Cash and cash equivalents at 31st December	於十二月三十一日之現金 及現金等值項目		33,487	12,284
Analysis of the balances of cash and cash equivalents	現金及現金等值項目 結餘分析			
Time deposits and bank balances	定期存款及銀行結餘		33,487	12,284
Bank balances and cash of assets classified as held for sale	分類為持作出售資產之 銀行結餘及現金	14	3,534	-
			37,021	12,284

The accompanying notes form an integral part of these financial statements.

財務報表附註乃財務報表的一部分。

Notes to the Financial Statements

財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

1. GENERAL INFORMATION

The Company is a public listed company incorporated in Hong Kong with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Its ultimate holding company is Chinese Estates Holdings Limited ("Chinese Estates"), a company incorporated in Bermuda with its shares listed on the Stock Exchange. The address of the registered office of the Company is disclosed in the "Corporate Information" section of the annual report.

Following the completion of the share purchase agreement entered into among Billion Up Limited as the vendor, China Lerthai Commercial Real Estate Holdings Limited ("China Lerthai") as the purchaser and Chinese Estates as the guarantor, China Lerthai has become the controlling shareholder of the Company since 6th February, 2013 and has obtained control over the Board of Directors. Details of which were set out in the Company's announcements dated 18th December, 2012 and 7th February, 2013.

The consolidated and the company financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and its subsidiaries ("Group") and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

The Company's principal activity is investment holding and the principal activities of its subsidiaries are set out in Note 33.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The accounting policies adopted in the consolidated financial statements for the year ended 31st December, 2012 are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31st December, 2011 except as described below.

In the current year, the Group has applied, for the first time, the following amendments issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the current accounting year. The amendments adopted by the Group in the consolidated financial statements are set out below:

HKFRS 1 (Amendments)	Disclosures – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosure – Transfers of Financial Assets

The Group has early adopted the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" which is effective for annual periods beginning on or after 1st January, 2012, in the financial year ended 31st December, 2010 and this change in accounting policies has no significant impact on the Group's results and financial position.

1. 一般資料

本公司為一間於香港註冊成立，而其股份於香港聯合交易所有限公司（「聯交所」）上市之公眾有限公司。其最終控股公司為Chinese Estates Holdings Limited（「華置」），一間於百慕達註冊成立，而其股份在聯交所上市之公司。本公司之註冊辦事處地址於本年報「公司資料」一節中披露。

隨著Billion Up Limited（作為賣方）及中國勒泰商業地產控股有限公司（「中國勒泰」）（作為買方）與華置（作為擔保人）所訂立的股份購買協議完成後，中國勒泰自二零一三年二月六日起成為本公司控股股東，並取得董事會的控制權。事項詳情載於本公司日期為二零一二年十二月十八日及二零一三年二月七日之公布內。

此綜合及公司財務報表以港元（「港元」）呈列，港元亦為本公司與其附屬公司（「本集團」）之功能貨幣，除另有說明外，所有價值均四捨五入至最接近之千位數（千港元）。

本公司之主要業務為投資控股，而其附屬公司之主要業務載於附註33。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

除下述外，截至二零一二年十二月三十一日止年度之綜合財務報表所採納之會計政策與編製本集團截至二零一一年十二月三十一日止年度之財務報表所依循一致。

於本年度，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒布並於本集團本會計年度生效之修訂。本集團於綜合財務報表所採用之修訂載列如下：

香港財務報告準則第1號（修訂本）	披露 – 嚴重高通脹及剔除首次採納者之固定日期
香港財務報告準則第7號（修訂本）	披露 – 金融資產轉讓

於截至二零一零年十二月三十一日止財政年度，本集團已提早採納於二零一二年一月一日或之後開始之年度期間生效之香港會計準則第12號「遞延稅項：收回相關資產」之修訂，惟此會計政策變動對本集團之業績及財務狀況並無任何重大影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (cont’d)

Save as described above, the application of the new HKFRSSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has not early adopted the following new and revised standards, amendments and interpretations (“new and revised HKFRSSs”) that have been issued but are not yet effective.

HKFRSSs (Amendments)	Annual Improvements to HKFRSSs 2009 – 2011 Cycle ²
HKFRS 1 (Amendments)	Government Loans ²
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance ²
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities ³
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ¹
HKAS 19 (Revised in 2011)	Employee Benefits ²
HKAS 27 (Revised in 2011)	Separate Financial Statements ²
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures ²
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities ³
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

¹ Effective for annual periods beginning on or after 1st July, 2012

² Effective for annual periods beginning on or after 1st January, 2013

³ Effective for annual periods beginning on or after 1st January, 2014

⁴ Effective for annual periods beginning on or after 1st January, 2015

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

除上述者外，應用新香港財務報告準則不會對本會計年度或過往會計年度之業績及財務狀況之編製及呈列方法構成重大影響。因此，毋須作出往年調整。

本集團並未提早採納下列已頒布但仍未生效之新訂及經修訂準則、修訂及詮釋(「新訂及經修訂香港財務報告準則」)。

香港財務報告準則 (修訂本)	2009年至2011年頒布之香港財務報告準則年度改進 ²
香港財務報告準則第1號(修訂本)	政府貸款 ²
香港財務報告準則第7號(修訂本)	披露 – 金融資產及金融負債之抵銷 ²
香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	香港財務報告準則第9號之強制生效日期及過渡披露 ⁴
香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	共同安排 ²
香港財務報告準則第12號	披露於其他實體之權益 ²
香港財務報告準則第13號	公平值計量 ²
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)	綜合財務報表、共同安排及披露於其他實體之權益：過渡指引 ²
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本)	投資實體 ³
香港會計準則第1號(修訂本)	其他全面收益項目之呈列 ¹
香港會計準則第19號(2011年經修訂)	僱員福利 ²
香港會計準則第27號(2011年經修訂)	獨立財務報表 ²
香港會計準則第28號(2011年經修訂)	於聯營公司及合營公司之投資 ²
香港會計準則第32號(修訂本)	呈列金融資產及金融負債之抵銷 ³
香港(國際財務報告詮釋委員會) – 詮釋第20號	露天礦場之生產階段之剝採成本 ²

¹ 於二零一二年七月一日或之後開始之年度期間生效

² 於二零一三年一月一日或之後開始之年度期間生效

³ 於二零一四年一月一日或之後開始之年度期間生效

⁴ 於二零一五年一月一日或之後開始之年度期間生效

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (cont’d)

HKFRS 9 “Financial Instruments” (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 (as revised in November 2010) adds requirements for the classification and measurement of financial liabilities and for derecognition. Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2015, with earlier application permitted. The application of HKFRS 9 might affect the classification, measurement and presentation of the Group’s financial assets and financial liabilities.

HKFRS 13 “Fair Value Measurement” establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted. The application of the HKFRS 13 might affect the amounts reported and result in more extensive disclosures in the consolidated financial statements of the Group.

The Group is in the process of assessing the potential impact of these new and revised HKFRSs but is not yet in a position to determine whether these new and revised HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new and revised HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號「金融工具」(於二零零九年十一月所頒布)引入金融資產分類及計量之新規定。香港財務報告準則第9號(於二零一零年十一月所修訂)加入金融負債之分類及計量及取消確認之規定。根據香港財務報告準則第9號，符合香港會計準則第39號「金融工具：確認及計量」範圍內之所有已確認金融資產其後按攤銷成本或公平值計算。尤其是為收取合約現金流量而以商業模式持有之債務投資，以及具有僅作為本金及未償還本金利息付款之合約現金流量之債務投資，一般於往後會計期末按攤銷成本計算。所有其他債務投資及股權投資於往後會計期末按公平值計算。

香港財務報告準則第9號於二零一五年一月一日或之後開始之年度期間生效，並可提早應用。應用香港財務報告準則第9號可能影響本集團金融資產及金融負債分類、計量及呈列方法。

香港財務報告準則第13號「公平值計量」設立有關公平值計量及對公平值計量之披露的單一指引。該準則定義公平值，設立計量公平值之框架及有關公平值計量之披露規定。香港財務報告準則第13號範圍廣泛，其應用於其他香港財務報告準則規定或准許公平值計量及有關公平值計量披露之金融工具項目及非金融工具項目，惟特定情況除外。整體而言，香港財務報告準則第13號之披露規定較現行準則更為全面。香港財務報告準則第13號於二零一三年一月一日或之後開始之年度期間生效，惟並可提早應用。應用香港財務報告準則第13號可能影響呈報金額並導致本集團綜合財務報表之披露更為廣泛。

本集團現正評估該等新訂及經修訂香港財務報告準則之潛在影響，惟尚未釐定該等新訂及經修訂香港財務報告準則對本集團之經營業績及財務狀況之編製及呈列方法會否構成重大影響。該等新訂及經修訂香港財務報告準則或會導致日後業績及財務狀況之編製及呈列方法出現變動。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated and the company financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong, the Hong Kong Companies Ordinance and applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

The consolidated and the company financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at their fair values, as explained in the accounting policies set out below.

(a) Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments within the measurement period (a maximum of 12 months from the acquisition date). Cost also includes direct attributable costs of investment.

3. 主要會計政策概要

綜合及公司財務報表已根據香港會計師公會頒布之香港財務報告準則(包括所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則、香港公司條例及聯交所證券上市規則(「上市規則」)規定之適用披露事項而編製。

綜合及公司財務報表乃根據歷史成本法編製，惟按公平值計算之投資物業及若干金融工具除外，有關之會計政策闡述如下。

(a) 綜合賬目基準

附屬公司

附屬公司指本集團有權控制其財務及營運政策，且一般擁有其過半數投票權之持股量之所有實體。於評估本集團是否控制另一實體時，會考慮是否存在即時可行使或轉換之潛在投票權及其影響。附屬公司於控制權轉移至本集團當日起全數於本集團內綜合入賬，並於控制權終止當日起從本集團中剔除。

本集團採用會計收購法計算業務合併。收購附屬公司之轉讓代價為所轉讓資產、所產生負債及本集團所發行股本權益之公平值。所轉讓代價包括或然代價安排產生之任何資產或負債之公平值。收購相關成本於產生時列為開支。於業務合併時所收購之可辨別資產及所承擔之負債及或然負債，初步按收購日期之公平值計量。按逐項收購基準，本集團以公平值或非控股權益按比例應佔被收購人資產淨值，確認被收購人非控股權益。

附屬公司投資乃以成本扣除減值之方法入賬。成本經調整以反映於計量期間(最長由收購日期起計十二個月)因或然代價修訂產生之代價變動。成本亦包括投資之直接應佔費用。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Subsidiaries (cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Total comprehensive income and expense of a subsidiary is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Change in the Group's ownership interest in existing subsidiaries and associates

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3. 主要會計政策概要(續)

(a) 綜合賬目基準(續)

附屬公司(續)

如超出轉讓代價情況，被收購人之任何非控股權益金額及任何先前於被收購人之股本權益於收購日期之公平值超出所收購之可辨別資產淨值之公平值之差額乃列作商譽。倘在議價收購之情況下，該數額低於所收購附屬公司資產淨值之公平值，則有關差額將直接在損益內確認。

集團內公司間之交易、結餘及交易之未變現收益及虧損會予以對銷。

附屬公司之全面收益及支出總額歸屬於本公司擁有人及非控股權益，即使會導致非控股權益產生赤字結餘。

非控股權益交易

本集團將其與非控股權益進行之交易視為與本集團股本權益擁有人之間進行之交易。向非控股權益購買，所支付之任何代價與所收購之附屬公司資產淨值賬面值相關部分之差額，於股本權益中入賬。向非控股權益進行出售所產生之盈虧亦於股本權益入賬。

本集團於現有附屬公司及聯營公司所有權益的改變

倘本集團終止擁有控制權或重大影響力，其於該實體之任何保留權益按其公平值重新計量，而賬面值變動則於溢利或虧損中確認。公平值指初始賬面值並於其後入賬列作聯營公司、合營公司或金融資產之保留權益。此外，先前於其他綜合收益內確認與該實體有關之任何金額按本集團已直接出售有關資產或負債之方式入賬。這可能意味着先前在其他綜合收益內確認之金額重新分類至損益。

倘於聯營公司之擁有權減少，而重大影響力獲保留，則先前於其他綜合收益內確認之金額僅有一定比例部分重新分類至損益(如適用)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont' d)

(b) Impairment losses

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as an income immediately.

(c) Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the year in which they arise. However, if the fair values of investment properties under development are not reliably determinable but expect the fair values of the properties to be reliably determinable when development is completed, it shall measure that investment properties under development at cost less any impairment loss, until either its fair value become reliably determinable or development is completed (whichever is earlier).

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss for the year in which the property is derecognised.

3. 主要會計政策概要(續)

(b) 減值虧損

於報告期末，本集團會檢討其有形及無形資產之賬面值，以釐定該等資產有否出現減值虧損之情況。倘估計資產之可收回金額低於其賬面值，則將該資產之賬面值減至其可收回金額。減值虧損則即時確認為開支。

如減值虧損於其後撥回，資產之賬面值會提高至經修訂之估計可收回金額，惟所提高之賬面值不得高於在過往年度未有就資產確認減值虧損之情況下之賬面值。減值虧損之撥回會即時確認為收入。

(c) 投資物業

投資物業為持作賺取租金收入及／或資本增值用途之物業。於首次確認時，投資物業乃按成本(包括任何直接應佔之開支)計量。於首次確認後，投資物業利用公平值計量。投資物業公平值變動所產生之盈虧會於產生年度計入損益。然而，倘發展中投資物業之公平值未能可靠地釐定，但預期當發展完成時將可以可靠地釐定物業之公平值，則應按成本減任何減值虧損計量發展中投資業務，直至其公平值能可靠地釐定或發展完成為止(以較早發生者為準)。

投資物業於出售時或當該投資物業被永久終止使用及預期由出售時起再無日後經濟利益時取消確認。取消確認物業所產生之任何盈虧(按出售所得款項淨額與資產賬面值之差額計算)於取消確認該物業年度內計入損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont' d)

(d) Non-current assets and disposal groups classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such asset or disposal group and its sale must be highly probable. Management of the Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their previous carrying amounts and fair values less costs to sell.

(e) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of such category of financial assets are set out below.

3. 主要會計政策概要(續)

(d) 分類為持作出售之非流動資產及出售組合

倘賬面值將主要透過出售交易而非透過持續使用追回，則非流動資產及出售組合會分類為持作出售。

就此而言，資產或出售組合必須可即時以現況出售，而出售該等資產或出售組合僅受限於一般慣常條款，且必須極有可能出售。本集團管理層必須對出售作出承擔，而出售預期應可於分類日期起計一年內合資格確認為已完成出售。

分類為出售組別之附屬公司名下所有資產及負債均重新分類為待售，而不論本集團於出售後會否保留其前附屬公司之非控股權益。

分類為持作出售之非流動資產及出售組別(投資物業及金融資產除外)乃按資產以往之賬面值及公平值兩者中較低者減出售成本計量。

(e) 金融工具

當一集團實體成為金融工具合約條文之一方，則確認金融資產及金融負債。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(通過損益以反映公平值之金融資產及金融負債除外)直接應佔之交易成本乃於首次確認時加入金融資產或金融負債之公平值，或從金融資產或金融負債之公平值扣除(如適用)。收購通過損益以反映公平值之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

金融資產

本集團之金融資產分類為以下兩個類別其中之一，包括貸款及應收款項及待售金融資產。所有正常購買或銷售之金融資產，按交易日之基準確認及取消確認。正常購買或銷售金融資產是指按照市場規定或慣例須在一段期限內進行資產交付之金融資產買賣。就該類別金融資產採納之會計政策載列如下。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss, of which interest income is included in net gains or losses.

Loans and receivables

Loans and receivables (including debtors and deposits, loan to a fellow subsidiary and time deposits and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories under HKAS 39. Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the securities investments reserve until the financial asset is disposed of or determined to be impaired, at which time, the cumulative gain or loss previously accumulated in securities investments reserve is reclassified to the consolidated statement of comprehensive income (see the accounting policy in respect of impairment loss on financial assets below).

However, interest calculated using the effective interest method is recognised in the consolidated statement of comprehensive income.

For the purpose of recognising foreign exchange gains and losses, a monetary available-for-sale financial asset is treated as if it was carried at amortised cost in the foreign currency. Accordingly, for such a financial asset, exchange differences resulting from changes in carrying amount are recognised in the consolidated statement of comprehensive income.

3. 主要會計政策概要(續)

(e) 金融工具(續)

金融資產(續)

實際利率法

實際利率法為一種計算金融資產攤銷成本與於有關期間內分配利息收入之方法。實際利率為於初步確認時將金融資產預計年期或(如適用)更短期間內將估計未來現金收入(包括所有已付或已收並構成實際利率一部分之費用及差價、交易成本及其他溢價或折讓)準確貼現至賬面淨值之利率。

除分類為通過損益以反映公平值之金融資產外，債務工具之利息收入按實際利率計算確認，而該等金融資產之利息收入乃計入淨收益或虧損。

貸款及應收款項

貸款及應收款項(包括應收賬項及按金、借予同系附屬公司貸款、定期存款及銀行結餘)為於交投活躍之市場內並無報價而附帶固定或可議定付款之非衍生金融資產。貸款及應收款項使用實際利率法按攤銷成本減任何已識別減值虧損計量。

待售金融資產

待售金融資產為非衍生項目，無論是被指派或並無分類為根據香港會計準則第39號之任何其他類別。於各報告期末，待售金融資產按公平值計量。公平值之變動於其他全面收益中確認，並於證券投資儲備中累計，直至該項金融資產被出售或釐定為已減值為止，屆時，以往於證券投資儲備累計之累計盈虧重新分類至綜合全面收益報表(見下文有關金融資產減值虧損之會計政策)。

然而，利用實際利率法計算之利息會於綜合全面收益報表確認。

就確認外匯收益及虧損之目的而言，貨幣待售金融資產被視為按攤銷成本並以外幣賬方式處，因此，該金融資產因賬面值變動而產生之匯兌差額乃於綜合全面收益報表確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- (i) significant financial difficulty of the issuer or counterparty; or
- (ii) breach of a contract such as a default or delinquency in interest or principal payments; or
- (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- (iv) the disappearance of active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

When available-for-sale financial assets are determined to be impaired, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. 主要會計政策概要(續)

(e) 金融工具(續)

金融資產(續)

金融資產減值

金融資產(通過損益以反映公平值除外),於報告期末評估有否出現減值跡象。當於首次確認金融資產後發生一項或多項事件,導致有客觀證據顯示金融資產之估計未來現金流量已受到影響時,則金融資產已經減值。

減值客觀證據可包括:

- (i) 發行人或交易方出現嚴重財困;或
- (ii) 違反合約,例如無力支付或拖欠利息或本金額;或
- (iii) 借款人有可能破產或進行財務重組;或
- (iv) 因財困令該金融資產之活躍市場消失。

就應收貿易款項等若干類別之金融資產而言,被評為不會個別減值之資產會彙集評估減值。一組應收款項之減值客觀證據可包括本集團過往之收款經驗、組合內還款時間超過平均信貸期之延遲還款數目增加,以及與無力支付應收款項有關之國家或地方之經濟環境之明顯轉變。

當待售金融資產釐定為已減值,以往於其他全面收益確認之累計盈虧會重新分類至損益。

就按攤銷成本列賬之金融資產而言,確認之減值虧損金額以資產之賬面值與按金融資產原實際利率貼現其估計未來現金流量之現值兩者之差額計算。

就按成本列賬之金融資產而言,減值虧損金額按資產之賬面值與按類似金融資產之現行市場回報率貼現其估計未來現金流量之現值兩者之差額計算。有關減值虧損將不會於往後期間撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment loss is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策概要(續)

(e) 金融工具(續)

金融資產(續)

金融資產減值(續)

除應收貿易款項外，所有金融資產之賬面值會直接扣除其減值虧損。應收貿易款項之賬面值會利用撥備賬進行扣減。當應收貿易款項被視為不可收回時，則會撇銷撥備賬。倘之前已撇銷之款項於其後收回，則會計入撥備賬。撥備賬之賬面值變動於損益確認。

就按攤銷成本計量之金融資產而言，倘減值虧損之金額於確認後之期間有所減少，而有關減少可以客觀地與確認減值虧損後發生之事件有關，之前已確認之減值虧損可透過損益予以撥回，但於撥回減值虧損日期資產之賬面值不得超過該項資產原未確認減值時之攤銷成本。

就待售債務投資而言，倘該項投資之公平值增加可客觀地與確認減值虧損後之事件有關，則減值虧損將於其後透過損益撥回。

金融負債及股本權益

集團實體發行之債務及股本工具乃根據合約安排之內容及金融負債與股本工具之定義分類為金融負債或股本。

股本工具為可證明於本集團資產經扣除其所有負債後之剩餘權益之任何合約。本集團之金融負債分類為其他金融負債。就金融負債及股本工具而採納之會計政策載列如下。

實際利率法

實際利率法為一種計算金融負債攤銷成本與於有關期間內分配利息開支之方法。實際利率為於初步確認時將金融負債預計年期或(如適用)更短期間內將估計未來現金支出(包括所有已付或已收並構成實際利率一部分之費用及差價、交易成本及其他溢價或折讓)準確貼現至賬面淨值之利率。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Financial instruments (cont'd)

Financial liabilities and equity (cont'd)

Effective interest method (cont'd)

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at fair value through profit or loss.

Other financial liabilities

Other financial liabilities (including amount due to a fellow subsidiary, creditors and accruals and deposits received) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire, or the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the consolidated statement of financial position when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(f) Revenue recognition

Rental income, including rental invoiced in advance from properties under operating leases, is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the relevant lease.

Interest income from a financial asset is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3. 主要會計政策概要(續)

(e) 金融工具(續)

金融負債及股本權益(續)

實際利率法(續)

除分類為通過損益以反映公平值之金融負債外，利息開支按實際利率計算確認。

其他金融負債

其他金融負債(包括欠負同系附屬公司／附屬公司款項、應付賬項及應計款項及已收按金)其後乃採用實際利率法按攤銷成本計算。

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

取消確認

若從資產收取現金流量之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價及已直接於股本權益確認之累計盈虧之差額，於損益中確認。

倘於有關合約之特定責任獲解除、取消或到期，金融負債會於綜合財務狀況報表中移除。取消確認之金融負債賬面值與已付及應付代價之差額乃於損益中確認。

(f) 收入確認

租金收入包括就營業租約物業預先開出發票之租金，乃就有關租約年期按直線法於綜合全面收益報表中確認。

金融資產之利息收入乃就本金結餘按適用實際利率及時間比例計算。有關利率指於金融資產預計年內將估計未來現金收入準確貼現至資產賬面淨值之利率。

(g) 稅項

所得稅開支指當期應付稅項及遞延稅項之總和。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont' d)

(g) Taxation (cont' d)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised to profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策概要(續)

(g) 稅項(續)

當期應付稅項按年度應課稅溢利計算。應課稅溢利與綜合全面收益報表所報溢利不同，此乃由於在其他年度應課稅或可扣減之收入或開支項目，及永不課稅或扣減之項目所致。本集團之當期稅項負債於報告期末以已頒布或實質頒布之稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相關稅基兩之差異確認。遞延稅項負債通常會就所有應課稅暫時差異確認。遞延稅項資產則限於較可能於日後取得應課稅溢利，並可用以抵銷可扣減暫時差異時確認。若暫時差異因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中首次確認其他資產及負債而引致，則不會確認該等遞延稅項資產及負債。

本集團會就於附屬公司及聯營公司之投資以及合營公司權益所產生之應課稅暫時差異確認遞延稅項負債，惟本集團有能力控制暫時差異之撥回及暫時差異不大可能於可見將來撥回則另作別論。

遞延稅項資產之賬面值於各報告期末均作檢討，並在不大有可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項乃按預期於負債償還或資產變現期間之適用稅率計算。

當期稅項及遞延稅項會於損益中確認，惟有關項目於其他全面收益或股本權益之中確認，其當期稅項及遞延稅項亦會於其他全面收益或直接於股本權益中確認。若當期稅項或遞延稅項乃因首次就業務合併入賬而產生，其稅務影響會納入業務合併之會計處理中。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Taxation (cont'd)

For the purpose of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be covered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and the entity intends to settle its current tax assets and liabilities on a net basis.

(h) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenses on a straight-line basis over the lease term.

(i) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策概要(續)

(g) 稅項(續)

就計量使用公平值模型計量之投資物業之遞延稅項負債或遞延稅項資產之目的而言，該等物業之賬面值乃假設可透過出售方式全部收回，除非此項假設被駁回。可折舊及其被持有的目的是以透過隨着時間方式耗用其所包含的大部分經濟利益，而並非透過出售的投資物業，則此項假設會被駁回。

如所得稅是由同一稅務當局徵收，而實體打算支付其當期稅項資產及稅項負債之淨額，有關遞延稅項資產及負債可以互相抵銷。

(h) 租賃

凡租約條款規定將租賃資產擁有權之絕大部分風險及回報轉移至承租人之租約均列為財務租約。所有其他租約分類為營業租約。

本集團為出租人

營業租約之租金收入會以直線法按有關租約年期在損益確認。磋商及安排營業租約時產生之初步直接成本會加入租賃資產之賬面值，並以直線法按租約年期確認為開支。

(i) 外幣

在編製個別集團實體之財務報表時，以實體功能貨幣以外之貨幣(外幣)進行之交易按交易日通用之匯率以有關功能貨幣(即該實體經營之主要經濟環境之貨幣)記錄。於報告期末，以外幣列值之貨幣項目以報告期末通用之匯率重新換算。以外幣列值並按公平值列賬之非貨幣項目以釐定公平值當日通用之匯率重新換算。以外幣列值並以歷史成本計量之非貨幣項目不會重新換算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Foreign currencies (cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

(j) Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

(k) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(l) Related parties

A party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.

3. 主要會計政策概要(續)

(i) 外幣(續)

結算貨幣項目及換算貨幣項目時產生之匯兌差額於產生之期間在損益中確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期間之綜合全面收益報表中，惟重新換算盈虧直接於其他全面收益確認之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦會直接於其他全面收益中確認。

(j) 退休福利成本

界定供款退休福利計劃之供款於僱員提供服務以有權取得供款時確認為開支。

(k) 撥備

當本集團因過往事件而承擔現有責任，導致本集團將有可能就該責任付款，而該責任款額能可靠地估計時確認撥備。

確認為撥備之款額乃於報告期末就支付現有責任所需之代價之最佳估計，當中已考慮涉及有關責任之風險及不確定因素。倘撥備使用估計支付現有責任之現金流進行計量，其賬面值即該等現金流之現值。

(l) 關連人士

倘屬以下情況，則會被認為與本集團相關：

- (i) 倘屬以下人士，即該人士或與該人士關係密切的家庭成員與本集團有關連：
 - (1) 控制或共同控制本集團；
 - (2) 對本集團有重大影響力；或
 - (3) 為本集團或本集團母公司的主要管理人員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(I) Related parties (cont'd)

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) both entities are joint ventures of the same third party.
- (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) the entity is controlled or jointly controlled by a person identified in (i).
- (7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, which are described in Note 3, management of the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3. 主要會計政策概要(續)

(I) 關連人士(續)

(ii) 倘符合下列任何條件，即該實體與本集團有關連：

- (1) 該實體與本集團屬同一集團之成員(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (2) 一實體為另一實體的聯營公司或合營公司(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營公司)。
- (3) 兩間實體均為同一第三方的合營公司。
- (4) 一實體為一第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。
- (5) 該實體為本集團或本集團相關實體之僱員離職後福利計劃。
- (6) 該實體受(i)項所述人士控制或共同控制。
- (7) 於(i)(1)項所述人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理人員。

個別人士關係密切的家庭成員是指與該實體交易時預期可影響該個別人士或受該個別人士影響的家庭成員。

4. 重大會計判估計及判斷

於應用本集團之會計政策(如附註3所述)時，本集團管理層須對未能從其他方面確定之資產及負債之賬面值作出判斷、估計及假設。有關估計及相關假設乃以過往之經驗及其他被視為相關之因素為依據。實際結果可能與此等估計不盡相同。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that management of the Group has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Investment properties

The fair value of each investment property is individually determined at the end of each reporting period based on its market value and by adopting investment method, and/or direct comparison method, as appropriate. The valuation was relied on the discounted cash flow analysis and the capitalisation of income approach. The investment method is based upon estimates of future results and a set of assumptions specific to each property to reflect its tenancy and cashflow profile. The fair value of each investment property reflects, among other things, rental income from current term leases, term yield rate, assumptions about rental income from future reversion leases in light of current market conditions, the assumed occupancy rate and reversionary yield rate. Judgment by the valuers is required to determine the principal valuation factors, including term yield rate and reversionary yield rate. Such yield rates were adopted after considering the investment sentiments and market expectations of properties of similar nature. Direct comparison method assumes each of these properties is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets. Should there be changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

Income tax expense

The Group is subject to income taxes in Hong Kong. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重大會計判估計及判斷(續)

有關估計及相關假設須持續檢討。若會計估計之修訂只影響該修訂期，該修訂會於該修訂期內確認；或如該修訂影響該修訂期及未來期間，則於修訂期及未來期間確認。

應用會計政策之關鍵判斷

除與估計有關外，以下為本集團管理層於應用本集團之會計政策過程中，已作出對綜合財務報表已確認之數額有重大影響之關鍵判斷。

投資物業

每項投資物業之公平值於各報告期末根據其市值，並採納投資法及／或直接比較法(按適用情況而定)而個別釐定。估值依據貼現現金流量分析及資本化收入法計算。投資法以對各項物業未來業績之估計及一系列特定假設為依據，以反映其租賃及現金流狀況。每項投資物業之公平值反映(其中包括)現有租約期限之租金收入、租約期限之回報率、基於現時市況對未來復歸租約所得租金收入之假設、假設出租率及復歸回報率。於釐定主要估值因素(包括租約期限之回報率及復歸回報率)時須由估值師作出判斷。有關回報率於採納時已考慮投資氣氛及市場對類似性質物業之預期。直接比較法假設該等物業各自可以現況交吉出售及參照有關市場上可供比較之銷售證據。如市場狀況變化導致假設有任何變動，投資物業之公平值可能於未來變動。

所得稅開支

本集團須繳納香港之所得稅。在釐定所得稅撥備時須作出重大判斷。在日常業務過程中，大部分交易及計算之最終稅務決定均不明確。本集團根據附加稅項會否到期之估計來確認預計稅項審核事宜之負債。倘此等事宜之最終稅務結果有別於初步錄得之金額，有關差額將對作出決定期間之所得稅及遞延稅項撥備構成影響。

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
The Group	本集團		
Financial assets	金融資產		
Available-for-sale financial assets	待售金融資產	98,057	107,678
Loans and receivable (including time deposits and bank balances)	貸款及應收款項(包括定期 存款及銀行結餘)	935,730	915,052
Financial liabilities	金融負債		
Amortised cost	攤銷成本	381	866
The Company	本公司		
Financial assets	金融資產		
Loans and receivables (including time deposits and bank balances)	貸款及應收款項(包括定期 存款及銀行結餘)	1,037,900	1,029,012
Financial liabilities	金融負債		
Amortised cost	攤銷成本	176,959	193,966

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale financial assets, debtors, deposits, loan to a fellow subsidiary, time deposits and bank balances, creditors and accruals, deposits and amounts due to fellow subsidiaries. Details of these financial instruments are disclosed in respective notes. The risk associated with these financial instruments and the policies on how to mitigate these are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's risk exposure relating to financial instruments or the manner in which it manages and measures the risks.

Market risk

(i) Foreign currency risk

The majority of the Group's monetary assets and monetary liabilities by value and the rental income are denominated in HK\$, except the available-for-sale financial assets are denominated in United States dollars ("USD"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

5. 金融工具(續)

(a) 金融工具類別：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
The Group	本集團		
Financial assets	金融資產		
Available-for-sale financial assets	待售金融資產	98,057	107,678
Loans and receivable (including time deposits and bank balances)	貸款及應收款項(包括定期 存款及銀行結餘)	935,730	915,052
Financial liabilities	金融負債		
Amortised cost	攤銷成本	381	866
The Company	本公司		
Financial assets	金融資產		
Loans and receivables (including time deposits and bank balances)	貸款及應收款項(包括定期 存款及銀行結餘)	1,037,900	1,029,012
Financial liabilities	金融負債		
Amortised cost	攤銷成本	176,959	193,966

(b) 金融風險管理目標及政策

本集團之主要金融工具包括待售金融資產、應收賬款、按金、借予同系附屬公司貸款、定期存款及銀行結餘、應付賬款及應計費用、按金及欠負同系附屬公司款項。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

本集團有關金融工具之風險或管理及計量該等風險之方式並無變動。

市場風險

(i) 外幣風險

本集團大部分貨幣資產及貨幣負債價值以及租金收入均以港元為貨幣單位，惟待售金融資產則以美元(「美元」)為貨幣單位。本集團現時並無任何外匯流動資產及負債之外幣對沖政策。本集團將密切監管其外幣風險，並於必要時考慮對沖重大外幣風險。

5. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Market risk (cont'd)

(i) Foreign currency risk (cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

The Group Assets	本集團 資產
USD	美元

Sensitivity analysis

As HK\$ are pegged to USD, it is assumed that there would be no material currency risk exposure between these two currencies and therefore is excluded from the analysis.

(ii) Cash flow interest rate risk

The Group and the Company do not have any bank borrowings.

The Group and the Company have interest-bearing assets including available-for-sale financial assets, loan to a fellow subsidiary, time deposits and bank balances and is therefore exposed to cash flow interest rate risk. Details of which have been disclosed in respective notes. The Group and the Company currently do not have interest rate hedging policy. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's and the Company's cash flow interest rate risk are mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rates ("HIBOR") and The London Interbank Offered Rates ("LIBOR").

Sensitivity analysis

If the floating rates had been 50 basis points higher/lower, the Group's and the Company's:

- profit before tax for the year ended 31st December, 2012 would increase/decrease by approximately HK\$4,664,000 and HK\$4,577,000 respectively (2011: HK\$4,609,000 and HK\$4,552,000). This is mainly attributable to the Group's and the Company's exposure to interest rates on its variable rate financial assets; and

5. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

本集團以外幣計值之貨幣資產於報告期末之賬面值如下：

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
117,092	109,823

敏感度分析

由於港元與美元掛鈎，故假設兩種貨幣之間並無重大貨幣風險，亦不會載於下文之分析內。

(ii) 現金流量利率風險

本集團及本公司並無任何銀行借貸。

本集團及本公司擁有之計息資產包括待售金融資產、借予同系附屬公司貸款、定期存款及銀行結餘，故須承擔現金流量利率風險（詳情於各附註披露）。本集團及本公司現時並無採用任何利率對沖政策。然而，本集團管理層會監控利率風險，並於需要時考慮對沖重大利率風險。

本集團及本公司之現金流量利率風險主要集中於香港銀行同業拆息（「香港銀行同業拆息」）及倫敦銀行同業拆息（「倫敦銀行同業拆息」）之波動。

敏感度分析

倘浮動利率上升／降低50個基點，則本集團及本公司：

- 截至二零一二年十二月三十一日止年度之除稅前溢利將分別增加／減少約4,664,000港元及4,577,000港元（二零一一年：4,609,000港元及4,552,000港元）。此乃主要由於本集團及本公司所承受之浮息金融資產之利率風險；及

5. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Market risk (cont'd)

(ii) Cash flow interest rate risk (cont'd)

Sensitivity analysis (cont'd)

- no impact to the other component of equity for the years ended 31st December, 2012 and 2011.

(iii) Price risk

The Group's investments classified as available-for-sale financial assets are measured at fair value at the end of each reporting period and expose the Group to price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

If the price had been 5% higher/lower, the Group's:

- profit before tax for the years ended 31st December, 2012 and 2011 would not increase/decrease; and
- other component of equity for the year ended 31st December, 2012 would increase/decrease by approximately HK\$4,903,000 (2011: HK\$5,384,000).

Credit risk

The Group's and the Company's maximum exposures to credit risk in the event of the counterparties' failure to perform their obligations as at 31st December, 2012 in relation to each class of recognised financial assets are the carrying amounts of those assets. With respect to credit risk arising from loan to a fellow subsidiary, the Group's and the Company's exposure to risk of default of the counterparty is limited as the counterparty has good history of repayment. The Group's and the Company's time deposits are deposited with banks of high credit quality in Hong Kong.

5. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(ii) 現金流量利率風險(續)

敏感度分析(續)

- 截至二零一二年及二零一一年十二月三十一日止年度之股本權益內其他成份不受影響。

(iii) 價格風險

於各報告期末按公平值計量且由本集團分類為待售金融資產之投資令本集團面臨價格風險。管理層以設立不同風險水平之投資組合管理有關風險。此外，本集團已委任特別小組監管價格風險，並於必要時考慮對沖風險。

敏感度分析

倘價格上升/下降5%，則本集團：

- 截至二零一二年及二零一一年十二月三十一日止年度之除稅前溢利不會增加/減少；及
- 截至二零一二年十二月三十一日止年度之股本權益內其他成份將增加/減少約4,903,000港元(二零一一年：5,384,000港元)。

信貸風險

本集團及本公司就倘若交易方未能履行彼等於二零一二年十二月三十一日有關各類已確認金融資產之責任所面對最大信貸風險為該等資產之賬面值。就借予同系附屬公司貸款所產生之信貸風險，由於交易方還款歷史良好，本集團及本公司所面對因交易方違約而產生之信貸風險有限。本集團及本公司之定期存款存於香港高信貸質素之銀行。

5. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The Group and the Company made transactions with counterparties with acceptable credit quality in conformance to the Group treasury policies to minimise credit exposure. Acceptable credit ratings from reputable credit rating agencies and scrutiny of financials for non-rated counterparties are two important criteria in the selection of counterparties. The credit quality of counterparties will be closely monitored over the life of the transaction. The Group and the Company review their financial counterparties periodically in order to reduce credit risk concentrations relative to the underlying size and credit strength of each counterparty.

In an attempt to forestall adverse market movement, the Group and the Company also monitor potential exposures to each financial institution counterparties.

Other than concentration of credit risk on the loan to a fellow subsidiary, the Group and the Company do not have any other significant concentration of credit risk.

Liquidity risk

The Group and the Company manage liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash and intended credit lines of funding from major financial institutions to meet the Group's and the Company's liquidity requirements in the short and long term. The liquidity risk is under continuous monitoring by management. Management will raise bank borrowings whenever necessary.

At the end of the reporting period, the Group and the Company did not have significant exposure to liquidity risk.

The contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities which are required to be repaid within one year or on demand amounted to approximately HK\$381,000 and HK\$310,000 respectively (2011: HK\$866,000 and HK\$309,000).

(c) Fair value estimation

The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively.

The directors of the Company ("Directors") consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their fair values.

5. 金融工具(續)

(b) 金融風險管理目標及政策(續)

信貸風險(續)

本集團及本公司與符合本集團庫務政策所訂信貸評級良好之交易方進行交易，以盡量降低信貸風險。揀選交易方之兩項重要原則，是由有信譽之信貸評級機構發出可接受之信貸評級，以及對沒有評級之交易方進行財務評審。本集團及本公司會在整個交易期內密切監察交易方之信貸質素。此外，本集團及本公司會定期為與其交易之財務機構進行評審，以減低與各交易方相關規模及信貸強度有關之集中信貸之風險。

為不利之市場變動預先作準備，本集團及本公司亦監察每間金融機構交易方之潛在風險。

除借予同系附屬公司貸款面臨之集中信貸風險外，本集團及本公司並無任何其他重大集中信貸風險。

流動資金風險

本集團及本公司管理流動資金風險之方法為定期監察現時及預測之流動資金需要，並確保具備足夠流動現金及取得計劃來自主要金融機構之融資，以應付本集團及本公司之短期及長期流動資金需要。管理層會持續監察流動資金風險，並將於必要時籌集銀行借貸。

於報告期末，本集團及本公司並無重大之流動資金風險。

於報告期末，須於一年內或按要求時償還之本集團及本公司之金融負債分別約為381,000港元及310,000港元(二零一一年：866,000港元及309,000港元)。

(c) 公平值估計

具備標準條款及條件並於活躍流通市場買賣之金融資產及金融負債之公平值乃分別參考市場買入及賣出價計算。

本公司董事(「董事」)認為，綜合財務報表內按經攤銷成本入賬之金融資產及金融負債賬面值與公平值相若。

5. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value estimation (cont'd)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the Group's analysis of financial instruments recorded at fair value by the fair value hierarchy:

The Group	本集團
At 31st December, 2012	於二零一二年 十二月三十一日
Available-for-sale financial assets	待售金融資產
At 31st December, 2011	於二零一一年 十二月三十一日
Available-for-sale financial assets	待售金融資產

There were no transfers amongst Level 1, Level 2 and Level 3 in the fair value hierarchy.

6. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the abilities of the entities in the Group to continue as a going concern, so that it can continue to provide returns for shareholders of the Company and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

5. 金融工具(續)

(c) 公平值估計(續)

下表為於初次確認後按公平值計量之金融工具之分析，並根據公平值之可觀察程度分為第一至三級：

- 第一級：公平值計量參考同等之資產或負債於活躍市場取得之報價(未經調整)；
- 第二級：公平值計量為直接(由價格)或間接(參考價格)從可觀察之資產或負債所得之數據(於第一級之報價除外)；及
- 第三級：公平值計量由輸入參數，包括非從市場觀察所得之資產或負債數據(非可觀察數據)之估值技術產生。

下表顯示按公平值分級制所劃分按公平值記錄本集團之金融工具分析：

Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總額 HK\$'000 千港元
98,057	-	-	98,057
107,678	-	-	107,678

公平值分級制內第一級、第二級及第三級之間並無轉撥。

6. 資本風險管理

本集團通過根據風險水平給予產品及服務相應定價，及確保按合理成本取得融資之方式管理資本，主要目標為保持本集團之實體持續經營之能力，以確保本集團能為本公司股東持續提供回報，並為其他權益相關提供利益。

6. CAPITAL RISK MANAGEMENT (cont'd)

The Directors actively and regularly review and manage the Group's capital structure to maximise the returns to shareholders through the optimisation of the debt afforded by a sound capital position, and make adjustments to the capital structure in light of changes in economic conditions. The Group's overall strategy remains unchanged from 2011.

Consistent with others in the industry, the Group monitors its capital structure on the basis of the gearing ratio. At 31st December, 2012 and 2011, the Group's gearing ratio was undefined because the Group did not have any borrowings at the end of each reporting period.

7. REVENUE

Revenue represents the aggregate amounts received and receivable, analysed as follows:

Property rental income
Interest income from available-for-sale financial assets
Interest income on loan to a fellow subsidiary

物業租金收入
待售金融資產之利息收入
借予同系附屬公司貸款之利息收入

6. 資本風險管理(續)

董事積極並定時檢討及管理本集團之資本架構，透過以完善資本狀況支持優化債務及於經濟條件發生變動時對資本架構作出調整，為股東爭取最大之回報。本集團整體策略與二零一一年保持不變。

本集團運用資本負債比率監察其資本結構，此舉與行業其他業貫徹一致。於二零一二年及二零一一年十二月三十一日，由於本集團於各報告期末並無任何借貸，故並無界定資本負債比率。

7. 收入

Continuing operation 持續經營業務		Discontinued operation 已終止經營業務		Consolidated 綜合	
2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
	(Restated) (經重列)		(Restated) (經重列)		(Restated) (經重列)
-	-	3,133	2,977	3,133	2,977
5,279	5,013	-	-	5,279	5,013
16,316	11,533	-	-	16,316	11,533
21,595	16,546	3,133	2,977	24,728	19,523

8. OPERATING SEGMENTS

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

Following the completion of the disposal of all properties held for sale units in Gemstar Tower during the financial year ended 31st December, 2010, one of the Group's reportable business segments, namely property development business segment, was removed during the year ended 31st December, 2012.

On 5th December, 2012, the Group entered into a sale and purchase agreement to dispose of its subsidiary and assets relating in property leasing, which resulted the discontinuance of the property leasing business segment. Details of the discontinued operation are set out in Note 14.

8. 營運分類

本集團根據主要營運決策者用於作出策略決定時審閱之報告釐定營運分類。

隨著於截至二零一零年十二月三十一日止財政年度內完成出售所有於駿昇中心內之持作出售單位物業後，本集團其中一個可呈報分類(即物業發展業務分類)已於截至二零一二年十二月三十一日止年度移除。

於二零一二年十二月五日，本集團訂立一份買賣協議，以出售其附屬公司及與物業租賃相關之資產，導致物業租賃業務分類終止經營。已終止經營業務之詳情載於附註14。

8. OPERATING SEGMENTS (cont'd)

Including the discontinued business segment, the Group has engaged two reportable segments – (i) securities investments and finance; and (ii) property leasing. The segmentations are based on the information about the operations of the Group that management uses to make decisions.

Principal activities are as follows:

Continuing operation:

Securities investments and finance	-	Securities investments and financing activities
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Discontinued operation:

Property leasing	-	Property rental
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The Group evaluates performance on the basis of profit or loss from operations before tax expense but not including the major non-cash items. The major non-cash item is fair value changes on investment properties from the discontinued operation. There is no intersegment revenue accountable for in both years.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Included in revenue arising from securities investments and finance of HK\$21,595,000 (2011: HK\$16,546,000) is revenue of approximately HK\$16,316,000 (2011: HK\$11,533,000) which arose from the Group's one (2011: one) major customer and accounted for more than 10% of the Group's total revenue.

8. 營運分類(續)

本集團擁有兩個可呈報分類(包括已終止經營業務): (i) 證券投資及融資; 及(ii) 物業租賃。本集團乃以管理層用作決策之營運資料進行分類。

主要業務活動如下:

持續經營業務:

證券投資及融資	-	證券投資及融資業務
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已終止經營業務:

物業租賃	-	物業租賃
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本集團根據扣除稅項開支前(惟不包括主要非現金項目)之經營溢利或虧損為基準評估表現。主要非現金項目為來自已終止經營業務之投資物業之公平值變動。於兩個年度並無可入賬之分類間收入。

本集團可呈報分類為策略業務單元, 以營運不同活動。彼等受個別管理, 此乃由於各業務擁有不同市場, 且要求不同市場策略。

於證券投資及融資產生之收入21,595,000港元(二零一一年: 16,546,000港元)中約16,316,000港元(二零一一年: 11,533,000港元)之收入乃來自本集團一名(二零一一年: 一名)主要客戶, 並佔本集團總收入超過10%。

8. OPERATING SEGMENTS (cont'd)

Operating segment information is presented below:

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2012

Revenue	收入
Revenue from external customers	來自外部客戶之收入
Results	業績
Segment results for reportable segments	可呈報分類之分類業績
Unallocated items	未分攤項目
Interest income	利息收入
Unallocated corporate expenses, net	未分攤之公司開支淨額
Income tax expense	所得稅開支
Core profit (excluding major non-cash item)	核心溢利 (不包括主要非現金項目)
Major non-cash item - fair value changes on investment properties	主要非現金項目 - 投資物業之公平值變動
Profit for the year attributable to owners of the Company	本公司擁有人 應佔本年度溢利

Consolidated Statement of Financial Position

At 31st December, 2012

Assets	資產
Segment assets for reportable segments	可呈報分類之分類資產
Unallocated corporate assets	未分攤之公司資產
Consolidated total assets	綜合資產總額
Liabilities	負債
Segment liabilities for reportable segments	可呈報分類之分類負債
Unallocated corporate liabilities	未分攤之公司負債
Consolidated total liabilities	綜合負債總額

8. 營運分類(續)

營運分類資料呈列如下：

綜合全面收益報表

截至二零一二年十二月三十一日止年度

Continuing operation 持續經營業務	Discontinued operation 已終止經營業務	Consolidated 綜合
Securities investments and finance 證券投資及融資	Property leasing 物業租賃	
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
21,595	3,133	24,728
21,320	2,939	24,259
		2
		(2,910)
		(4,604)
		16,747
		6,500
		23,247

綜合財務狀況報表

於二零一二年十二月三十一日

Continuing operation 持續經營業務	Discontinued operation 已終止經營業務	Consolidated 綜合
Securities investments and finance 證券投資及融資	Property leasing 物業租賃	
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
1,000,293	41,155	1,041,448
		37,177
		1,078,625
-	875	875
		4,617
		5,492

8. OPERATING SEGMENTS (cont'd)

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2011

		Continuing operation 持續經營業務	Discontinued operation 已終止經營業務	Consolidated 綜合
		Securities investments and finance 證券投資及融資	Property leasing 物業租賃	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入			
Revenue from external customers	來自外部客戶之收入	16,546	2,977	19,523
Results	業績			
Segment results for reportable segments	可呈報分類之分類業績	16,338	2,771	19,109
Unallocated items	未分攤項目			
Interest income	利息收入			7
Other gains and losses, net	其他收益及虧損淨額			86
Unallocated corporate expenses, net	未分攤之公司開支淨額			(4,145)
Income tax expense	所得稅開支			(3,234)
Core profit (excluding major non-cash item)	核心溢利 (不包括主要非現金項目)			11,823
Major non-cash item - fair value changes on investment properties	主要非現金項目 - 投資物業之公平值變動			5,000
Profit for the year attributable to owners of the Company	本公司擁有人應佔本年度溢利			16,823

Consolidated Statement of Financial Position

At 31st December, 2011

		Continuing operation 持續經營業務	Discontinued operation 已終止經營業務	Consolidated 綜合
		Securities investments and finance 證券投資及融資	Property leasing 物業租賃	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產			
Segment assets for reportable segments	可呈報分類之分類資產	1,010,432	34,413	1,044,845
Unallocated corporate assets	未分攤之公司資產			12,434
Consolidated total assets	綜合資產總額			1,057,279
Liabilities	負債			
Segment liabilities for reportable segments	可呈報分類之分類負債	-	309	309
Unallocated corporate liabilities	未分攤之公司負債			2,577
Consolidated total liabilities	綜合負債總額			2,886

8. 營運分類(續)

綜合全面收益報表

截至二零一一年十二月三十一日止年度

		Continuing operation 持續經營業務	Discontinued operation 已終止經營業務	Consolidated 綜合
		Securities investments and finance 證券投資及融資	Property leasing 物業租賃	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入			
Revenue from external customers	來自外部客戶之收入	16,546	2,977	19,523
Results	業績			
Segment results for reportable segments	可呈報分類之分類業績	16,338	2,771	19,109
Unallocated items	未分攤項目			
Interest income	利息收入			7
Other gains and losses, net	其他收益及虧損淨額			86
Unallocated corporate expenses, net	未分攤之公司開支淨額			(4,145)
Income tax expense	所得稅開支			(3,234)
Core profit (excluding major non-cash item)	核心溢利 (不包括主要非現金項目)			11,823
Major non-cash item - fair value changes on investment properties	主要非現金項目 - 投資物業之公平值變動			5,000
Profit for the year attributable to owners of the Company	本公司擁有人應佔本年度溢利			16,823

綜合財務狀況報表

於二零一一年十二月三十一日

		Continuing operation 持續經營業務	Discontinued operation 已終止經營業務	Consolidated 綜合
		Securities investments and finance 證券投資及融資	Property leasing 物業租賃	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產			
Segment assets for reportable segments	可呈報分類之分類資產	1,010,432	34,413	1,044,845
Unallocated corporate assets	未分攤之公司資產			12,434
Consolidated total assets	綜合資產總額			1,057,279
Liabilities	負債			
Segment liabilities for reportable segments	可呈報分類之分類負債	-	309	309
Unallocated corporate liabilities	未分攤之公司負債			2,577
Consolidated total liabilities	綜合負債總額			2,886

8. OPERATING SEGMENTS (cont'd)

Geographical information

For the years ended 31st December, 2012 and 2011, all the Group's operations are located in Hong Kong. The Group's revenue is all derived from Hong Kong for both years.

9. OTHER INCOME

Included in other income is:	其他收入包括：
Interest income	利息收入

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after (charging) crediting:	本年度溢利已(扣除)計入：
Total staff costs:	僱員成本總額：
Directors' emoluments	董事酬金
Salaries and other benefits	薪金及其他福利
Retirement benefit scheme contributions	退休福利計劃供款
Gross rental income from investment properties	投資物業之租金收入總額
Less: Direct operating expenses from investment properties that generated rental income during the year	減：本年度產生租金收入之投資物業直接經營開支
Direct operating expenses from investment properties that did not generate rental income during the year	本年度並無產生租金收入之投資物業直接經營開支
Auditor's remuneration	核數師酬金
Exchange loss, net	匯兌虧損淨額

8. 營運分類(續)

地區資料

截至二零一二年及二零一一年十二月三十一日止年度，本集團在香港經營所有業務。在兩個年度本集團之收入全部來自香港。

9. 其他收入

Continuing operation 持續經營業務		Discontinued operation 已終止經營業務		Consolidated 綜合	
2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	(Restated) (經重列)		(Restated) (經重列)		(Restated) (經重列)
2	7	-	-	2	7

10. 本年度溢利

Continuing operation 持續經營業務		Discontinued operation 已終止經營業務		Consolidated 綜合	
2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	(Restated) (經重列)		(Restated) (經重列)		(Restated) (經重列)
(554)	(560)	-	-	(554)	(560)
(1,253)	(2,326)	(126)	(242)	(1,379)	(2,568)
(78)	(119)	(10)	(20)	(88)	(139)
(1,885)	(3,005)	(136)	(262)	(2,021)	(3,267)
-	-	3,133	2,977	3,133	2,977
-	-	(234)	(234)	(234)	(234)
-	-	-	(2)	-	(2)
-	-	2,899	2,741	2,899	2,741
(170)	(170)	(50)	(50)	(220)	(220)
(275)	(174)	-	-	(275)	(174)

11. DIRECTORS' AND EMPLOYEES' REMUNERATIONS 11. 董事及僱員之酬金

(a) Directors' emoluments

Fee and other emoluments paid or payable to the Directors for the years ended 31st December, 2012 and 2011 were as follows:

		2012 二零一二年			2011 二零一一年		
		Salaries and other emoluments			Salaries and other emoluments		
		Fee	emoluments	Total	Fee	emoluments	Total
		袍金	薪金及其他酬金	總額	袍金	薪金及其他酬金	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Mr. Matthew Cheong, Veng-va	昌榮華先生	10	-	10	10	-	10
Ms. Teresa Poon, Mun-chie (Note 1)	潘敏慈女士(附註1)	4	-	4	10	-	10
Mr. Lai, Yun-hung	賴恩雄先生	180	-	180	180	-	180
Mr. Mok, Hon-sang	莫漢生先生	180	-	180	180	-	180
Mr. Wong, Tik-tung	汪滌東先生	180	-	180	180	-	180
		554	-	554	560	-	560

Note:

- 1 Ms. Teresa Poon, Mun-chie resigned as executive Director and chief executive officer of the Company (the "CEO") on 9th June, 2012.

No Directors waived any emolument for the years ended 31st December, 2012 and 2011.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, five (2011: two) were Directors whose emoluments were included in (a). For the year ended 31st December, 2012, the Group did not employ any staff. The emoluments of the remaining three individuals for the year ended 31st December, 2011 were as follows:

		2011 二零一一年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	976
Retirement benefit scheme contributions	退休福利計劃供款	45
		1,021

The emoluments of individual employee were all less than HK\$1,000,000.

During the years ended 31st December, 2012 and 2011, no emolument was paid by the Group to the five highest paid individuals, or Directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

(a) 董事酬金

截至二零一二年及二零一一年十二月三十一日止年度，已付或應付予各董事之袍金及其他酬金如下：

		2012 二零一二年			2011 二零一一年		
		Salaries and other emoluments			Salaries and other emoluments		
		Fee	emoluments	Total	Fee	emoluments	Total
		袍金	薪金及其他酬金	總額	袍金	薪金及其他酬金	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Mr. Matthew Cheong, Veng-va	昌榮華先生	10	-	10	10	-	10
Ms. Teresa Poon, Mun-chie (Note 1)	潘敏慈女士(附註1)	4	-	4	10	-	10
Mr. Lai, Yun-hung	賴恩雄先生	180	-	180	180	-	180
Mr. Mok, Hon-sang	莫漢生先生	180	-	180	180	-	180
Mr. Wong, Tik-tung	汪滌東先生	180	-	180	180	-	180
		554	-	554	560	-	560

附註：

- 1 潘敏慈女士已於二零一二年六月九日辭任本公司執行董事及行政總裁(「行政總裁」)。

概無董事於截至二零一二年及二零一一年十二月三十一日止年度內放棄收取任何酬金。

(b) 僱員酬金

本集團五名最高薪酬人士中，五名(二零一一年：兩名)為董事，彼等之酬金載於(a)項。截至二零一二年十二月三十一日止年度，本集團並未聘請任何員工。截至二零一一年十二月三十一日止年度其餘三名個別人士之酬金如下：

		2011 二零一一年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	976
Retirement benefit scheme contributions	退休福利計劃供款	45
		1,021

個別僱員之酬金全部低於1,000,000港元。

於截至二零一二年及二零一一年十二月三十一日止年度內，本集團概無為吸引加入本集團或於加入本集團時或作為離職補償而向該五名最高薪酬人士或董事支付任何酬金。

12. INCOME TAX EXPENSE

12. 所得稅開支

	Continuing operation 持續經營業務		Discontinued operation 已終止經營業務		Consolidated 綜合	
	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
The charge (credit) comprises:		(Restated) (經重列)		(Restated) (經重列)		(Restated) (經重列)
Current tax:						
Hong Kong	3,321	2,172	246	1,061	3,567	3,233
Overprovision in prior years:						
Hong Kong	(24)	(1)	(837)	-	(861)	(1)
	3,297	2,171	(591)	1,061	2,706	3,232
Deferred tax:						
Hong Kong	-	-	1,073	2	1,073	2
Underprovision in prior years:						
Hong Kong	-	-	825	-	825	-
	-	-	1,898	2	1,898	2
	3,297	2,171	1,307	1,063	4,604	3,234

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the year.

香港利得稅乃根據本年度之估計應課稅溢利按稅率16.5% (二零一一年: 16.5%) 計算。

Included in other comprehensive income, no income tax expenses was relating to each component of other comprehensive income for the years ended 31st December, 2012 and 2011.

計入其他全面收入，概無所得稅開支與截至二零一二年及二零一一年十二月三十一日止年度之其他全面收入各組成部分有關。

The income tax charge for the year can be reconciled to the profit before tax relating to continuing operation per the consolidated statement of comprehensive income as follows:

本年度之所得稅開支與綜合全面收益報表有關持續經營業務之除稅前溢利對賬如下：

	2012 二零一二年		2011 二零一一年	
	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before tax from continuing operation	18,606		12,596	
Tax at the Hong Kong Profits				
Tax rate of 16.5% (2011: 16.5%)	3,070	16.5	2,078	16.5
Tax effect of income not taxable for tax purpose	(1)	-	(110)	(0.9)
Tax effect of expenses not deductible for tax purpose	46	0.2	37	0.3
Tax effect of tax depreciation	(1)	-	(1)	-
Others	207	1.1	167	1.3
Overprovision in prior years	(24)	(0.1)	(1)	-
Tax charge for the year from continuing operation	3,297	17.7	2,170	17.2

13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the year ended 31st December, 2012, net profit of approximately HK\$31,785,000 (2011: HK\$9,773,000) has been dealt with in the financial statements of the Company.

14. DISCONTINUED OPERATION, ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 5th December, 2012, the Group entered into a sale and purchase agreement with Super Kind Limited, Cosmos Success Limited, Wing Lee Development Limited, indirect wholly-owned subsidiaries of Chinese Estates (collectively refer to as "Purchasers"), and Chinese Estates, a controlling shareholder of the Company at the end of the reporting period (as guarantor of the Purchasers), to dispose the entire issued share capital and certain debts of View Success Investments Limited ("View Success"), an indirect wholly-owned subsidiary of the Company which held certain car parking spaces at Gemstar Tower, at a total consideration of approximately HK\$41.5 million (the "Disposal"). Details of the Disposal were set out in the announcement and circular of the Company dated 18th December, 2012 and 5th January, 2013 respectively.

The Disposal was completed on 23rd January, 2013. Upon completion, View Success has been ceased to be a subsidiary of the Group. As a result, the business segment of property leasing has classified as discontinued operation for the year ended 31st December, 2012 and the assets and liabilities of View Success have been presented as assets classified as held for sale and liabilities directly associated with assets classified as held for sale respectively at 31st December, 2012.

13. 本公司擁有人應佔溢利

截至二零一二年十二月三十一日止年度，約31,785,000港元(二零一一年：9,773,000港元)之純利已於本公司財務報表內處理。

14. 已終止經營業務、分類為持作出售資產／直接與分類為持作出售資產有關之負債

於二零一二年十二月五日，本集團與華置之間接全資附屬公司Super Kind Limited、Cosmos Success Limited、永利拓展有限公司(統稱為「買方」)及於報告期末本公司控股股東華置(作為買方之擔保人)已訂立買賣協議，以出售本公司間接全資附屬公司景亨投資有限公司(「景亨」，及其持有於駿昇中心內若干泊車位)之全部已發行股本及若干債務，總代價約為41,500,000港元(「出售事項」)。出售事項詳情載於本公司日期分別為二零一二年十二月十八日及二零一三年一月五日之公布及通函內。

出售事項已於二零一三年一月二十三日完成。完成時，景亨已不再為本集團之附屬公司。因此，物業租賃業務分部於年內已分類為已終止經營業務，而景亨之資產及負債於二零一二年十二月三十一日已分別呈列為分類為持作出售資產及直接與分類為持作出售資產有關之負債。

14. DISCONTINUED OPERATION, ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

The results, cash flows and assets and liabilities of the Disposal are set out below:

- (a) The results and cash flow from discontinued operation are as follows:

14. 已終止經營業務、分類為持作出售資產／直接與分類為持作出售資產有關之負債(續)

出售事項之業績、現金流及資產與負債載列如下：

- (a) 來自已終止經營業務之業績及現金流如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Revenue (Note 7)	收入(附註7)	3,133	2,977
Costs of sales	銷售成本	(234)	(236)
Gross profit	毛利	2,899	2,741
Other income	其他收入	40	4
Administrative expenses	行政開支	(194)	(320)
Fair value changes on investment properties	投資物業之公平值變動	6,500	5,000
Other gains and losses, net	其他收益及虧損淨額	-	36
Profit before tax	除稅前溢利	9,245	7,461
Income tax expenses	所得稅開支	(1,307)	(1,063)
Profit for the year from discontinued operation	本年度來自 已終止經營業務之溢利	7,938	6,398
Net cash inflow (outflow) from operating activities	來自經營業務之 現金流入(流出)淨額	2,803	(553)

14. DISCONTINUED OPERATION, ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (cont')

(b) The major classes of assets and liabilities of View Success reclassified as assets classified as held for sale and liabilities directly associated with assets classified as held for sale are as follows:

Assets classified as held for sale:	分類為持作出售資產：
Investment properties	投資物業
Debtors, deposits and prepayments	應收賬項、按金及預付款項
Bank balances and cash	銀行結餘及現金
Liabilities directly associated with assets classified as held for sale:	直接與分類為持作出售資產有關之負債：
Creditors and accruals	應付賬款及應計款項
Deposits and receipts in advance	按金及預收款項
Tax liabilities	稅項負債
Deferred tax liabilities	遞延稅項負債

14. 已終止經營業務、分類為持作出售資產／直接與分類為持作出售資產有關之負債(續)

(b) 景亨重新分類為分類為持作出售資產及直接與分類為持作出售資產有關之負債的資產及負債之主要類別如下：

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
40,900	-
255	-
3,534	-
44,689	-
130	-
875	-
8	-
2,404	-
3,417	-

15. DIVIDENDS

(a) Final dividend for 2011 paid on 13th June, 2012 of HK1 cent (2010: HK2 cents) per share	(a) 於二零一二年六月十三日派付之二零一一年末期股息每股1港仙(二零一零年: 2港仙)
(b) Interim dividend for 2012 paid on 21st September, 2012 of HK1 cent (2011: HK1 cent) per share	(b) 於二零一二年九月二十一日派付之二零一二年中期股息每股1港仙(二零一一年: 1港仙)
Total dividends paid	已派付股息總額

15. 股息

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
3,388	6,775
3,388	3,388
6,776	10,163

A special interim dividend of HK\$1.4464 (2011: Nil) per ordinary share was declared by the Board of Directors by a resolution passed on 22nd January, 2013 and paid on 19th February, 2013 to the Shareholders. Details of the special interim dividend were disclosed in the Company's announcements on 18th December, 2012 and 22nd January, 2013.

董事會於二零一三年一月二十二日通過決議案，宣派特別中期股息每股普通股1.4464港元(二零一一年: 零)，並於二零一三年二月十九日向股東支付。特別中期股息之詳情已於本公司日期為二零一二年十二月十八日及二零一三年一月二十二日之公布內披露。

15. DIVIDENDS (cont')

The Directors did not recommend the payment of a final dividend for the year ended 31st December, 2012 (2011: HK1 cent per ordinary share).

16. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

Earnings – basic and diluted Profit attributable to owners of the Company	盈利 - 基本及攤薄 本公司擁有人應佔溢利
- Continuing operation	- 持續經營業務
- Discontinued operation	- 已終止經營業務

Weighted average number of ordinary shares	普通股之加權平均數
--	-----------

For the years ended 31st December, 2012 and 2011, diluted earnings per share is the same as the basic earnings per share as there were no diluting events during both years.

From continuing operation

The calculation of the basic and diluted earnings per share is based on the profit for the year from continuing operation attributable to owners of the Company of approximately HK\$15,309,000 (2011 restated: HK\$10,425,000) and on the weighted average number of 338,765,987 (2011: 338,765,987) ordinary shares in issue during the year.

For the years ended 31st December, 2012 and 2011, diluted earnings per share is the same as the basic earnings per share as there were no diluting events during both years.

From discontinued operation

The calculation of the basic and diluted earnings per share is based on the profit for the year from discontinued operation attributable to owners of the Company of approximately HK\$7,938,000 (2011 restated: HK\$6,398,000) and on the weighted average number of 338,765,987 (2011: 338,765,987) ordinary shares in issue during the year.

15. 股息(續)

董事議決不派付截至二零一二年十二月三十一日止年度末期股息(二零一一年: 每股普通股1港仙)。

16. 每股盈利

來自持續經營及已終止經營業務

本公司擁有人應佔來自持續經營及已終止經營業務之每股基本及攤薄盈利乃根據以下數據計算:

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
15,309	10,425
7,938	6,398
23,247	16,823

Number of shares 股份數目

2012 二零一二年	2011 二零一一年
338,765,987	338,765,987

由於截至二零一二年及二零一一年十二月三十一日止年度並無攤薄事項，故該兩個年度之每股攤薄盈利與每股基本盈利相同。

來自持續經營業務

每股基本及攤薄盈利乃根據本公司擁有人應佔本年度來自持續經營業務之溢利約15,309,000港元(二零一一年經重列: 10,425,000港元)及本年度已發行普通股之加權平均數338,765,987股(二零一一年: 338,765,987股)計算。

由於截至二零一二年及二零一一年十二月三十一日止年度並無攤薄事項，故該兩個年度之每股攤薄盈利與每股基本盈利相同。

來自已終止經營業務

每股基本及攤薄盈利乃根據本公司擁有人應佔本年度來自已終止經營業務之溢利約7,938,000港元(二零一一年經重列: 6,398,000港元)及本年度已發行普通股之加權平均數338,765,987股(二零一一年: 338,765,987股)計算。

16. EARNINGS PER SHARE (con't)

For the years ended 31st December, 2012 and 2011, diluted earnings per share is the same as the basic earnings per share as there were no diluting events during both years.

16. 每股盈利(續)

由於截至二零一二年及二零一一年十二月三十一日止年度並無攤薄事項，故該兩個年度之每股攤薄盈利與每股基本盈利相同。

17. INVESTMENT PROPERTIES

17. 投資物業

		HK\$'000 千港元
The Group	本集團	
Fair value	公平值	
At 1st January, 2011	於二零一一年一月一日	29,400
Increase in fair value in the consolidated statement of comprehensive income	於綜合全面收益報表中之公平值增加	5,000
At 31st December, 2011	於二零一一年十二月三十一日	34,400
Increase in fair value in the consolidated statement of comprehensive income	於綜合全面收益報表中之公平值增加	6,500
		40,900
Reclassified as assets held for sale	重新分類為持作出售資產	(40,900)
At 31st December, 2012	於二零一二年十二月三十一日	-

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

根據營業租約持有以賺取租金或作資本增值之本集團所有物業權益乃採用公平值模式計量，並分類及入賬列作投資物業。

Property valuations at 31st December, 2012 and 2011 were carried out by B.I. Appraisals Limited ("B.I. Appraisals") in respect of the Group's investment properties. B.I. Appraisals holds a recognised professional qualification and has recent relevant experience. Property valuation was arrived at by reference to market evidence of transaction prices for similar properties at similar locations.

保柏國際評估有限公司(「保柏國際評估」)已就本集團於二零一二年及二零一一年十二月三十一日之投資物業進行物業估值。保柏國際評估持有認可專業資格，並具備近期之相關經驗。物業估值乃參照類似地點同類物業之成交價之市場憑證釐定。

The valuation report for the investment properties at 31st December, 2012 is signed by a director of B.I. Appraisals, who is a member of The Hong Kong Institute of Surveyors. The valuation is performed in accordance with The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

於二零一二年十二月三十一日，投資物業之估值報告由保柏國際評估之董事香港測量師學會會員簽署。該估值乃遵守香港測量師學會所頒布之物業估值準則(二零零五年第一版)進行重估。

The Group's investment properties are under medium-term leases in Hong Kong at 31st December, 2012 and 2011.

於二零一二年及二零一一年十二月三十一日，本集團之投資物業於香港按中期租約持有。

18. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM SUBSIDIARIES

The Company

Unlisted shares, at cost	非上市股份，按成本
Amounts due from subsidiaries	附屬公司欠款
Less: impairment loss recognised in respect of the amounts due from subsidiaries	減：就附屬公司欠款確認之減值虧損

本公司

非上市股份，按成本
附屬公司欠款
減：就附屬公司欠款確認之減值虧損

The carrying amounts of the investments in subsidiaries are reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries. The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms, except for an amount of HK\$122,549,000 (2011: HK\$118,195,000) is interest-bearing.

Particulars of the Group's subsidiaries as at 31st December, 2012 are set out in Note 33.

18. 附屬公司投資／附屬公司欠款

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
181,679	181,679
123,072	118,717
(1,399)	(1,399)
121,673	117,318

附屬公司投資賬面值減少至其可收回金額，有關可收回金額乃參考預期來自各附屬公司之估計未來現金流量釐定。除為數122,549,000港元(二零一一年：118,195,000港元)之欠款須計息外，附屬公司欠款為無抵押、免息及並無固定還款期。

本集團附屬公司於二零一二年十二月三十一日之詳情載於附註33。

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group

Available-for-sale financial assets comprise:

Unlisted floating rate notes (Note 1)	非上市浮息票據(附註1)
Unlisted fixed rate notes (Note 2)	非上市定息票據(附註2)

本集團

待售金融資產包括：

非上市浮息票據(附註1)
非上市定息票據(附註2)

Analysis for reporting purposes as:

Non-current assets	非流動資產
Current assets	流動資產

作報告用途之分析：

非流動資產
流動資產

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
-	11,415
98,057	96,263
98,057	107,678
66,603	96,263
31,454	11,415
98,057	107,678

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(con't)

Notes:

- (1) The unlisted floating rate note was matured during the year. At 31st December, 2011, the floating rate note was unlisted and carried interest at LIBOR plus 0.23% per annum.
- (2) The fixed rate notes are unlisted and carry fixed interest at 4.75% to 6.5% (2011: 4.75% to 6.5%) per annum, payable on half-year basis, and will mature for the period from February 2013 to August 2019 (2011: from February 2013 to August 2019).
- (3) Fair values of the floating and fixed rate notes were determined based on the quoted market bid prices available on the industry group.

19. 待售金融資產(續)

附註:

- (1) 非上市浮息票據乃於年內到期。於二零一一年十二月三十一日，浮息票據為非上市證券，並按年利率倫敦銀行同業拆息加0.23厘計息。
- (2) 定息票據為非上市證券，並按固定年利率4.75厘至6.5厘(二零一一年: 4.75厘至6.5厘)計息，須每半年付款，到期日為二零一三年二月至二零一九年八月期間(二零一一年: 二零一三年二月至二零一九年八月)。
- (3) 浮息及定息票據之公平值乃根據行業類別所報之市場買盤價釐定。

20. LOAN TO A FELLOW SUBSIDIARY

The Group and the Company

On 22nd September, 2011, the Company, as lender, entered into a renewed loan agreement with Longman Limited ("Longman"), a subsidiary of Chinese Estates, as borrower, and Chinese Estates, as guarantor, to grant a three-year revolving facility of up to HK\$900 million to Longman at an interest rate of HIBOR plus 1.5% per annum ("Revolving Loan"). Details of the loan arrangement were set out in the Company's circular dated 12th October, 2011.

20. 借予同系附屬公司貸款

本集團及本公司

於二零一一年九月二十二日，本公司(作為貸方)與華置之附屬公司Longman Limited(「Longman」，作為借方)及華置(作為擔保人)訂立一份貸款協議，以向Longman提供一筆最多900,000,000港元之三年期循環貸款融資，此貸款之年利率為香港銀行同業拆息加1厘(「循環貸款」)。貸款協議詳情載於本公司日期為二零一一年十月十二日之通函內。

Name of fellow subsidiary 同系附屬公司名稱	Highest balance during the year 年內最高結餘 HK\$'000 千港元	2012	2011
		二零一二年 HK\$'000 千港元	二零一一年 HK\$'000 千港元
Longman	900,000	900,000	900,000

On 30th January, 2013, Longman Limited repaid portion of the Revolving Loan with a sum of HK\$490 million together with interest thereof to the Company. At the date of this report, the balance of the Revolving Loan is HK\$410 million. The Company may call for fully or partially repayment of the balance of the Revolving Loan at any time according to the agreement.

於二零一三年一月三十日，Longman Limited向本公司償還490,000,000港元之部分循環貸款，連同有關利息。於本報告日期，循環貸款的結餘為410,000,000港元。本公司可隨時要求按照協議償還全部或部分循環貸款結餘。

21. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group and the Company

There were no trade receivables included in debtors, deposits and prepayments at 31st December, 2012 and 2011.

22. TIME DEPOSITS AND BANK BALANCES

The Group and the Company

The time deposits of the Group and the Company carry interests at prevailing market deposit rates and mature within one month. The Group and the Company do not hold collateral over the balance.

23. AMOUNT DUE TO A FELLOW SUBSIDIARY

The Group and the Company

The amount due to a fellow subsidiary is unsecured, interest-free and repayable on demand.

24. CREDITORS AND ACCRUALS

The Group and the Company

There were no trade payables included in creditors and accruals as at 31st December, 2012 and 2011.

25. SHARE CAPITAL

21. 應收賬項、按金及預付款項

本集團及本公司

於二零一二年及二零一一年十二月三十一日，應收賬項、按金及預付款項內並無包括應收貿易賬項。

22. 定期存款及銀行結餘

本集團及本公司

本集團及本公司之定期存款按當時市場存款利率計息，並於一個月內到期。本集團及本公司並無就結餘持有抵押。

23. 欠負同系附屬公司款項

本集團及本公司

欠負同系附屬公司款項為無抵押、免息及按要求償還。

24. 應付賬項及應計款項

本集團及本公司

於二零一二年及二零一一年十二月三十一日，應付賬項及應計款項內並無包括應付貿易賬項。

25. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
The Group and the Company	本集團及本公司		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定股本：		
At 1st January, 2011,	於二零一一年一月一日、		
31st December, 2011	二零一一年十二月三十一日		
and 31st December, 2012	及二零一二年十二月三十一日	50,000,000,000	500,000
Issued and fully paid:	已發行及繳足股本：		
At 1st January, 2011,	於二零一一年一月一日、		
31st December, 2011	二零一一年十二月三十一日		
and 31st December, 2012	及二零一二年十二月三十一日	338,765,987	3,388

28. DEFERRED TAX LIABILITIES

The Group

The following is the major deferred tax liabilities provided (assets recognised) by the Group and movements thereon during the current and prior reporting periods:

		Investment properties 投資物業 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st January, 2011	於二零一一年一月一日	511	(7)	504
Charged to the consolidated statement of comprehensive income	於綜合全面收益報表扣除	-	2	2
At 31st December, 2011	於二零一一年十二月三十一日	511	(5)	506
Charged to the consolidated statement of comprehensive income	於綜合全面收益報表扣除	1,898	-	1,898
Transferred to liabilities directly associated with assets classified as held for sale	轉至直接與分類為持作出售資產有關之負債	(2,409)	5	(2,404)
At 31st December, 2012	於二零一二年十二月三十一日	-	-	-

For the purpose of the presentation in the consolidated statement of financial position, certain deferred tax liabilities and assets have been offset.

At the end of the reporting period, the Group did not have any unrecognised deferred tax assets (2011: Nil).

29. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31st December, 2012 and 2011, the Group and the Company did not have any material capital commitments and contingent liabilities.

30. OPERATING LEASES

At 31st December, 2012 and 2011, the Group and the Company did not have any material operating lease commitments.

28. 遞延稅項負債

本集團

以下為本集團於本報告期間及過往報告期間作出撥備之主要遞延稅項負債(確認資產)及其變動:

		Investment properties 投資物業 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st January, 2011	於二零一一年一月一日	511	(7)	504
Charged to the consolidated statement of comprehensive income	於綜合全面收益報表扣除	-	2	2
At 31st December, 2011	於二零一一年十二月三十一日	511	(5)	506
Charged to the consolidated statement of comprehensive income	於綜合全面收益報表扣除	1,898	-	1,898
Transferred to liabilities directly associated with assets classified as held for sale	轉至直接與分類為持作出售資產有關之負債	(2,409)	5	(2,404)
At 31st December, 2012	於二零一二年十二月三十一日	-	-	-

為呈列綜合財務狀況報表，若干遞延稅項負債及資產已經對銷。

於報告期末，本集團並無任何未確認之遞延稅項資產(二零一一年：無)。

29. 資本承擔及或然負債

於二零一二年及二零一一年十二月三十一日，本集團及本公司並無任何重大資本承擔及或然負債。

30. 經營租賃

於二零一二年及二零一一年十二月三十一日，本集團及本公司並無任何重大經營租賃承擔。

31. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution retirement schemes in Hong Kong, namely the Occupational Retirement Scheme ("ORSO Scheme") and the Mandatory Provident Fund Scheme ("MPF Scheme"). Contributions to the ORSO Scheme are based on a percentage of employees' salaries ranging from 5% to 10%, depending upon the length of service of the employees. From 1st December, 2000, newly joined employees are compulsorily required to join the MPF Scheme. The employer and its employees are each required to make contributions to the scheme at rates specified in the rules of the MPF Scheme.

The total costs charged to the consolidated statement of comprehensive income of approximately HK\$88,000 (2011: HK\$139,000) represented contributions payable to these schemes by the Group for the year.

32. MATERIAL RELATED PARTY TRANSACTIONS

Transactions:

Save as disclosed elsewhere in the consolidated financial statement, the Group and the Company had the following material transactions with related parties during the year:

The Group and the Company

Interest income on loan to a fellow subsidiary

本集團及本公司

借予同系附屬公司貸款之利息收入

Interest income was charged on outstanding balance during the year, details are set out in Note 20.

Balances:

Details of the balances with related parties at the end of the reporting period are set out in Notes 20 and 23.

Key management personnel emoluments:

Remuneration for key management personnel is disclosed in Note 11(a). The remuneration of the senior executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

31. 退休福利計劃

本集團參與香港界定供款退休計劃之職業退休計劃(「職業退休計劃」)及強制性公積金計劃(「強積金計劃」)。本集團向職業退休計劃作出僱員薪酬之5%至10%供款(視乎僱員服務年資)。由二零零零年十二月一日起加入本集團之新僱員均須參加強積金計劃。僱主及僱員均需為強積金計劃規則內列明之比率供款。

於綜合全面收益報表扣除之總費用約為88,000港元(二零一一年:139,000港元),即本集團於本年度向該等計劃應付之供款。

32. 重大關連人士交易

交易:

除綜合財務報表其他部分已披露外,本集團及本公司於本年度與關連人士進行以下重大交易:

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
16,316	11,533

利息收入根據年內貸款尚欠結餘計算,詳情載於附註20。

結餘:

於報告期末,與關連人士之交易結餘詳情載於附註20及23。

主要管理人員酬金:

主要管理人員酬金於附註11(a)內披露。高級行政人員之酬金由薪酬委員會參考個別人士表現及市場趨勢後釐定。

33. PARTICULARS OF SUBSIDIARIES

At 31st December, 2012, the Company has direct and indirect interests in the following subsidiaries which are all private limited companies.

Name of subsidiaries 附屬公司名稱	Place of incorporation or operation 附屬公司名稱 註冊成立或經營地	Class of share 股份類別	Fully paid share capital 繳足股本	Proportion of nominal value of paid-up capital held by the Company 本公司所持繳足 股本面值之百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Chi Cheung Management Services Limited 至祥管理服務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100%	-	Dormant 暫無營業
Chi Cheung (Nominees) Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100%	-	Securities investment 證券投資
Jumbo Legend Limited	British Virgin Islands	Ordinary 普通股	US\$2 2美元	100%	-	Investment holding 投資控股
View Success Investments Limited 景亨投資有限公司 [#]	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	-	100%	Property investment and trading 物業投資及買賣

[#] The subsidiary was disposed of on 23rd January, 2013.

None of the subsidiaries had any debt securities subsisting at the end of the reporting period or at any time during the reporting period.

33. 附屬公司詳情

於二零一二年十二月三十一日，本公司直接及間接擁有下列附屬公司之權益，而該等附屬公司均為私人有限公司。

[#] 附屬公司於二零一三年一月二十三日出售。

於報告期末或於報告期內任何時間，並無附屬公司擁有任何債務證券。

34. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in the consolidated financial statements, the Group has the following transaction after the end of the reporting period.

Mr. Lam, Kwong-wai resigned as the company secretary of the Company (the "Company Secretary") and Ms. Lam Yuen Ling Eva was appointed as the Company Secretary in place of Mr. Lam, Kwong-wai on 6th February, 2013.

Mr. Yang, Longfei and Ms. Dai, Hui were appointed as the executive Directors and Mr. Lam, Kwong-wai was appointed as the non-executive Director with effect from 7th February, 2013. On 28th February, 2013, Mr. Matthew Cheong, Veng-va resigned as the executive Director, chairman of the Company (the "Chairman") and chief executive officer of the Company, whereas Mr. Yang, Longfei was appointed as the Chairman[#]. As a result, together with three existing independent non-executive Directors, namely Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung, the Board of Directors consists of six Directors.

[#] Mr. Fan, Ren Da Anthony, Mr. Fan, Chun Wah Andrew and Mr. Lau, Yu Fung Wilson will be appointed as the independent non-executive Directors and Mr. Lee, Vincent Marshall Kwan Ho and Mr. Yang, Shao Xin Max will be appointed as the non-executive Directors with effect from 27th March, 2013.

35. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to separately reflect the results of the continuing operation and discontinued operation and to conform with the current year's presentation.

36. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25th March, 2013.

34. 報告期後事項

除綜合財務報表所披露者外，本集團於報告期結束後有以下交易。

於二零一三年二月六日，林光蔚先生辭任本公司之公司秘書（「公司秘書」）而林婉玲女士獲委任為公司秘書，以取代林光蔚先生之職務。

楊龍飛先生及戴輝女士獲委任為執行董事，而林光蔚先生則獲委任為非執行董事，自二零一三年二月七日起生效。於二零一三年二月二十八日，昌榮華先生辭任執行董事、本公司主席（「主席」）兼本公司行政總裁，而楊龍飛先生獲委任為主席[#]。因此，連同三名現任獨立非執行董事賴恩雄先生、莫漢生先生及汪滌東先生，董事會由六名董事組成。

[#] 范仁達先生、范駿華先生及劉裕豐先生將獲委任為獨立非執行董事，而李君豪先生及楊少星先生則將獲委任為非執行董事，均自二零一三年三月二十七日起生效。

35. 比較數字

若干比較數字已重新分類，以分別反映持續經營業務及已終止經營業務之業績，並符合本年度之呈列方法。

36. 授權刊發財務報表

董事會已於二零一三年三月二十五日批准及授權刊發財務報表。

Five-Year Financial Summary 五年財務概要

Summary of the results, assets and liabilities of the Group for the last five years is as follows:

本集團過去五年之業績、資產及負債概要如下：

		For the year ended 31st December, 截至十二月三十一日止年度				
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (經重列)	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Results	業績					
Revenue	收入	24,728	19,523	84,572	23,558	143,087
Profit before tax	除稅前溢利	27,851	20,057	63,013	19,307	132,775
Income tax expense	所得稅開支	(4,604)	(3,234)	(10,072)	(1,446)	(16,089)
Profit for the year	本年度溢利	23,247	16,823	52,941	17,861	116,686
Profit for the year from continuing operation	本年度溢利來自持續經營業務	15,309	10,425	52,941	17,861	116,686
Profit for the year from discontinued operation	來自已終止經營業務	7,938	6,398	-	-	-
		23,247	16,823	52,941	17,861	116,686
Attributable to: Owners of the Company	應佔： 本公司擁有人	23,247	16,823	52,941	17,861	116,686
Basic and diluted earnings per share (HK cents) (Note)	每股基本及攤薄盈利(港仙)(附註)	6.86	4.97	15.63	5.27	34.44
Final and interim dividends per share (HK cents)	每股末期及中期股息(港仙)	1	2	3	2	1
Special interim dividend per share (HK cents)	每股特別中期股息(港仙)	144.64	-	-	-	-

Note: The calculation of basic and diluted earnings per share is based on the profit attributable to owners of the Company for the years and on the weighted average number of shares in issue during the relevant years.

附註：每股基本及攤薄盈利乃根據當年度本公司擁有人應佔溢利及有關年度已發行股份之加權平均數計算。

		At 31st December, 於十二月三十一日				
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	資產總額	1,078,625	1,057,279	1,058,933	1,007,066	997,524
Total liabilities	負債總額	(5,492)	(2,886)	(9,494)	(4,390)	(12,785)
Total equity	股本權益總額	1,073,133	1,054,393	1,049,439	1,002,676	984,739
Attributable to: Owners of the Company	應佔： 本公司擁有人	1,073,133	1,054,393	1,049,439	1,002,676	984,739
Net asset value per share attributable to owners of the Company (HK\$)	本公司擁有人應佔每股資產淨值(港元)	3.17	3.11	3.10	2.96	2.91
Number of shares issued	已發行股份數目	338,765,987	338,765,987	338,765,987	338,765,987	338,765,987

Schedule of Properties

物業附表

The following table sets forth the Group's properties as at 31st December, 2012:

下表載列本集團於二零一二年十二月三十一日之物業：

ASSETS CLASSIFIED AS HELD FOR SALE: INVESTMENT PROPERTIES

分類為持作出售物業之資產：
投資物業

Location	Lot Number	Usage	Category of the lease term	Group's interest
地點	地段編號	用途	租期類別	本集團所佔權益
Gemstar Tower The roof together with 50 car parking spaces on 1st to 3rd Floors No. 23 Man Lok Street Hung Hom, Kowloon Hong Kong#	Certain parts or shares of and in Hung Hom Inland Lot No. 545	Car parking	Medium	100%
駿昇中心 香港九龍紅磡民樂街23號天台及1樓至3樓 50個車位#	紅磡內地段545號之若干部份或份額	泊車位	中期	

The properties were disposed of on 23rd January, 2013.

物業於二零一三年一月二十三日出售。



至祥置業

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