東方銀座控股
Oriental Ginza Holdings

The Key to the Future

Annual Report 2009

Oriental Ginza Holdings Limited

Stock Code: 00996

BOARD OF DIRECTORS

Executive Directors:

Ms. Tin Yuen Sin Carol *(Chairperson)*
Mr. Xu Yi
Mr. Ho Kam Chuen Alex
Mr. Zhang Feng
Mr. Li Sai Ho
Mr. Hon Ming Sang

Non-executive Director:

Mr. Wang John Peter Ben

Independent Non-executive Directors:

Mr. Chan Wai Yip Freeman
Mr. Ng Ka Chung Simon
Ms. Leung Po Ying Iris

AUDIT COMMITTEE

Mr. Chan Wai Yip Freeman *(Chairman)*
Mr. Ng Ka Chung Simon
Ms. Leung Po Ying Iris

REMUNERATION COMMITTEE

Mr. Chan Wai Yip Freeman *(Chairman)*
Mr. Ng Ka Chung Simon
Ms. Leung Po Ying Iris

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. Hon Ming Sang

LEGAL ADVISORS

K&L Gates
Fairbairn Catley Low & Kong

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2006-08, 20/F, Great Eagle Centre
23 Harbour Road, Wanchai, Hong Kong

REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Standard Limited
26/F Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

CONTACTS

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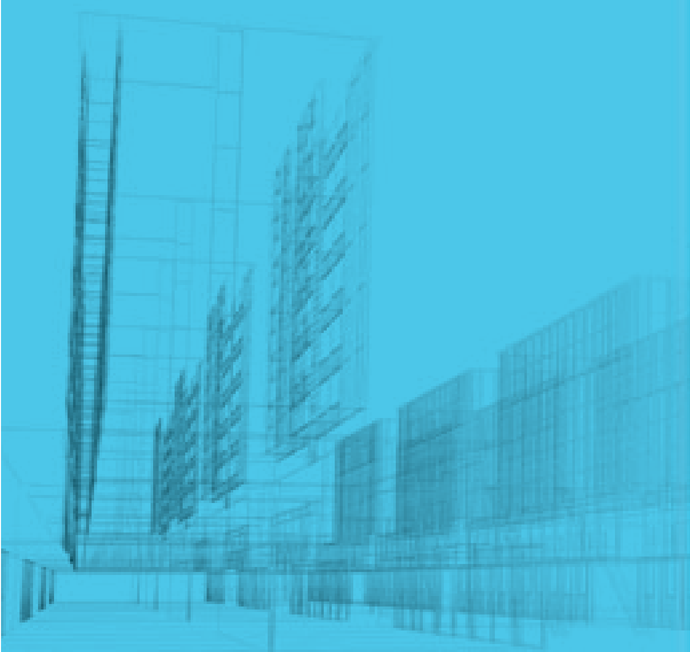

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors", each a "Director") of Oriental Ginza Holdings Limited (the "Company"), I take pleasure to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009.

In an effort to mitigate the adverse impact of the global financial turmoil, China moved swiftly to increase domestic spending by introducing a massive RMB4.1 trillion stimulus package. In the first quarter of 2009, China recorded its lowest economic growth rate of 6.1%. However, the economy rebounded strongly to 7.9% in the second quarter of 2009 and accelerated to 8.9% in the third quarter. China is now well-positioned to be the first major economy to recover from the global crisis. In tandem with the global economic downturn, China's real estate sector suffered across-the-board declines in prices and volumes transacted in the first half year of 2009. However, in the next half year of 2009, some optimism had returned and a rebound in volumes transacted was perceptible as developers cut prices to entice buyers. Given the fact that the overall economic environment in China experienced a great-change year and that our Group's business operation is 100% based in China, we, being similar to many other counterparts, have faced great challenges during the year.

For the financial year ended 31 December 2009, the Group recorded a consolidated net loss of approximately 458.8 million compared to the net loss of about HK$647.9 million for the last corresponding year. Our revenue for 2009 was 507.7 million, representing an increase of about HK$226.8 million or 80.7% when compared with 2008. The loss was primarily attributable to loss on fair value change in the Group's investment properties. The basic loss per share for the year was HK$0.46. The Board does not recommend the payment of any final dividend for the 12 months ended 31 December 2009.

Similar to last year, the Group enjoyed the full year contribution from the investment properties in 2009. Our asset portfolio possesses a significant retail and commercial components. The rental income for the financial year 2009 was approximately HK$189.9 million, representing about 37.4% of the Group's total revenue.

The Group continues to look for new opportunities to enhance its investment property portfolio, with a particular focus on premium retail and commercial premises.

Chairman's Statement

Our retail consultancy and management service still had great challenges in both 2008 and 2009. There is room for improvement in customer flow and consumer spending levels at our managed retail premises. Operating tenants experienced difficulties in their business operation. The market competition was very keen because there was a great increase in the number of commercial centre service companies in Beijing. In addition, clients became reluctant either to renew or engage in new service contracts with us. We expect the general performance in this area of our business operation will continue to be tough in the coming year.

We have focused on allocating its financial resources optimally while remaining vigilant to risk and uncertainty. We will continue to exercise discipline and prudence in this process and invest only in projects which can meet its criteria. In the management of its existing development assets, the Group will consider feasible options to improve yields and add value to assets, to the extent consistent with prevailing market conditions.

2010 is expected to be another challenging year with many uncertainties as the global economy will continue to have great change. We remain optimistic about the medium to long term prospect of the Chinese economy and particularly its retail industry given its huge domestic market and potential for growth. We will capitalise on the growth opportunities by following a disciplined approach to investment and development. We are confident that we are well-positioned and shall be able to emerge stronger from the storm.

Taking this opportunity, I would like to express my sincere gratitude to our shareholders and business partners for their invaluable support to the Group. I am also grateful for our Directors, senior management and staff for their dedicated service and contributions.

Tin Yuen Sin Carol
Chairperson

12 March 2010

Management Discussion and Analysis

CORPORATE OVERVIEW

The principal businesses of the Group are investments in rental properties and retail-related consultancy and management services.

The Group's principal operation is located in Beijing of the People's Republic of China (the "PRC").

FIB and SSP Acquisition

On 6 December 2007, the Group acquired the entire equity interests in each of Fortune International Business Limited ("FIB") and Sunny Sky Properties Limited ("SSP") and their respective shareholders' loans for a total cash consideration of HK$1.6 billion (the "FIB & SSP Acquisition"). In March 2008, the Group fully repaid the remaining consideration of approximately HK$1.12 billion out of the net proceed from a placement of 8,000,000,000 new shares of the Company for the FIB & SSP Acquisition.

FIB and SSP are investment holding companies and their respective subsidiaries are principally engaged in property investment and development as well as real estate management. Major assets owned by the FIB group and SSP group include two commercial and residential complexes, namely Oriental Kenzo Plaza (東方銀座廣場) and Jing Gang City Plaza (京港城市廣場) at Shilipu (十里堡), in Beijing.

BUSINESS REVIEW

The global financial crisis has swept many countries and caused setback for different businesses. This financial contagion spread to PRC in the second half year of 2008, hitting particularly hard the export sector and the capital markets in the first half year of 2009. For our Group, there were adverse effects to our business operation particularly to our retail-related consultancy and management service sector. For the financial year 2009, much of the Group's revenue was from rental income of our investment property portfolio. This was attributable to the components of our assets which comprise about 52% of retail and office space as well as the properties' prime locations in Beijing. The Board was pleased of this contribution from the investment properties as it demonstrated that the FIB & SSP Acquisition brought positive contributions to the Group.

Property Investment

The Group's investment property portfolio comprising Oriental Kenzo Plaza (東方銀座廣場) and Jing Gang City Plaza (京港城市廣場) covers a total unsold area of about 101,200m^2, with about 66,800m^2 or 66% being retail space, about 24,200m^2 or 24% being office space, about 5,100m^2 or 5% being residential apartments, about 5,100m^2 or 5% being recreational and ancillary facilities as well as 1,173 car park spaces. Rental income for the financial year of 2009 amounted to approximately HK$189.9 million.

Oriental Kenzo Plaza (東方銀座廣場) is located at Dongzhimen (東直門), Dong Cheng District (東城區) of East Second Ring area (東二環區) of Beijing, opposite to the Beijing Capital Airport Express Rail Terminal. The basement of the Oriental Kenzo Plaza's shopping mall is directly linked to Dongzhimen station of the Beijing Subway. The entire complex covers a site area of about 15,500m^2 with a total floor area of approximately 138,000m^2. The unsold floor area was about 57,100m^2 (retail space: about 34,600m^2, offices: about 21,400m^2, residential apartments: about 1,100m^2 and 509 car parks). Rental occupancy rates were approximately 100% for retail space; 61% for offices; 21% for residential apartments; and majority of car parks were rented on an hourly rate basis.

Jing Gang City Plaza (京港城市廣場) at Shilipu (十里堡) is a large-scale property project comprising 3 different phases of development, namely Jing Gang City Plaza (京港城市廣場), International Metro Centre (都會國際) and The Metropolitan (都會華庭). It is located on Chao Yang Road (朝陽路), Chao Yang District (朝陽區) of East Fourth Ring area (東四環區) of Beijing. The entire complex covers a site area of about 68,700m^2 with a total floor area of about 298,300m^2. The unsold floor area was about 44,100m^2 (retail space: about 32,400m^2, offices: about 2,800m^2, residential apartments: about 3,800m^2, recreational and ancillary facilities: about 5,100m^2 and 664 car parks. Rental occupancy rates were approximately 90% for retail space; 5% for residential apartments; 39% for recreational and ancillary facilities; and majority of car parks were rented on an hourly rate basis.

Retail-Related Consultancy and Management Services

The Group offers comprehensive retail-related consultancy and management services to its clients, encompassing different service areas including development planning consultancy service for shopping malls, advertising and promotion consultancy services and operation of retail premises and store management services. During the year ended 31 December 2009, the Group managed a total floor area of approximately 41,000m^2 of retail premises operated by individual operators under different business themes.

Total revenue from the Group's retail-related consultancy and management services sector were approximately HK$73.6 million for the financial year of 2009, representing a decrease of approximately HK$2.3 million or 3% when compared with 2008. The main reason for the decrease was due to reductions in number of service contracts, contract amounts and management fees.

FINANCIAL REVIEW

Financial Results

For the year ended 31 December 2009, the Group recorded a total revenue of approximately HK$507.7 million, as compared with approximately HK$280.9 million last year, representing an increase of approximately 80.7%. The increase was mainly due to the increase from the sales proceed of disposal of properties. Moreover, there was an increase of approximately HK$88 million in other operating expense, as compared with 2008, and it was mainly attributable to the increase in the expenses of repair and maintenance of approximately HK$68 million, the marketing expenses of approximately HK$24 million and the decrease in the other general operating expenses of approximately HK$4 million. In the second half of 2009, there was a strong rebound in the property market in the PRC, therefore the Group carried out a series of repair and renovation works on the PRC investment properties with a view to promoting the sales of the Group's investment properties. As a result, the Group recorded an increase of approximately HK$244 million in the sales of properties. Furthermore, the Group's properties in the PRC were re-classified from investment properties to assets held for sale in the second half of 2009 as mentioned before. Over the same period, the loss attributable to equity holders and loss per share were approximately HK$458.8 million and HK$0.46 respectively. The loss was mainly due to the loss on fair value change of investment properties.

Capital Structure, Liquidity and Financial Resources

As at 31 December 2009, the authorised share capital of the Company was HK$1,000 million divided into 5,000,000,000 shares of HK$0.2 each and the issued share capital of the Company was approximately HK$219.1 million divided into 1,095,542,931 shares of HK$0.2 each.

On 31 August 2009, Bold Merit International Limited, a substantial shareholder of the Company, and Fit Top Investments Limited ("Fit Top"), a substantial shareholder of the Company which is wholly-owned by a director of the Company (Bold Merit International Limited and Fit Top, together the "Vendors"), the Company, CLSA Limited (the "Placing Agent"), Mr. Long Rui Ming John ("Mr. Long"), a substantial shareholder of the Company, Ms. Tin Yuen Sin Carol ("Ms. Tin"), a substantial shareholder and director of the Company, Super Marble Limited, a company wholly owned by Mr. Wang John Peter Ben ("Mr. Wang"), and Mr. Wang, a director of the Company, entered into a placing agreement pursuant to which the Placing Agent agreed to, on a best efforts basis, procure purchasers to acquire and the Vendors agreed to sell up to 130,000,000 existing shares of the Company ("Sale Shares") at the placing price of HK$3.8 per share. The Sale Shares represented approximately 13.46% of the existing issued share capital of the Company as at the date of the announcement dated 31 August 2009 ("Placing Announcement") and approximately 11.87% of the issued share capital of the Company as enlarged by the subscription by the Vendors of 130,000,000 shares pursuant to a subscription agreement dated 31 August 2009 (the "Subscription"), as announced in the Placing Announcement.

On 11 September 2009, the top-up placing was completed and the Company issued a total of 130,000,000 new shares of HK$0.2 each in the capital of the Company at a price of HK$3.8. The Group raised net proceeds of approximately HK$483,000,000 which was intended to be used for financing the potential acquisitions and/or for the Group's general working capital requirement.

The general mandate ("Old General Mandate") approved and granted to the Directors to allot and issue new shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolutions, i.e. at the annual general meeting of the Company held on 10 June 2009, was almost fully utilised after the completion of the Subscription. Therefore, the Directors would only be allowed to allot and issue up to a remaining amount of 63,108,586 shares under the Old General Mandate as at the 4 November 2009 if the Old General Mandate was not refreshed.

Hence, on 6 November 2009, the Directors have issued a circular to propose a special general meeting ("SGM") to approve, inter alia, the refreshment of the general mandate proposed to be granted to the Directors at the SGM to allot and issue new shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the special general meeting, i.e. 25 November 2009, (the "New General Mandate") because the Directors considered that the New General Mandate would enhance the flexibility for the Company to raise equity financing in future to the extent permitted under the Listing Rules.

On 25 November 2009, the ordinary resolution set out in the SGM notice was duly passed by way of poll by the independent shareholders at the SGM and the New General Mandate was granted.

As at 31 December 2009, the current assets and current liabilities of the Group were approximately HK$3,719.8 million (2008: HK$873.9 million) and HK$704.7 million (2008: HK$783.4 million) respectively. The liquidity ratio, which is calculated as current assets over current liabilities, was approximately 5.3 times as compared to that of 1.1 times at the previous year end. The increase in liquidity ratio was mainly due to (i) sales proceed from the disposal of properties held for sale (ii) the completion of the share placement of 130,000,000 shares mentioned above.

The Group's total assets and total liabilities amounted to approximately HK$3,751.3 million (2008: HK$3,998.2 million) and HK$2,180.2 million (2008: HK$2,470.9 million) respectively. The debt ratio, which is calculated based on total liabilities over total assets, was 0.6 as at 31 December 2009, as compared to that of 0.6 last year which was in similar as last year.

The cash and cash equivalents as at 31 December 2009 was approximately HK$867.8 million (2008: HK$17.7 million). The increase was mainly attributable to the completion of the share placement of 130,000,000 shares mentioned above.

As at 31 December 2009, the Group had bank borrowings of approximately HK$1,322 million (2008: HK$1,586.5 million) and the decrease, HK$264.5 million, was due to the bank loan repayment during the year. Out of the total outstanding bank borrowings, approximately HK$229.2 million are repayable within one year. The Group's gearing ratio, calculated as total interest bearing borrowings over total shareholders' funds, was 84.2 % as at 31 December 2009 as compared to 103.9% on 31 December 2008. The decrease in gearing ratio was mainly due to the bank loan repayment during the year.

The Group will have sufficient financial resources to fund its operations.

FOREIGN EXCHANGE EXPOSURE

Substantially all of the Group's sales and operating costs are denominated in the functional currency of the Group entity making the sales or incurring the costs. Accordingly, the Directors consider that the currency risk is not significant. The Group currently does not have a formal currency hedging policy in relation to currency risk. The Directors monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2009, the Group had no material contingent liabilities.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2009, the Group's certain assets classified as held for sale with carrying value of approximately HK$2,254 million and bank deposits of approximately HK$83.4 million were charged to secure bank borrowings and other banking facilities.

EMPLOYEE INFORMATION

As at 31 December 2009, the Group had a total of 128 employees. The employees of the Group are remunerated in accordance with their working experience and performance, and their salaries and benefits are kept at market level. For the year ended 31 December 2009, the total staff costs of the Group was approximately HK$19.6 million (2008: HK$17.5 million), representing an increase of approximately 12 % over the previous year. The increase in staff costs was mainly attributable to increase in the number of staff for sales and marketing department.

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees. The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. Other staff benefits include discretionary performance-based bonus, medical scheme, share options and sales commission.

PROSPECTS

The PRC government has implemented suitable monetary and fiscal policies with the aim of maintenance the steady growth in the economy. Though there is an economic recovery in 2009, we continue to adopt a conservative approach towards our business. We are confident that the long-term economic growth remains positive due to its solid fundamentals and growing underlying consumer demands. The Group is committed to build a solid platform for real estate related investments, which is able to bring sustainable growth and profit to its shareholders. Looking forward, we will remain cautious and will manage our business accordingly.

EXECUTIVE DIRECTORS

Ms. Tin Yuen Sin Carol, aged 44, was appointed as an executive Director with effect from 1 September 2005 and was appointed Chairperson of the Board on 16 November 2006. Ms. Tin has extensive experience in Hong Kong — China trading business. She is responsible for the overall strategic planning and policy making for the Company as well as the development of cordial relationship with business associates in the commercial sector.

Mr. Xu Yi, aged 45, was appointed as an executive Director with effect from 7 July 2009. He holds a Master of Business Administration from The University of Liverpool, United Kingdom. Mr. Xu worked for an international bank and was in charge of real estate financing business. He also worked for several property investment companies in the Peoples' Republic of China (the "PRC") and has experience in commercial property investment, development and management for over 20 years.

Mr. Ho Kam Chuen Alex, aged 47, was appointed as an executive Director with effect from 14 January 2010. He has over 10 years of working experience in listed companies. Mr. Ho graduated from the School of Professional and Continuing Education of Hong Kong University and obtained a diploma in legal studies. Prior to joining the Company, Mr. Ho worked for China Power New Energy Development Company Limited, a company listed on the Stock Exchange of Hong Kong Limited (Stock Code: 0735), as a deputy general manager and was responsible for business development of the group.

Mr. Zhang Feng, aged 42, was appointed as an executive Director with effect from 15 June 2007. He is currently a director and the general manager of Oriental Kenzo (Beijing) Company Limited (東方銀座商業(北京)有限公司), Beijing Oriental Kenzo Investment Consultancy Limited (北京東方銀座商業投資顧問有限公司) and Beijing Oriental Kenzo Management Limited (北京東方銀座商業管理有限公司), all being indirectly wholly-owned subsidiaries of the Company. He possesses many years of experience in commercial estate development and is principally responsible for the commercial project planning of the Company, specialising in organisational management and decision making. He holds a bachelor degree in engineering and once held the positions of sales manager of the Beijing branch of a renowned United States company and as a regional sales director in Vancouver, Canada. He has concrete experiences in both Mainland China and overseas sales planning and management. He is responsible for the Group's business development in the PRC.

Mr. Li Sai Ho, aged 44, was appointed as an executive Director with effect from 25 October 2007. He is currently a director and the general manager of an indirectly wholly-owned subsidiary of the Company. He has rich experience in international real estate planning, marketing and management for about 16 years. He had received an award in real estate marketing in Canada. He integrated the overseas professional experience in real estate development into the projects in the PRC and had received several awards. Mr. Li holds a Master Degree in Business Administration. He is responsible for the business development of the Company in the PRC.

EXECUTIVE DIRECTOR, FINANCIAL CONTROLLER, COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Hon Ming Sang, aged 31, was appointed as the executive Director with effect from 14 January 2010, the authorized representative required under the Listing Rules with effect from 1 February 2009, as the company secretary and qualified accountant of the Company with effect from 4 June 2008 and as the financial controller of the Group with effect from 1 July 2008. Mr. Hon graduated with an honor degree of Professional Accountancy in the School of Accountancy from the Chinese University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators. He has previously worked in an international audit firm and has several years of working experience in listed companies. He has extensive experience in accounting, taxation, investment and financial management services.

NON-EXECUTIVE DIRECTOR

Mr. Wang John Peter Ben, aged 49, was appointed as a non-executive Director with effect from 24 August 2009. Mr. Wang is currently a director of Melco Crown Entertainment Limited, a company listed on NASDAQ in the United States. He has also been appointed as non-executive directors of China Precious Metal Resources Holdings Co., Ltd., a company listed on Main Board of the Stock Exchange (Stock Code: 1194) with effect from 21 January 2010 and MelcoLot Limited, a company listed on the Growth Enterprises Market of the Stock Exchange (Stock Code: 8198) with effect from 16 November 2009. Prior to joining the Company, Mr. Wang was Chief Financial Officer of Melco International Development Limited, a company listed on the Stock Exchange (Stock Code: 200) (the "Melco Group"). He had over 20 years of working experience in the investment banking industry and had worked for Deutsche (HK), CLSA (HK), Bear Stearns (HK), Barclays (Singapore), SG Warburg (London), Salomon Brothers (London), the London Stock Exchange and Deloitte Haskins and Sells (London). Mr. Wang qualified as a Chartered Accountant with the Institute of Chartered Accountants of England and Wales in 1985.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Wai Yip Freeman, aged 46, was appointed as an independent non-executive Director with effect from 26 October 2006. He is a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Taxation Institute of Hong Kong. He is a practicing certified public accountant and possesses over 20 years of professional experience in auditing and tax consultancy services.

Mr. Ng Ka Chung Simon, aged 53, was appointed as an independent non-executive Director with effect from 28 February 2006. Mr. Ng has extensive experience in the legal field and is currently a Barrister-at-law.

Ms. Leung Po Ying Iris, aged 39, was appointed as an independent non-executive Director with effect from 26 October 2006. Ms. Leung graduated with a BBA degree from the University of Hong Kong and received a MBA degree from the Hong Kong University of Science & Technology. She is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Ms. Leung is currently General Manager of Growth-Link Trade Services Company Limited, a trade services company in Hong Kong, and possesses over 14 years of professional and business experience in finance and investment services.

INTRODUCTION

The Company has all along committed to fulfill its responsibilities to its shareholders by ensuring that the proper processes for supervision and management of the Group's businesses are duly operated and reviewed and that good corporate governance practices and procedures, including but not limited to the Code on Corporate Governance Practices ("CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), are established throughout the year ended 31 December 2009.

Throughout the year ended 31 December 2009, the Company meets all the code provisions as set out in the CG Code, except for the deviations summarised as follows:

CG Code		**Deviations and considered reasons**
A.2.1	The roles of Chairman and chief executive officer ("CEO") should be separated and should not be performed by the same individual	During the year ended 31 December 2009, the Company did not have officer with the title of CEO. The CEO's duties have been undertaken by the members of the Board since Mr. Yip Ying Chi Benjamin, appointed as CEO on 11 April 2008 and resigned as CEO on 4 December 2008. To rectify this deviation, the Company is in process of identifying a suitable candidate as its CEO and will issue a further announcement in due course.
A.4.1	Non-executive director should be appointed for a specific term.	Although Mr. Wang John Peter Ben is not appointed for a specific term, Mr. Wang is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Bye-Laws of the Company and the CG Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the CG Code.

BOARD OF DIRECTORS AND BOARD MEETING

Board Composition

The Board currently comprises six executive Directors ("EDs"), namely Ms. Tin Yuen Sin Carol (Chairperson), Mr. Xu Yi, Mr. Ho Kam Chuen Alex, Mr. Zhang Feng, Mr. Li Sai Ho and Mr. Hon Ming Sang, one non-executive Director ("NED"), namely Mr. Wang John Peter Ben, and three independent non-executive Directors ("INEDs"), namely Mr. Chan Wai Yip Freeman, Mr. Ng Ka Chung Simon and Ms. Leung Po Ying Iris.

There are service contracts between the Company and Mr. Ho Kam Chuen Alex and between the Company and Mr. Hon Ming Sang, as respectively disclosed in the announcement dated 14 January 2010 of the Company. There is no service contract between the Company and other Directors. Mr. Wang John Peter Ben, becoming the non-executive Director with effect from 24 August 2009 is not appointed for a specific term. Each of the EDs and NED will be subject to retirement by rotation and re-election at least once every 3 financial years and all the INEDs will be subject to retirement and re-election every year, all at the annual general meeting.

The Company complies with Rule 3.10 of the Listing Rules that there is sufficient number of INEDs and each of them have appropriate professional qualifications. The Company has received from each of the INEDs, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent of the Company.

There is no financial, business, family or other material relationship among the Board members of the Company.

OPERATION OF THE BOARD

The Board is responsible for directing the Group's objectives and strategies, monitoring the implementation and managing risks of the Group. Material matters are reserved for the Board's considerations. The Board has delegated the daily operational responsibilities to the management of the Company.

The Board held 16 meetings during the year ended 31 December 2009, of which 6 were full Board meetings and 10 were ED meetings, and the respective attendance of each director at the board meetings are set out as follows:

	Attendance	
	Full Board Meetings	**ED Meetings**
Executive Directors:		
Ms. Tin Yuen Sin Carol *(Chairperson)*	6/6	10/10
Mr. Xu Yi (Note 1)	4/4	5/7
Mr. Ho Kam Chuen Alex (Note 2)	N/A	N/A
Mr. Zhang Feng	6/6	8/10
Mr. Li Sai Ho	5/6	8/10
Mr. Lam Yat Ming (Note 3)	2/2	3/5
Mr. Fok Wai Ming Eddie (Note 4)	6/6	9/10
Mr. Hon Ming Sang (Note 2)	N/A	N/A
Non-executive Directors:		
Mr. Wang John Peter Ben (Note 5)	4/4	N/A
Mr. Yip Ying Chi Benjamin *(Vice Chairman)* (Note 6)	0/2	N/A
Independent Non-executive Directors:		
Mr. Chan Wai Yip Freeman	6/6	N/A
Mr. Ng Ka Chung Simon	6/6	N/A
Ms. Leung Po Ying Iris	6/6	N/A

Notes:

(1) Appointed with effect from 7 July 2009.
(2) Appointed with effect from 14 January 2010.
(3) Resigned with effect from 7 July 2009.
(4) Resigned with effect from 14 January 2010.
(5) Appointed with effect from 24 August 2009.
(6) Resigned with effect from 22 July 2009.

AUDIT COMMITTEE

The audit committee of Company was established on 9 November 1999. The audit committee is chaired by Mr. Chan Wai Yip Freeman and its members are Mr. Ng Ka Chung Simon and Ms. Leung Po Ying Iris, who are all INEDs of the Company. The terms of reference of the audit committee had been complied since the establishment of the audit committee and the primary role and function of the audit committee are (i) reviewing and supervising the financial reporting system and internal control mechanism of the Company; (ii) monitoring the integrity of the financial statements of the Group; (iii) reviewing the compliance issues with the Listing Rules and other compliance requirements; and (iv) reviewing and consider the appointment of auditors and audit fee.

In 2009, the audit committee held 3 meetings and details of the attendance of each member of the committee are set out as follows:

Members:	**Attendance**
Mr. Chan Wai Yip Freeman	3/3
Mr. Ng Ka Chung Simon	3/3
Ms. Leung Po Ying Iris	3/3

During the year, the audit committee has reviewed and commented on each of the interim and annual financial reports of the Group, reviewed the Company's internal control, reviewed and approved the terms of engagement and remuneration of the external auditors, discussed with external auditors on the financial matters of the Group that arose during the course of the audit and made relevant recommendations to the management of the Company.

REMUNERATION COMMITTEE

The Company has maintained a remuneration committee throughout the year. The remuneration committee is chaired by Mr. Chan Wai Yip Freeman and its other members are Mr. Ng Ka Chung Simon and Ms. Leung Po Ying Iris. All the remuneration committee members are independent non-executive directors of the Company. The role and function of the remuneration committee are (i) making recommendations to the Board on the policies and structure for the remuneration of Directors; (ii) reviewing and approving the remuneration package of each director; (iii) reviewing and approving the performance-based remuneration; and (iv) engaging external professional advisors to assist and/or advise the remuneration committee on its duties when necessary and reasonable.

In 2009, the remuneration committee held 1 meeting and details of the attendance of each member of the committee are set out as follows:

Members:	**Attendance**
Mr. Chan Wai Yip Freeman	1/1
Mr. Ng Ka Chung Simon	1/1
Ms. Leung Po Ying Iris	1/1

During the year, the remuneration committee has received and approved the remuneration package of each director.

NOMINATION OF DIRECTORS

No nomination committee was established by the Company, however, the Company has adopted a nomination policy for the criteria, procedures and process of appointment and removal of directors. Criteria for the selection of director include qualification, working experience and relevant provisions in the Listing Rules. Each of the directors shall possess high and professional standard of a set of core criteria of competence.

At the meeting held by the Board, with the presence of all the Directors, it was resolved that all the existing Directors shall be recommended to be retained by the Company. Moreover, with reference to the Bye-laws of the Company, and the code provision of code on corporate governance practices of the Listing Rules, Mr. Xu Yi, Mr. Ho Kam Chuen Alex, Mr. Zhang Feng, Mr. Li Sai Ho, Mr. Hon Ming Sang, Mr. Wang John Peter Ben, Mr. Chan Wai Yip Freeman, Mr. Ng Ka Chung Simon and Ms. Leung Po Ying Iris shall retire, and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

AUDITORS' REMUNERATION

Fee for audit services were HK$1,400,000 for the year ended 31 December 2009, which were charged to the Group's consolidated statement of comprehensive income. There was no non-audit services during the year.

INTERNAL CONTROL

The Board has conducted a review over the effectiveness of the Group's internal control system, which covered the major aspects of financial, operational, compliance and risk management to ensure that appropriate levels of protection are in place. No significant areas of concern were identified. The Board was satisfied with the effectiveness of the Group's internal control procedures.

Despite that the Listing Rules have been amended to remove the requirement for a qualified accountant, Mr. Hon Ming San, the executive Director, remains the qualified accountant of the Company. With regard to the revised Listing Rules and Code on Corporate Governance Practices, which came into effect on 1 January 2009, regarding the specific references to the responsibility of the directors to conduct an annual review of adequacy of staffing of the financial reporting function and the oversight role of the Audit Committee, the Company has in place a system to ensure that the annual budget, the recruitment process, training and development programme will be sufficient and adequate to enable the Directors to discuss with the Audit Committee and to review the adequacy of resources, qualifications and experience of the staff of the Company's accounting and financial report functions and their training programmes and budget.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listing Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors and all Directors have confirmed, that they have complied with the required standard as set out in the Model Code regarding the director's securities transactions adopted by the Company during the year ended 31 December 2009.

FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities of the directors for preparing the financial statements. The auditors' reporting responsibilities on the financial statements and other further details are set out in the auditors' report contained in this annual report.

The Directors are pleased to present the annual report and the audited consolidated financial statements of Oriental Ginza Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of its principal subsidiaries are set out in Note 35 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2009 are set out in the consolidated statement of comprehensive income on page 24. The Directors do not recommend the payment of any final dividend for the year ended 31 December 2009.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group are set out in Note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of the movements during the year in the investment properties of the Group are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in Note 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2009 amounting to approximately HK$3.7 million (2008: approximately HK$11.2 million).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

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

Executive Directors

Ms. Tin Yuen Sin Carol	
Mr. Xu Yi	(Appointed with effect from 7 July 2009)
Mr. Ho Kam Chuen Alex	(Appointed with effect from 14 January 2010)
Mr. Zhang Feng	
Mr. Li Sai Ho	
Mr. Lam Yat Ming	(Resigned with effect from 7 July 2009)
Mr. Fok Wai Ming Eddie	(Resigned with effect from 14 January 2010)
Mr. Hon Ming Sang	(Appointed with effect from 14 January 2010)

Non-executive Directors

Mr. Yip Ying Chi Benjamin	(Resigned with effect from 22 July 2009)
Mr. Wang John Peter Ben	(Appointed with effect from 24 August 2009)

Independent Non-executive Directors

Mr. Chan Wai Yip Freeman
Mr. Ng Ka Chung Simon
Ms. Leung Po Ying Iris

The following Directors shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting ("AGM") of the Company:

(i) Mr. Zhang Feng and Mr. Li Sai Ho, the executive Directors, shall retire in accordance with the Bye-law 111 of the Bye-laws.

(ii) Mr. Xu Yi, Mr. Ho Kam Chuen Alex, Mr. Hon Ming Sang, the executive Directors, and Mr. Wang John Peter Ben, the non-executive Director, shall retire in accordance with the Bye-law 115 of the Bye-laws.

(iii) Mr. Chan Wai Yip Freeman, Mr. Ng Ka Chung Simon and Ms. Leung Po Ying Iris, the independent non-executive Directors, shall retire at the AGM in each year in accordance with their terms of office of directorship.

DIRECTORS' SERVICE CONTRACTS

No Directors to be proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There were no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Company's share option scheme are set out in Note 32 to the consolidated financial statements.

Details of the Group's retirement benefit plans are set out in Note 31 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

At 31 December 2009, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code, were as follows:

Long positions - Ordinary shares of HK$0.2 each of the Company

Name of Director	Capacity	Number of ordinary shares held	Percentage of the issued share capital of the Company
Ms. Tin Yuen Sin Carol	Beneficial owner	25,958,000	2.37
	Interest of controlled corporation (Note i)	53,155,135	4.85
		79,113,135	7.22
Mr. Wang John Peter Ben	Interest of controlled corporation (Note ii)	60,000,000	5.48

Note i: At 31 December 2009, Ms. Tin Yuen Sin Carol was deemed to be interested in 53,155,135 ordinary shares of the Company through her 100% beneficial interest in Fit Top Investments Limited.

Note ii: At 31 December 2009, Mr. Wang John Peter Ben was deemed to be interested in 60,000,000 ordinary shares of the Company through his 100% beneficial interest in Super Marble Limited.

Save as disclosed above, as at 31 December 2009, none of the Directors, chief executive and their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of the Directors and the chief executive, the following shareholders had notified the Company of relevant interests or short position in shares and underlying shares of Company as follows:

Ordinary shares of HK$0.2 each of the Company

Name	Capacity	Number of ordinary shares held	Percentage of the issued share capital of the Company
Ms. Tin Yuen Sin Carol ("Ms. Tin")	(a) Beneficial Owner (b) Interest of controlled corporation (Note 1) (c) Total	(a) 25,958,000 (b) 53,155,135 (c) 79,113,135	(a) 2.37 (b) 4.85 (c) 7.22
Mr. Long Rui Ming ("Mr. Long")	Interest of controlled corporation (Note 2)	154,909,800	14.14
Mr. Wang John Peter Ben ("Mr. Wang")	Interest of controlled corporation (Note 3)	60,000,000	5.48

Note 1: This interest is held by Fit Top Investments Limited of which Ms. Tin wholly owns the entire issued share capital. Pursuant to SFO, Ms. Tin is deemed to be interested in the shares held by Fit Top Investments Limited.

Note 2: This interest is held by Bold Merit International Limited of which Mr. Long wholly owns the entire issued share capital. Pursuant to SFO, Mr. Long is deemed to be interested in the shares held by Bold Merit International Limited.

Note 3: This interest is held by Super Marble Limited of which Mr. Wang wholly owns the entire issued share capital. Pursuant to SFO, Mr. Wang is deemed to be interested in the shares held by Super Marble Limited.

On 11 March 2009, Mr. Kwok Lung ceases to be the substantial shareholder of the Company because the shares held by him or his controlled corporation reduced to 47,990,800 shares (4.97%) and the percentage of the issued share capital held by Mr. Kwok Lung falls below 5%.

Save as disclosed above, as at 31 December 2009, the Company has not been notified of any substantial shareholder who had any other relevant interests to be disclosed pursuant to Part XV of SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Company has maintained a sufficient public float throughout the year ended 31 December 2009.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's five largest suppliers during the year were less than 30% of the Group's total purchase.

The aggregate turnover attributable to the Group's five largest customers during the year were less than 30% of the Group's total turnover.

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

AUDITORS

The consolidated financial statements of the Group for the year ended 31 December 2009 were audited by Messrs HLB Hodgson Impey Cheng.

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs HLB Hodgson Impey Cheng as auditors of the Company.

On behalf of the Board

Tin Yuen Sin Carol
Chairperson

12 March 2010

Independent Auditors' Report

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street Central
Hong Kong

To the shareholders of
Oriental Ginza Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Oriental Ginza Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 77, which comprise the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' 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 90 of the Companies Act 1981 of Bermuda, 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 as to whether the consolidated financial statements are free from material misstatement.

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 auditors' judgement, 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 auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements 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, 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 financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2009 and of the Group's loss 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 disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 12 March 2010

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Revenue	5	**507,694**	280,889
Other income and net gains	7	**11,463**	14,959
Reversal of impairment loss in respect of other receivables		**10,775**	—
Cost of properties sold		**(186,138)**	—
Operating lease rentals		**(39,440)**	(36,512)
Employee benefits expense		**(19,587)**	(17,468)
Depreciation of property, plant and equipment	15	**(7,765)**	(8,122)
Loss on fair value change of investment properties	16	**(551,898)**	(516,654)
Impairment loss in respect of goodwill	17	**—**	(70,800)
Impairment loss in respect of properties held for sale		**(8,135)**	—
Impairment loss in respect of other receivables		**(6,436)**	(196,192)
Finance costs	8	**(101,116)**	(119,506)
Other operating expenses		**(143,365)**	(55,107)
Loss before tax		**(533,948)**	(724,513)
Income tax	9	**75,193**	76,609
Loss for the year	10	**(458,755)**	(647,904)
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**18,948**	113,558
Total comprehensive income for the year		**(439,807)**	(534,346)
Loss for the year attributable to:			
Equity holders of the Company		**(458,755)**	(647,904)
Minority interests		**—**	—
		(458,755)	(647,904)
Total comprehensive income attributable to:			
Equity holders of the Company		**(439,807)**	(534,346)
Minority interests		**—**	—
		(439,807)	(534,346)
Loss per share			
Basic and diluted (HK$ per share)	14	**(0.46)**	(0.76)

Consolidated Statement of Financial Position

At 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	15	**31,440**	48,284
Investment properties	16	**—**	3,075,941
		31,440	3,124,225
Current assets			
Properties held for sale	18	**132,426**	327,787
Trade receivables	19	**107,955**	70,652
Prepayments, deposits and other receivables		**106,525**	357,372
Pledged bank deposits	20	**83,436**	78,259
Bank balances and cash	20	**889,909**	39,858
		1,320,251	873,928
Assets classified as held for sale	21	**2,399,590**	—
		3,719,841	873,928
Total assets		**3,751,281**	3,998,153
Current liabilities			
Trade payables	22	**108,048**	188,491
Accrued liabilities and other payables	22	**321,735**	188,960
Taxation payable		**45,767**	33,631
Bank borrowings, secured	24	**229,151**	372,350
		704,701	783,432
Net current assets		**3,015,140**	90,496
Total assets less current liabilities		**3,046,580**	3,214,721

Consolidated Statement of Financial Position

At 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Capital and reserves			
Share capital	26	**219,109**	193,109
Share premium and reserves		**1,351,964**	1,334,188
Equity attributable to equity holders of the Company		**1,571,073**	1,527,297
Minority interests		**2**	2
Total equity		**1,571,075**	1,527,299
Non-current liabilities			
Bank borrowings, secured	24	**1,092,816**	1,214,172
Deferred tax liabilities	25	**382,689**	473,250
		1,475,505	1,687,422
		3,046,580	3,214,721

The consolidated financial statements were approved and authorised for issue by the board of directors on 12 March 2010 and were signed on its behalf by:

Tin Yuen Sin Carol
Director

Hon Ming Sang
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to equity holders of the Company								
	Share capital HK$'000	**Share premium** HK$'000 Note (a)	**Contributed surplus** HK$'000 Note (b)(c)	**Translation reserve** HK$'000	**PRC statutory reserves** HK$'000 Note (d)	**Retained profits/ (Accumulated losses)** HK$'000	**Reserves** HK$'000	**Minority interests** HK$'000	**Total equity** HK$'000
At 1 January 2009	193,109	1,430,256	9,404	131,024	23,172	(259,668)	1,334,188	2	1,527,299
Loss for the year	–	–	–	–	–	(458,755)	(458,755)	–	(458,755)
Exchange differences arising on translation of foreign operations	–	–	–	18,948	–	–	18,948	–	18,948
Total comprehensive income for the year	–	–	–	18,948	–	(458,755)	(439,807)	–	(439,807)
Issue of new shares	26,000	468,000	–	–	–	–	468,000	–	494,000
Share issue expenses	–	(10,417)	–	–	–	–	(10,417)	–	(10,417)
Transfer from retained profits	–	–	–	–	1,833	(1,833)	–	–	–
At 31 December 2009	**219,109**	**1,887,839**	**9,404**	**149,972**	**25,005**	**(720,256)**	**1,351,964**	**2**	**1,571,075**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000 Note (a)	Contributed surplus HK$'000 Note (b)(c)	Translation reserve HK$'000	PRC statutory reserves HK$'000 Note (d)	Retained profits/ (Accumulated losses) HK$'000	Reserves HK$'000	Minority interests HK$'000	Total equity HK$'000
At 1 January 2008	33,109	420,456	9,404	17,466	21,773	414,739	883,838	2	916,949
Loss for the year	–	–	–	–	–	(647,904)	(647,904)	–	(647,904)
Exchange differences arising on translation of foreign operations	–	–	–	113,558	–	–	113,558	–	113,558
Total comprehensive income for the year	–	–	–	113,558	–	(647,904)	(534,346)	–	(534,346)
Issue of new shares	160,000	1,040,000	–	–	–	–	1,040,000	–	1,200,000
Share issue expenses	–	(30,200)	–	–	–	–	(30,200)	–	(30,200)
Transfer from retained profits	–	–	–	–	1,399	(1,399)	–	–	–
Dividends recognised as distribution	–	–	–	–	–	(25,104)	(25,104)	–	(25,104)
At 31 December 2008	193,109	1,430,256	9,404	131,024	23,172	(259,668)	1,334,188	2	1,527,299

Notes:

(a) Under the Companies Act 1981 of Bermuda (as amended), the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

(b) The contributed surplus of the Group represented the net amount arising from the reduction of share premium account, capital reduction and amounts transferred to write off the accumulated losses.

(c) Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of a company is available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

   (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

   (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(d) The People's Republic of China (the "PRC") statutory reserves consist of a reserve fund and an expansion fund provided in accordance with the articles of association of the PRC subsidiaries. Laws and regulations in the PRC allow foreign investment enterprises to appropriate from profit after tax, prepared in accordance with the PRC rules and regulations, an annual amount to the reserve fund and expansion fund according to the decision of the board or the articles of association.

   The reserve fund is to be used to expand the working capital of the PRC subsidiaries. When the PRC subsidiaries suffer losses, the reserve fund may be used to make up accumulated losses under special circumstances.

   The expansion fund is to be used for business expansion and, if approved, can also be used to increase the capital of the PRC subsidiaries.

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Operating activities			
Loss for the year		**(458,755)**	(647,904)
Adjustments for:			
Income tax		**(75,193)**	(76,609)
Interest income		**(517)**	(1,387)
Finance costs		**101,116**	119,506
Depreciation of property, plant and equipment		**7,765**	8,122
Loss on fair value change of investment properties		**551,898**	516,654
Impairment loss in respect of goodwill		**—**	70,800
Impairment loss in respect of properties held for sale		**8,135**	—
Impairment loss in respect of other receivables		**6,436**	196,192
Gain on disposal of property, plant and equipment		**(5,401)**	(12)
Operating cash flows before movements in working capital		**135,484**	185,362
Movements in working capital:			
Trade receivables		**(37,303)**	8,003
Properties held for sale		**186,138**	—
Prepayments, deposits and other receivables		**244,411**	62,159
Trade payables		**(80,443)**	(7,687)
Accrued liabilities and other payables		**135,038**	(33,130)
Cash generated by operations		**583,325**	214,707
Income taxes paid		**(4,499)**	(5,937)
Net cash generated by operating activities		**578,826**	208,770
Investing activities			
Interest received		**517**	1,387
Proceeds from disposal of property, plant and equipment		**17,905**	22
Increase in pledged bank deposits		**(5,177)**	(3,888)
Additions to property, plant and equipment		**(3,564)**	(108,020)
Additions to investment properties		**—**	(4,115)
Proceeds from disposal of investment properties		**116,984**	14,854
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	27	**—**	(1,120,000)
Net cash generated by/(used in) investing activities		**126,665**	(1,219,760)

For the year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Financing activities			
Interest paid		**(101,116)**	(119,506)
Proceeds on issue of ordinary shares		**494,000**	1,200,000
Dividends paid to equity holders of the Company		**—**	(25,104)
Repayment of bank borrowings		**(260,852)**	(88,296)
Expenses on issue of shares		**(10,417)**	(30,200)
Net cash generated by financing activities		**121,615**	936,894
Net increase/(decrease) in cash and cash equivalents		**827,106**	(74,096)
Cash and cash equivalents at the beginning of the financial year		**17,660**	59,930
Effects of foreign exchange rate changes		**23,071**	31,826
Cash and cash equivalents at the end of the financial year		**867,837**	17,660
Analysis of the balance of cash and cash equivalents			
Bank balances and cash		**889,909**	39,858
Bank overdrafts	24	**(22,072)**	(22,198)
Cash and cash equivalents		**867,837**	17,660

1. GENERAL

Oriental Ginza Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company's principal place of business in Hong Kong is situated at Suites 2006-08, 20/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in property investment business and retail-related consultancy and management services business in the PRC.

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

In the current year, the Group has applied the following new and revised Standards, Amendments to Standards and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

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

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements. However, HKAS 1 (revised 2007) has had no impact on the reported results or financial position of the Group.

HKFRS 8 Operating Segments

HKFRS 8 expands disclosure in respect of segment reporting but it has had no impact on the designation of the Group's reportable segments, reported results or financial position of the Group.

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in relation to fair value measurements in accordance with the transitional provision set out in the amendments.

The Group has not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008 [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKAS 24 (Revised)	Related Party Disclosures [5]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [1]
HKAS 32 (Amendment)	Classification of Rights Issues [4]
HKAS 39 (Amendment)	Eligible Hedged Items [1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters [3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions [3]
HKFRS 3 (Revised)	Business Combinations [1]
HKFRS 9	Financial Instruments [7]
HK (IFRIC)- Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement [5]
HK (IFRIC)- Int 17	Distributions of Non-cash Assets to Owners [1]
HK (IFRIC)- Int 19	Extinguishing Financial Liabilities with Equity Instruments [6]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 January 2011
6 Effective for annual periods beginning on or after 1 July 2010
7 Effective for annual periods beginning on or after 1 January 2013

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

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might not affect the classification and measurement of the Group's leasehold land at revalued amount.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances and income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Costs include freehold and leasehold land cost, development cost, borrowing costs and other direct costs attributable to such properties, until the relevant properties reach a marketable state. Net realisable value is determined by reference to management estimates of the selling price based on prevailing market conditions, less all estimated costs to completion and costs to be incurred in marketing and selling.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Property rental income is recognised on a straight-line basis over the terms of the relevant leases.

Revenue from sales of completed properties is recognised upon the execution of binding sale agreements.

Service income is recognised when services are provided.

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.

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

Investment properties

Investment properties are properties held to earn rentals 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 their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction. Starting from 1 January 2009, investment properties under construction are measured at fair value at the end of each reporting period. Any difference between the fair value of the investment properties under construction and their carrying amounts is recognised in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties *(Continued)*

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 asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

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 lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

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 exchanges prevailing on the dates of the transactions. At the end of each 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 on 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. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

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, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income in the consolidated financial statements and will be reclassified from equity to profit or loss on disposal of foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange 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.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated equity (the translation reserve).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

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

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 it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 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, and 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 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, 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which it is able to utilise the benefits to the temporary differences and they are expected to 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 assets and liabilities are measured at the tax rates that are expected to apply in the period when 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. To measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position 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 three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets.

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 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.

Financial assets at fair value through profit or loss
Financial assets at FVTPL represent financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of each reporting period. Change in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment loss of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each 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.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss of financial assets *(Continued)*
For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently 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 and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the 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 assets. Such impairment loss will not be reversed in subsequent periods.

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. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to 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 losses 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 is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment loss on available-for-sale equity investment will not be reversed in profit or loss in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into 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 generally classified into financial liabilities at FVTPL and other financial liabilities.

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 through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at fair value through profit or loss
Financial liabilities at FVTPL represent financial liabilities held for trading.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise.

Other financial liabilities
Other financial liabilities including bank borrowings and trade and other payables 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contact at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

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 in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised 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.

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 that obligation. Provisions are measured at 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. Where 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 (where the effect is material).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

For share options which are vested at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Share options granted to suppliers

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Cash-settled share-based payment transactions

For cash-settled share-based payments, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. At the end of the reporting period, the liability is remeasured at its fair value until the liability is settled, with any changes in fair value recognised in profit or loss.

Impairment loss on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. 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 income immediately.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year:

(a) Estimated useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated, or it will write-off or write-down obsolete or non-strategic assets that have been abandoned or sold.

(b) Valuation of investment properties

As described in Note 16, the investment properties were revalued by independent professional valuers on a market value basis at the end of each reporting period. Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. Any increase or decrease in the valuations would affect the Group's results in future years.

(c) Impairment loss of trade and other receivables

The Group's policy for doubtful receivables is based on the on-going evaluation of the collectability and ageing analysis of the trade and other receivables and on management's judgements. Considerable judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor, and the present values of the estimated future cash flows discounted at the effective interest rates. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required.

5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2009 **HK$'000**	2008 HK$'000
Property rental income	**189,857**	205,005
Sales of properties	**244,283**	—
Income from retail-related consultancy and management services	**73,554**	75,884
	507,694	280,889

6. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and to assessing their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments and geographical segments by location of assets, revenue and capital expenditure. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Segment revenues and results

Management has determined the operating segments based on the reports reviewed by the directors of the Company that are used to assess performance and allocate resources. The Group is principally engaged in property investment business, retail-related consultancy and management services business in the PRC. The segment information provided to the directors of the Company for the reportable segments for the year ended is as follows:

For the year ended 31 December 2009

	Property investment business HK$'000	Retail-related consultancy and management services business HK$'000	**Consolidated** HK$'000
REVENUE			
External sales	434,140	73,554	507,694
RESULTS			
Segment results	(439,606)	24,781	(414,825)
Finance costs			(101,116)
Unallocated income			609
Unallocated corporate expenses			(18,616)
Loss before tax			(533,948)
Income tax			75,193
Loss for the year			(458,755)

6. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

For the year ended 31 December 2008

	Property investment business HK$'000	Retail-related consultancy and management services business HK$'000	**Consolidated** HK$'000
REVENUE			
External sales	205,005	75,884	280,889
RESULTS			
Segment results	(547,919)	(50,853)	(598,772)
Finance costs			(119,506)
Unallocated income			8,554
Unallocated corporate expenses			(14,789)
Loss before tax			(724,513)
Income tax			76,609
Loss for the year			(647,904)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration cost, directors' salaries and finance cost. This is the measure reported to the management of the Group for the purposes of resource allocation and performance assessment. There are no inter-segment sales for the year ended 31 December 2009 and 2008.

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets

	2009 **HK$'000**	2008 HK$'000
Property investment business	**3,153,463**	3,904,711
Retail-related consultancy and management services business	**117,403**	80,809
Total segment assets	**3,270,866**	3,985,520
Unallocated head office and corporate assets	**480,415**	12,633
Consolidated assets	**3,751,281**	3,998,153

Segment liabilities

	2009 **HK$'000**	2008 HK$'000
Property investment business	**338,194**	304,384
Retail-related consultancy and management services business	**84,776**	70,358
Total segment liabilities	**422,970**	374,742
Unallocated corporate liabilities	**1,757,236**	2,096,112
Consolidated liabilities	**2,180,206**	2,470,854

Note: All liabilities are allocated to reportable segments other than bank borrowings and current and deferred tax liabilities.

6. SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2009

	Property investment business HK$'000	Retail-related consultancy and management services business HK$'000	**Consolidated** HK$'000
Capital expenditure	3,299	265	3,564
Depreciation of property, plant and equipment	5,128	2,637	7,765
Reversal of impairment loss in respect of other receivables	(10,775)	—	(10,775)
Impairment loss in respect of other receivables	5,971	465	6,436
Impairment loss in respect of properties held for sale	8,135	—	8,135
Net foreign exchange losses	15	—	15
(Gain)/loss on disposal of property, plant and equipment	(5,978)	577	(5,401)
Loss on fair value change of investment properties	551,898	—	551,898

For the year ended 31 December 2008

	HK$'000	HK$'000	HK$'000
Capital expenditure	196,907	76	196,983
Depreciation of property, plant and equipment	5,417	2,705	8,122
Impairment loss in respect of goodwill	—	70,800	70,800
Impairment loss in respect of other receivables	196,192	—	196,192
Net foreign exchange gains	(15)	—	(15)
Gain on disposal of property, plant and equipment	(12)	—	(12)
Loss on fair value change of investment properties	516,654	—	516,654

6. SEGMENT INFORMATION *(Continued)*

Information about major customers

Property rental income from customers of corresponding years contributing over 10% of total revenue of the Group are as follows:

	2009 HK$'000	2008 HK$'000
Customer A	**59,556**	57,513
Customer B	**56,091**	58,382

7. OTHER INCOME AND NET GAINS

	2009 HK$'000	2008 HK$'000
Interest income on bank deposits	**517**	1,387
Gain on disposal of property, plant and equipment	**5,401**	12
Net foreign exchange gains	**—**	15
Others	**5,545**	13,545
	11,463	14,959

8. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on bank borrowings:		
— wholly repayable within five years	**80,267**	90,610
— not wholly repayable within five years	**20,849**	28,896
	101,116	119,506

9. INCOME TAX

	2009 HK$'000	2008 HK$'000
Current tax:		
PRC Enterprise Income Tax	**14,304**	10,525
Deferred tax (Note 25):	**(89,497)**	(87,134)
Tax credit for the year	**(75,193)**	(76,609)

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and its subsidiaries had no assessable profits arising in Hong Kong for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The tax credit for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

	2009 HK$'000	2008 HK$'000
Loss before tax	**(533,948)**	(724,513)
Tax at PRC Enterprise Income Tax rate of 25%	**(133,487)**	(181,128)
Tax effect of income not taxable for tax purpose	**(90,871)**	(70,432)
Tax effect of expenses not deductible for tax purpose	**153,215**	174,951
Unrecognised tax losses	**6,118**	—
Others	**(10,168)**	—
Tax credit for the year	**(75,193)**	(76,609)

10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2009 HK$'000	2008 HK$'000
Impairment loss in respect of other receivables (Note)	**6,436**	196,192
Auditors' remuneration	**1,400**	1,400
Operating lease rentals in respect of premises		
— Minimum lease payments	**39,440**	36,512
— Contingent rentals	**—**	—
	39,440	36,512
Employee benefits expense (including directors' emoluments)		
— Salaries and other benefits	**19,153**	17,142
— Contributions to retirement benefits schemes	**434**	326
	19,587	17,468

Note: For the year ended 31 December 2009, the Group has provided for those receivables with evidence indicating that the receivables may not be fully recoverable.

11. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to the directors of the Company were as follows:

For the year ended 31 December 2009	**Fees** HK$'000	**Salaries, allowances and benefits in kind** HK$'000	**Contributions to retirement benefits schemes** HK$'000	**Total** HK$'000
Executive directors				
Ms. Tin Yuen Sin Carol	–	1,582	12	1,594
Mr. Zhang Feng	–	152	–	152
Mr. Li Sai Ho	–	129	–	129
Mr. Xu Yi (Note (a))	–	581	–	581
Mr. Lam Yat Ming (Note (b))	–	498	7	505
Mr. Fok Wai Ming Eddie (Note (c))	–	954	51	1,005
Non-executive directors				
Mr. Wang John Peter Ben (Note (d))	–	426	–	426
Mr. Yip Ying Chi Benjamin (Note (e))	–	180	6	186
Independent non-executive directors				
Mr. Chan Wai Yip Freeman	100	–	–	100
Mr. Ng Ka Chung Simon	100	–	–	100
Ms. Leung Po Ying Iris	100	–	–	100
	300	4,502	76	4,878

11. DIRECTORS' EMOLUMENTS *(Continued)*

For the year ended 31 December 2008	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Contributions to retirement benefits schemes HK$'000	Total HK$'000
Executive directors				
Ms. Tin Yuen Sin Carol	—	1,653	12	1,665
Mr. Zhang Feng	—	298	—	298
Mr. Li Sai Ho	—	328	—	328
Mr. Tse Pui To Dickson (Note (f))	—	60	—	60
Mr. Lam Yat Ming	—	756	40	796
Mr. Fok Wai Ming Eddie	—	910	42	952
Non-executive director				
Mr. Yip Ying Chi Benjamin (Note (g))	27	1,242	9	1,278
Independent non-executive directors				
Mr. Chan Wai Yip Freeman	118	—	—	118
Mr. Ng Ka Chung Simon	134	—	—	134
Ms. Leung Po Ying Iris	118	—	—	118
	397	5,247	103	5,747

Notes:

(a) Mr. Xu Yi was appointed as an executive director on 7 July 2009.

(b) Mr. Lam Yat Ming resigned as an executive director on 7 July 2009.

(c) Mr. Fok Wai Ming Eddie resigned as an executive director on 14 January 2010.

(d) Mr. Wang John Peter Ben was appointed as a non-executive director on 24 August 2009.

(e) Mr. Yip Ying Chi Benjamin resigned as a non-executive director on 22 July 2009.

(f) Mr. Tse Pui To Dickson resigned as an executive director on 2 June 2008.

(g) Mr. Yip Ying Chi Benjamin was appointed as an executive director on 11 April 2008 and was re-designated as a non-executive director on 4 December 2008.

During both years, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during both years.

12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2008: four) were directors of the Company whose emoluments are included in the disclosures in Note 11 above. The emoluments of the remaining one (2008: one) individual were as follow:

	2009 **HK$'000**	2008 HK$'000
Salaries, allowances and benefits in kind	**670**	566
Contributions to retirement benefits schemes	**33**	27
	703	593

13. DIVIDENDS

No dividend was paid or proposed during 2009, nor had any dividend been proposed since the end of the reporting period. A final dividend in respect of 2007 of HK$0.0026 per share in a total amount of approximately HK$25,104,000 was declared at the Annual General Meeting on 2 June 2008 and was paid during 2008.

14. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009 **HK$'000**	2008 HK$'000
Loss for the purpose of calculating basic and diluted loss per share		
Loss for the year	**(458,755)**	(647,904)

Number of shares

	2009	2008
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**1,005,077,178**	850,474,438

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Construction in progress HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST							
At 1 January 2008	22,588	20,989	10,935	567	6,304	10,631	72,014
Exchange adjustments	2,372	1,313	646	34	917	1,121	6,403
Additions	–	98,867	–	–	110	9,043	108,020
Transfer to investment properties	–	(121,169)	–	–	–	–	(121,169)
Disposals	–	–	–	–	(22)	–	(22)
At 31 December 2008	24,960	–	11,581	601	7,309	20,795	65,246
Exchange adjustments	(97)	–	(26)	(1)	(25)	(53)	(202)
Additions	–	–	1,050	–	1,885	629	3,564
Written off	–	–	–	–	–	(272)	(272)
Disposals	(14,859)	–	–	–	(137)	(5,541)	(20,537)
At 31 December 2009	10,004	–	12,605	600	9,032	15,558	47,799
DEPRECIATION AND IMPAIRMENT							
At 1 January 2008	195	–	3,000	498	2,276	356	6,325
Exchange adjustments	1,003	–	213	34	689	588	2,527
Provided for the year	2,441	–	2,477	24	1,339	1,841	8,122
Eliminated on disposals	–	–	–	–	(12)	–	(12)
At 31 December 2008	3,639	–	5,690	556	4,292	2,785	16,962
Exchange adjustments	(45)	–	(11)	(1)	(18)	(15)	(90)
Provided for the year	2,453	–	2,685	17	549	2,061	7,765
Written off	–	–	–	–	–	(245)	(245)
Eliminated on disposals	(5,383)	–	–	–	(82)	(2,568)	(8,033)
At 31 December 2009	664	–	8,364	572	4,741	2,018	16,359
CARRYING AMOUNTS							
At 31 December 2009	9,340	–	4,241	28	4,291	13,540	31,440
At 31 December 2008	21,321	–	5,891	45	3,017	18,010	48,284

The above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of the term of the lease or 2-5%
Leasehold improvements	Over the shorter of the term of the lease or 10%
Plant and machinery	7 to 10 years
Furniture, fixtures and equipment	10-33.33%
Motor vehicles	10-20%

The Group's buildings are all situated in Beijing, the PRC.

16. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2008	3,517,115
Exchange adjustments	207,989
Additions	88,963
Transfer from construction in progress	121,169
Net decrease in fair value recognised in profit or loss	(516,654)
Disposals	(14,854)
Transfer to properties held for sale	(327,787)
At 31 December 2008	3,075,941
Exchange adjustments	(7,469)
Net decrease in fair value recognised in profit or loss	(551,898)
Disposals	(116,984)
Transfer to assets classified as held for sale (Note 21)	(2,399,590)
At 31 December 2009	**–**

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes were measured using the fair value model and were classified and accounted for as investment properties.

The fair value of the Group's investment properties at 31 December 2008 was arrived at on the basis of a valuation carried out on that date by Vigers Appraisal & Consulting Limited, independent qualified professional valuers not connected with the Group. Vigers Appraisal & Consulting Limited had appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conformed to Hong Kong Institute of Surveyors Valuation Standards on Properties, was made on the basis of market value.

At 31 December 2008, certain of the Group's investment properties with carrying values of approximately HK$3,002,490,000 were pledged to secure general banking facilities granted to the Group (Note 24).

The carrying amount of investment properties shown above comprises:

	2009 HK$'000	2008 HK$'000
Land in Hong Kong:		
Medium-term lease	**–**	45,000
Land outside Hong Kong:		
Long-term lease	**–**	186,065
Medium-term lease	**–**	2,844,876
	–	3,075,941

17. GOODWILL

	HK$'000
COST	
At 1 January 2008, 31 December 2008 and 2009	215,681
IMPAIRMENT	
At 1 January 2008	144,881
Impairment loss recognised	70,800
At 31 December 2008 and 2009	215,681
CARRYING AMOUNTS	
At 31 December 2009	**–**
At 31 December 2008	–

Goodwill is allocated to the Group's cash-generating unit ("CGU") which is principally engaged in retail-related consultancy and management services business in the PRC.

The recoverable amount of the CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are ignored. The key assumptions used for the cash flow projections include budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and its expectation of market development. No growth rate has been taken into account in the cash flow projections as the Group considers that the growth rate cannot be reliably estimated.

The impairment charge arose due to a reassessment of the recoverable amount of the CGU of provision of retail-related consultancy and management services business in the PRC as a result of the recent general downturn in the business markets.

18. PROPERTIES HELD FOR SALE

	2009 **HK$'000**	2008 HK$'000
Properties situated in the PRC	**132,426**	327,787

19. TRADE RECEIVABLES

Trade receivables comprise (i) receivables arising from sales of properties which are due for settlement in accordance with the terms of the related sale and purchase agreements; (ii) rental receivables which are due for settlement upon issuance of monthly debit notes to the tenants; and (iii) receivables arising from provision of services which are due for settlement in accordance with the terms of the related service agreements.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of reporting period:

	2009	2008
	HK$'000	HK$'000
0 — 30 days	**49,021**	13,597
31 — 60 days	**16,760**	3,369
61 — 90 days	**11,852**	3,113
Over 90 days	**30,322**	50,573
	107,955	70,652

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$30,322,000 (2008: HK$50,573,000) which are past due as at the reporting date for which the Group has not provided for impairment loss as the Group has collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	2009	2008
	HK$'000	HK$'000
Over 90 days	**30,322**	50,573

Movement in the allowance for doubtful debts

	2009	2008
	HK$'000	HK$'000
1 January	**6,915**	6,915
Impairment loss recognised on trade receivables	**—**	—
31 December	**6,915**	6,915

20. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

The pledged bank deposits and bank balances carried interest at prevailing market rates. The pledged bank deposits represents deposits pledged to banks to secure banking facilities granted to the Group. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

Included in pledged bank deposits and bank balances of the Group were amounts of approximately HK$496,118,000 (2008: HK$113,722,000) which were denominated in Renminbi. Renminbi is not a freely convertible currency and the remittance of funds out of the Mainland China is subject to exchange restrictions imposed by the Mainland China government.

21. ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended 31 December 2009, management resolved to sell a portfolio of investment properties situated in the PRC and Hong Kong and initiated a programme to actively market the properties to buyers at market prices. At 31 December 2009, the carrying amount of the Group's investment properties which have been classified as held for sale comprises:

	2009 **HK$'000**	2008 HK$'000
Land in Hong Kong:		
Medium-term lease	**52,000**	—
Land outside Hong Kong:		
Long-term lease	**39,072**	—
Medium-term lease	**2,308,518**	—
	2,399,590	—

At 31 December 2009, the Group's investment properties which have been classified as held for sale with carrying amount of approximately HK$2,254,372,000 were pledged to secure general banking facilities granted to the Group (Note 24).

22. TRADE AND OTHER PAYABLES

Trade payables, accrued liabilities and other payables principally comprise amounts outstanding for trade purposes and ongoing costs.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2009 **HK$'000**	2008 HK$'000
0 — 30 days	**11,291**	79,887
31 — 60 days	**48,415**	—
61 — 90 days	**—**	—
Over 90 days	**48,342**	108,604
	108,048	188,491

23. PURCHASE CONSIDERATION PAYABLE

On 6 December 2007, the Group acquired the entire equity interests in each of Fortune International Business Limited ("FIB") and Sunny Sky Properties Limited ("SSP") and their respective shareholders' loans for a total cash consideration of HK$1,600,000,000. Further details relating to the acquisition of FIB and SSP are disclosed in Note 27.

As of 31 December 2007, the Group had paid cash consideration of HK$480,000,000 and was committed to pay the remaining balance of the cash consideration of HK$1,120,000,000. The balance was fully settled during the year ended 31 December 2008.

24. BANK BORROWINGS, SECURED

	2009 **HK$'000**	2008 HK$'000
Bank overdrafts	**22,072**	22,198
Bank loans	**1,299,895**	1,564,324
	1,321,967	1,586,522
Denominated in:		
Hong Kong dollars	**26,839**	27,234
Renminbi	**1,295,128**	1,559,288
	1,321,967	1,586,522

24. BANK BORROWINGS, SECURED *(Continued)*

	2009 **HK$'000**	2008 HK$'000
Carrying amount repayable:		
On demand or within one year	**229,151**	372,350
More than one year, but not exceeding two years	**866,422**	202,002
More than two years but not more than five years	**117,726**	839,766
More than five years	**108,668**	172,404
	1,321,967	1,586,522
Less: Amounts due within one year shown under current liabilities	**(229,151)**	(372,350)
	1,092,816	1,214,172

At 31 December 2009 and 2008, the Hong Kong dollar denominated bank overdrafts bore interest at Prime rate and the Hong Kong dollar denominated bank loans bore interest at Prime rate less 2.5%. The Renminbi denominated bank loans bore interest at 6.8%-8.5% annum or the prevailing interest rate of the People's Bank of China or the prevailing interest rate of the People's Bank of China less 5%.

At 31 December 2009 and 2008, the Group's bank borrowings and other banking facilities were secured by:

(i) pledge of the Group's certain properties and assets with carrying values of approximately HK$2,254,372,000 (2008: HK$3,002,490,000);

(ii) pledged bank deposits of approximately HK$83,436,000 (2008: HK$78,259,000);

(iii) personal guarantee given by a director of certain subsidiaries; and

(iv) mortgage over certain properties owned by a related company and a director of certain subsidiaries.

25. DEFERRED TAXATION

The following are the major deferred tax balances recognised and the movements thereon during the current and prior years:

Deferred tax liabilities:	Revaluation of properties HK$'000
At 1 January 2008	528,532
Exchange adjustments	31,852
Credited to profit or loss	(87,134)
At 31 December 2008	473,250
Exchange adjustments	(1,064)
Credited to profit or loss	(89,497)
At 31 December 2009	382,689

At the end of the reporting period, the Group has unused tax losses of approximately HK$73,934,000 (2008: HK$67,816,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

26. SHARE CAPITAL

	Notes	Ordinary shares	Amount HK$'000
Authorised:			
At 1 January 2008		7,500,000,000	150,000
Increase in authorised share capital	(a)	42,500,000,000	850,000
Share Consolidation	(b)	(45,000,000,000)	—
Ordinary shares of HK$0.2 each at 31 December 2008 and 31 December 2009		**5,000,000,000**	**1,000,000**
Issued and fully paid:			
At 1 January 2008		1,655,429,312	33,109
Issue of placing shares	(c)	8,000,000,000	160,000
Share Consolidation	(b)	(8,689,886,381)	—
Ordinary shares of HK$0.2 each at 31 December 2008		965,542,931	193,109
Top-up placing of shares	(d)	130,000,000	26,000
Ordinary shares of HK$0.2 each at 31 December 2009		**1,095,542,931**	**219,109**

26. SHARE CAPITAL *(Continued)*

Notes:

(a) Increase in authorised share capital

Pursuant to an ordinary resolution passed by the Company's shareholders at the special general meeting held on 9 January 2008, the authorised share capital of the Company was increased from HK$150,000,000 to HK$1,000,000,000 by the creation of an additional 42,500,000,000 ordinary shares of HK$0.02 each.

(b) Share consolidation

Pursuant to an ordinary resolution passed by the Company's shareholders at the special general meeting held on 2 June 2008, every 10 ordinary shares of HK$0.02 each in the issued and unissued share capital of the Company were consolidated into 1 consolidated share of HK$0.2 each (the "Share Consolidation"). The Share Consolidation took effect on 3 June 2008.

(c) Issue of placing shares

On 14 March 2008, the Company completed, through the placing agent, the placing of an aggregate of 8,000,000,000 new shares of HK$0.02 each in the capital of the Company at a placing price of HK$0.15 each to independent third parties. The Company raised net proceeds of approximately HK$1,169,800,000 which were used as to approximately HK$1,120,000,000 for the settlement of the outstanding debts and the remaining balance of approximately HK$49,800,000 as general working capital of the Group.

(d) Top-up placing of shares

On 11 September 2009, the Company completed a top-up placing and issued a total of 130,000,000 new shares of HK$0.2 each in the capital of the Company at a pricing price of HK$3.8 to Bold Merit International Limited and Fit Top Investments Limited, which are wholly owned by Mr. Long Rui Ming and Ms. Tin Yuen Sin Carol respectively. The Company raised net proceeds of approximately HK$483,583,000 which were intended to be used for financing the potential acquisitions and/or for the Group's general working capital requirement.

27. ACQUISITION OF SUBSIDIARIES

On 6 December 2007, the Group acquired the entire equity interests in each of FIB and SSP and their respective shareholders' loans for a total cash consideration of HK$1,600,000,000. The net assets acquired in the transaction and the excess of acquirer's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of the business combination arising were as follows:

	Acquirees' carrying amount before combination HK$'000	**Fair value adjustment** HK$'000	**Fair value** HK$'000
Net assets acquired:			
Investment properties	3,517,262	—	3,517,262
Property, plant and equipment	43,812	12,539	56,351
Trade receivables	59,468	—	59,468
Prepayments, deposits and other receivables	683,352	—	683,352
Pledged bank deposits	74,605	—	74,605
Bank balances and cash	22,741	—	22,741
Trade payables	(114,509)	—	(114,509)
Accrued liabilities and other payables	(145,676)	—	(145,676)
Bank loans	(1,543,043)	—	(1,543,043)
Bank overdrafts	(22,029)	—	(22,029)
Taxation payable	(8,023)	—	(8,023)
Deferred tax liabilities	(525,409)	(3,134)	(528,543)
			2,051,956
Minority interests	(2)	—	(2)
Excess of acquirer's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of the business combination			(446,924)
			1,605,030
Total consideration satisfied by:			
Costs directly attributable to the acquisition			5,030
Cash consideration paid during the year ended 31 December 2007 (Note 23)			480,000
Cash consideration payable as of 31 December 2007 and paid during the year ended 31 December 2008 (Note 23)			1,120,000
			1,605,030
Net cash outflow arising on acquisition of subsidiaries in respect of the year ended 31 December 2007:			
Cash consideration paid			(485,030)
Bank balances and cash acquired			712
			(484,318)

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt (which includes bank borrowings), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits/(accumulated losses).

Net debt to equity ratio

The Group's management reviews the capital structure on an ongoing basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The net debt to equity ratio at the year end was as follows:

	2009 **HK$'000**	2008 HK$'000
Debt (i)	**1,321,967**	1,586,522
Cash and cash equivalents	**(889,909)**	(39,858)
Net debt	**432,058**	1,546,664
Equity (ii)	**1,571,075**	1,527,299
Net debt to equity ratio	**28%**	101%

(i) Debt comprises bank borrowings as detailed in Note 24.

(ii) Equity includes all capital and reserves of the Group.

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2009 HK$'000	2008 HK$'000
Financial assets		
Loans and receivables		
— Trade receivables	**107,955**	70,652
— Other receivables	**104,096**	352,269
— Pledged bank deposits	**83,436**	78,259
— Bank balances and cash	**889,909**	39,858
Financial liabilities		
Amortised cost		
— Trade payables	**108,048**	188,491
— Accrued liabilities and other payables	**303,706**	171,107
— Bank borrowings, secured	**1,321,967**	1,586,522

(b) Financial risk management objectives and policies

The Group's major financial instruments include bank balances, pledged bank deposits, trade and other receivables, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. 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
The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group does not enter into or trade derivative financial instruments for speculative purposes.

Currency risk
Substantially all of the Group's sales and operating costs are denominated in the functional currency of the group entity making the sales or incurring the costs. Accordingly, the directors consider that the currency risk is not significant.

The Group currently does not have a formal currency hedging policy in relation to currency risk. The directors monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

Price risk
As the Group has no significant investments, the Group is not subject to significant price risk.

29. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings, while the Group's cash flow interest rate risk relates primarily to variable-rate borrowings (see Note 24 for details of these borrowings). It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the prevailing interest rate of the People's Bank of China arising from the Group's Renminbi denominated bank borrowings.

The Group currently does not have a formal interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on an ongoing basis and will consider hedging the interest rate should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate borrowings at the end of the reporting period. For variable-rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's loss for the year ended 31 December 2009 would increase by approximately HK$6,610,000 (2008: HK$7,933,000).

Credit risk

At 31 December 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and loan receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

29. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than 1 year	1 to 5 years	More than 5 years	Total undiscounted cash flows	Carrying amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 December 2009					
Non-derivative financial liabilities					
Trade payables	**108,048**	**–**	**–**	**108,048**	**108,048**
Accrued liabilities and other payables	**303,706**	**–**	**–**	**303,706**	**303,706**
Bank borrowings, secured	**229,151**	**984,148**	**108,668**	**1,321,967**	**1,321,967**
31 December 2008					
Non-derivative financial liabilities					
Trade payables	188,491	–	–	188,491	188,491
Accrued liabilities and other payables	171,107	–	–	171,107	171,107
Bank borrowings, secured	372,350	1,041,768	172,404	1,586,522	1,586,522

29. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and

- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

30. OPERATING LEASE

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	2009 **HK$'000**	2008 HK$'000
Within one year	**51,448**	49,377
In the second to fifth years inclusive	**172,682**	189,112
Over five years	**260,343**	290,763
	484,473	529,252

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2009 **HK$'000**	2008 HK$'000
Within one year	**208,273**	208,814
In the second to fifth years inclusive	**712,207**	696,229
Over five years	**1,662,296**	1,341,374
	2,582,776	2,246,417

31. RETIREMENT BENEFIT PLANS

Defined contribution plan

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the consolidated statement of comprehensive income of approximately HK$434,000 (2008: HK$326,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

32. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 19 February 2002, the Company adopted the share option scheme ("New Option Scheme") to replace the share option scheme adopted on 21 January 1994 ("Old Option Scheme"). All the options granted under the Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the Old Option Scheme. The major terms of the New Option Scheme are summarised as follows:

(a) The purpose was to provide incentives to:

  (i) award and retain the participants who have made contributions to the Group; or

  (ii) attract potential candidates to serve the Group for the benefit of the development of the Group.

(b) The participants included any employee, director, consultant, adviser or agent of any member of the Group.

(c) The maximum number of shares in respect of which options might be granted under the New Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the New Option Scheme and such limit might be refreshed by shareholders in general meeting. However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the New Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time.

(d) The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

32. SHARE OPTION SCHEME *(Continued)*

(e) There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors and provided in the offer of grant of option.

(f) The exercise period should be any period fixed by the board of directors upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

(g) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1 from the grantee to the Company.

(h) The exercise price of an option must be the highest of:

 (i) the closing price of the shares on the date of grant which day must be a trading day;

 (ii) the average closing price of the shares for the 5 trading days immediately preceding the date of grant; and

 (iii) the nominal value of the share.

(i) The life of the New Option Scheme is effective for 10 years from the date of adoption until 18 February 2012.

There were no outstanding share options at 31 December 2008 and 2009. No share options were granted, exercised or cancelled during the years ended 31 December 2008 and 2009.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

Compensation to key management personnel of the Group

	2009 **HK$'000**	2008 HK$'000
Short-term employee benefits	**5,472**	6,210
Post-employment benefits	**109**	130
	5,581	6,340

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY AS AT 31 DECEMBER 2009

Name of subsidiary	Place of incorporation/ establishment/ operations	Issued share capital/ paid up capital	Proportion of ownership interests held by the Company	Principal activities
Sundynasty International Limited	British Virgin Islands	Ordinary US$1	100% (Direct)	Investment holding
Affirm Action Limited	Hong Kong	Ordinary HK$1	100% (Direct)	Investment holding
Master Step Management Limited	Hong Kong	Ordinary HK$1	100% (Direct)	Provision of management services in Hong Kong
Bloomy Earth Holdings Limited	British Virgin Islands	Ordinary US$1	100% (Direct)	Investment holding
Virtue Link Investments Limited	British Virgin Islands	Ordinary US$100	100% (Direct)	Investment holding
Orient Gain Enterprises Limited	British Virgin Islands	Ordinary US$1	100% (Direct)	Investment holding
Winner Grace International Limited	British Virgin Islands	Ordinary US$1	100% (Direct)	Investment holding
Firm Top Investments Limited	British Virgin Islands	Ordinary US$1	100% (Direct)	Investment holding
Timecastle International Limited	British Virgin Islands	Ordinary US$1	100% (Indirect)	Investment holding
Master Empire Development Limited	Hong Kong	Ordinary HK$1	100% (Indirect)	Investment holding
Deepower Development Limited	British Virgin Islands	Ordinary US$1	100% (Indirect)	Investment holding
Daylight Express Group Limited	British Virgin Islands	Ordinary US$1	100% (Indirect)	Investment holding

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY AS AT 31 DECEMBER 2009 *(Continued)*

Name of subsidiary	Place of incorporation/ establishment/ operations	Issued share capital/ paid up capital	Proportion of ownership interests held by the Company	Principal activities
Great Haven Development Limited	Hong Kong	Ordinary HK$250	99.60% (Indirect)	Investment holding
Fortune International Business Limited ("FIB")	British Virgin Islands	Ordinary US$1	100% (Indirect)	Investment holding
Sunny Sky Properties Limited ("SSP")	British Virgin Islands	Ordinary US$1	100% (Indirect)	Investment holding
Po Sun Holding Group Limited	Hong Kong	Ordinary HK$10,000	99% (Indirect)	Investment holding
Po Sun Investment Limited	British Virgin Islands	Ordinary US$1	100% (Indirect)	Investment holding
Po Sun Piece Goods Company Limited	Hong Kong	Ordinary HK$10,000,000	98.99% (Indirect)	Investment holding
北京京港物業發展有限公司	PRC (Note (v))	Registered capital US$25,000,000	94.04% (Indirect)	Property investment in the PRC
東方銀座廣場有限公司	PRC (Note (vi))	Registered capital US$12,500,000	96.93% (Indirect)	Property investment in the PRC
北京東方銀座商業管理有限公司	PRC (Note (iv))	Registered capital RMB2,000,000	100% (Indirect)	Provision of enterprises management consultancy services in the PRC
東方銀座商業(北京)有限公司	PRC (Note (i))	Registered capital RMB45,000,000	100% (Indirect)	Provision of retail-related business in the PRC
北京東方銀座商業投資顧問有限公司	PRC (Note (ii))	Registered capital RMB500,000	100% (Indirect)	Provision of shopping mall development planning advisory services in the PRC

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY AS AT 31 DECEMBER 2009 *(Continued)*

Name of subsidiary	Place of incorporation/ establishment/ operations	Issued share capital/ paid up capital	Proportion of ownership interests held by the Company	Principal activities
北京華文韜廣告有限公司	PRC (Note (iii))	Registered capital RMB29,000,000	100% (Indirect)	Provision of promotion and advertising advisory services in the PRC
Universal Glory (HK) Limited	Hong Kong	Ordinary HK$1	100% (Indirect)	Investment holding
Oriental Ginza Management Limited	Hong Kong	Ordinary HK$1	100% (Indirect)	Investment holding

Notes:

(i) 東方銀座商業(北京)有限公司 is a wholly foreign owned enterprise established in the PRC.

(ii) 北京東方銀座商業投資顧問有限公司 is a limited liability company established in the PRC.

(iii) 北京華文韜廣告有限公司 is a limited liability company established in the PRC.

(iv) 北京東方銀座商業管理有限公司 is a limited liability company established in the PRC.

(v) 北京京港物業發展有限公司 is a Sino-foreign cooperative joint venture established in the PRC.

(vi) 東方銀座廣場有限公司 is a Sino-foreign cooperative joint venture established in the PRC.

Major properties held for sale

Location	Approx. Site Area (sq.m.)	Approx. Floor Area Attributable to the Group (sq.m.)	Existing use	Term of lease	Group's interest (%)
The Metropolitan(都會華庭), International Metro Centre(都會國際) and Jing Gang City Square(京港城市廣場) located at No. 3 Jia, Shilipu, Chao Yang Road, Chao Yang District, Beijing, the PRC	68,700	44,100	Residental, office, retail, ancillary facilities and car parking	Medium/ Long	94
Oriental Kenzo Plaza(東方銀座廣場)located at Dongzhimen Wai Main Street, Dong Cheng District, Beijing, the PRC	15,500	57,100	Residental, office, retail and car parking	Medium/ Long	97
Flat B, 17th Floor, The Mayfair, No. 1 May Road, The Peak, Hong Kong 253/17, 334th equal and undivided shares of and in Inland Lot No. 8410	–	267	Residental	Medium	99

Financial Summary

A summary of the consolidated results and assets and liabilities of the Group for the last five financial years as extracted from the audited financial statements and restated as appropriate, is set out below:

RESULTS

Year ended 31 December	**2009** **HK$'000**	2008 HK$'000	2007 HK$'000	2006 HK$'000	2005 HK$'000 (Restated)
Revenue					
From continuing operations	**507,694**	280,889	137,206	125,759	—
From discontinued operations	**—**	—	—	426,452	865,647
	507,694	280,889	137,206	552,211	865,647
(Loss)/Profit before tax	**(533,948)**	(724,513)	507,552	(78,904)	(76,591)
Income tax	**75,193**	76,609	(6,021)	(16,514)	—
(Loss)/Profit for the year	**(458,755)**	(647,904)	501,531	(95,418)	(76,591)

ASSETS AND LIABILITIES

At 31 December	**2009** **HK$'000**	2008 HK$'000	2007 HK$'000	2006 HK$'000	2005 HK$'000 (Restated)
Assets	**3,751,281**	3,998,153	4,504,476	612,133	931,477
Liabilities	**(2,180,206)**	(2,470,854)	(3,587,527)	(432,825)	(690,735)
Net assets	**1,571,075**	1,527,299	916,949	179,308	240,742

In the event of inconsistency, the English text shall prevail over the Chinese text.