



G-PROP
(HOLDINGS) LIMITED

G-PROP (HOLDINGS) LIMITED

金匡企業有限公司

Stock Code 股份代號: 286

ANNUAL REPORT 2011 年年報

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

* 倘中英文版本出現歧義，概以英文版本為準。

Corporate Information 公司資料

DIRECTORS

Executive Directors:

Kong, Chi-ming (*Deputy Chairman*)
Leung, Wing-pong (*Chief Executive Officer*)

Independent Non-executive Directors:

David Chain, Chi-woo
Lam, Yat-fai
Leung, Yun-fai

AUDIT COMMITTEE

Lam, Yat-fai (*Chairman*)
David Chain, Chi-woo
Leung, Yun-fai

REMUNERATION COMMITTEE

Leung, Yun-fai (*Chairman*)
David Chain, Chi-woo
Lam, Yat-fai

NOMINATION COMMITTEE

(Effective on 1 April 2012)

David Chain, Chi-woo (*Chairman*)
Lam, Yat-fai
Leung, Yun-fai

COMPANY SECRETARY

Lam, Kwong-wai

AUDITORS

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

SOLICITORS

Chiu & Partners
Sidley Austin

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.
Chong Hing Bank Limited
Public Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
Wing Hang Bank, Limited

董事

執行董事：

江志明 (副主席)
梁榮邦 (行政總裁)

獨立非執行董事：

錢其武
林日輝
梁潤輝

審核委員會

林日輝 (主席)
錢其武
梁潤輝

薪酬委員會

梁潤輝 (主席)
錢其武
林日輝

提名委員會

(於二零一二年四月一日生效)

錢其武 (主席)
林日輝
梁潤輝

公司秘書

林光蔚

核數師

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

律師

趙不渝馬國強律師事務所
盛德律師事務所

主要往來銀行

交通銀行股份有限公司
創興銀行有限公司
大眾銀行(香港)有限公司
渣打銀行(香港)有限公司
永亨銀行有限公司

PLACE OF INCORPORATION

Bermuda

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

26th Floor, MassMutual Tower
38 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

BRANCH REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

<http://www.g-prop.com.hk>

STOCK CODE

286

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

For enquiries relating to investor relations, please contact:

Investor Relations Manager

Tel: (852) 2866 6999

Fax: (852) 2866 2822

(852) 2866 2833

E-mail: investor.relations@chineseestates.com

註冊成立地點

百慕達

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要辦事處

香港灣仔
告士打道38號
美國萬通大廈26樓

主要過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

過戶登記分處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

網址

<http://www.g-prop.com.hk>

股份代號

286

買賣單位

2,000股

投資者關係

有關投資者關係之查詢，請聯絡：

投資者關係經理

電話：(852) 2866 6999

傳真：(852) 2866 2822

(852) 2866 2833

電郵： investor.relations@chineseestates.com

Profiles of Directors and Senior Executive

董事及高級行政人員簡介

EXECUTIVE DIRECTORS

Mr. KONG, Chi-ming, aged 48, has been an Executive Director of the Company since July 2005 and was appointed as Deputy Chairman of the Company in November of the same year. He also holds position as director in a number of subsidiaries of the Company. Mr. Kong holds a Bachelor Degree of Business Administration from The Chinese University of Hong Kong, a Master Degree of Arts in Quantitative Analysis for Business and a Master Degree of Business Administration from the City University of Hong Kong. He has over 21 years of experience in the management and development of property projects in the mainland China.

Mr. LEUNG, Wing-pong, aged 50, has been an Executive Director of the Company since October 2002 and was appointed as Chief Executive Officer of the Company in July 2005. He also holds position as director and secretary in a number of subsidiaries of the Company. Mr. Leung is a member of the Hong Kong Securities Institute. He was registered with the Securities and Futures Commission as a responsible officer of a securities firm, a futures firm and a finance firm in Hong Kong. He has over 24 years of experience in the area of internal audit.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. David CHAIN, Chi-woo, aged 63, has been an Independent Non-executive Director of the Company since September 2004. He is also a member of the audit committee and remuneration committee of the Company. He has been appointed as the chairman of the nomination committee of the Company effective from April 2012. Dr. Chain is a registered medical practitioner and started private practice since 1978. He is a graduate of The University of Hong Kong. Dr. Chain was appointed as a vice chairman of Causeway Bay District Scout Council from 1986 to 1992. He was also a member of Kowloon West District Advisory Committee of The Hongkong Bank Foundation District Community Programme from 2000 to 2001.

Mr. LAM, Yat-fai, aged 46, has been an Independent Non-executive Director of the Company since December 2003. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. He has been appointed as a member of the nomination committee of the Company effective from April 2012. Mr. Lam is a Certified Public Accountant (Practising). He is a fellow member of The Hong Kong Institute of Certified Public Accountants and of The Association of Chartered Certified Accountants in the United Kingdom. Mr. Lam worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years. He has over 22 years of experience in auditing, taxation, corporate finance and accounting. Mr. Lam is also an independent non-executive director of Oriental Press Group Limited and Tianda Holdings Limited (formerly known as "Yunnan Enterprises Holdings Limited"), the shares of all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

執行董事

江志明先生，現年48歲，自二零零五年七月起為本公司之執行董事，並於同年十一月出任本公司之副主席。彼亦擔任本公司多間附屬公司之董事。江先生持有香港中文大學之工商管理學士學位，以及香港城市大學之工商數量分析文學碩士學位及工商管理學碩士學位。彼於中國大陸房地產項目管理及發展方面累積逾二十一年經驗。

梁榮邦先生，現年50歲，自二零零二年十月起為本公司之執行董事，並於二零零五年七月出任本公司之行政總裁。彼亦擔任本公司多間附屬公司之董事及秘書。梁先生為香港證券專業學會會員。彼於證券及期貨事務監察委員會登記為香港一間證券公司、期貨公司及融資公司之負責人員。彼在內部審計方面累積逾二十四年經驗。

獨立非執行董事

錢其武醫生，現年63歲，自二零零四年九月起為本公司之獨立非執行董事。彼亦為本公司之審核委員會及薪酬委員會成員。彼獲委任為本公司之提名委員會主席，於二零一二年四月生效。錢醫生為註冊醫生並自一九七八年起私人執業。彼於香港大學畢業。錢醫生於一九八六年至一九九二年期間獲委任為銅鑼灣分區軍軍委員會副主席。彼於二零零零年至二零零一年期間為匯豐銀行慈善基金社區發展計劃西九龍區諮詢委員會委員。

林日輝先生，現年46歲，自二零零三年十二月起為本公司之獨立非執行董事。彼亦為本公司之審核委員會主席及薪酬委員會成員。彼獲委任為本公司之提名委員會成員，於二零一二年四月生效。林先生現職執業會計師。彼為香港會計師公會及英國特許公認會計師公會之資深會員。林先生曾於關黃陳方會計師行及德勤•關黃陳方會計師行工作逾十年。彼於審計、稅務、企業融資及會計方面累積逾二十二年經驗。林先生亦為東方報業集團有限公司及天大控股有限公司（前稱：雲南實業控股有限公司）之獨立非執行董事，該等公司之股份均在香港聯合交易所有限公司主板上市。

INDEPENDENT NON-EXECUTIVE DIRECTORS

(cont'd)

Mr. LEUNG, Yun-fai, aged 54, has been an Independent Non-executive Director of the Company since November 2003. He is also the chairman of the remuneration committee and a member of the audit committee of the Company. He has been appointed as a member of the nomination committee of the Company effective from April 2012. He holds a Bachelor Degree of Business Administration from Newport University in the United States of America. Mr. Leung is a member of the Hong Kong Securities Institute. He has over 20 years of auditing and accounting experience with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu. Mr. Leung is also an independent non-executive director of China Premium Lifestyle Enterprise, Inc., the shares of which are listed on the Over-The-Counter Bulletin Board of the United States of America.

SENIOR EXECUTIVE

Mr. LAM, Kwong-wai, aged 56, joined the Company in 2003 and is the Group Financial Controller and the Company Secretary of the Company, Chinese Estates Holdings Limited (the holding company of the Company) and Chi Cheung Investment Company, Limited (a fellow subsidiary of the Company). Mr. Lam is a Certified Public Accountant (Practising) in Hong Kong. He holds a Master Degree in Business Administration from the University of Warwick, United Kingdom. Mr. Lam has over 34 years of experience in auditing, finance and accounting.

DISCLOSURE OF CHANGE OF INFORMATION OF DIRECTORS UNDER RULES 13.51(2) AND 13.51B(1) OF THE LISTING RULES

In March 2012, Dr. David Chain, Chi-woo, Mr. Lam, Yat-fai and Mr. Leung, Yun-fai, being the Independent Non-executive Directors of the Company, have been appointed as members of the nomination committee of the Company with Dr. Chain appointed as the chairman of such committee effective on 1 April 2012.

Save those changes mentioned above and in the Profiles of Directors, there is no change of information of each director that is required to be disclosed under Rules 13.51(2) and 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, since publication of the 2011 interim report of the Company.

獨立非執行董事 (續)

梁潤輝先生，現年54歲，自二零零三年十一月起為本公司之獨立非執行董事。彼亦為本公司之薪酬委員會主席及審核委員會成員。彼獲委任為本公司之提名委員會成員，於二零一二年四月生效。彼持有美國Newport University之工商管理學士學位。梁先生為香港證券專業學會會員。彼於關黃陳方會計師行及德勤·關黃陳方會計師行累積逾二十年審計及會計經驗。梁先生亦為China Premium Lifestyle Enterprise, Inc.之獨立非執行董事，其股份於美國場外電子櫃檯交易系統上市。

高級行政人員

林光蔚先生，56歲，於二零零三年加入本公司，現任本公司、Chinese Estates Holdings Limited（本公司之控股公司）及至祥置業有限公司（本公司之同系附屬公司）之集團財務總監及公司秘書。林先生為香港執業會計師。彼持有英國華威大學之工商管理學碩士學位。林先生在核數、財務及會計方面累積逾三十四年經驗。

按上市規則第13.51(2)及第13.51B(1)條規定就董事資料變動之披露

於二零一二年三月，本公司獨立非執行董事錢其武醫生、林日輝先生及梁潤輝先生被委任為本公司之提名委員會成員，錢醫生被委任為該委員會主席，於二零一二年四月一日生效。

除上述及「董事簡介」內提及之變動外，自刊發本公司二零一一年中期報告書以來，概無按香港聯合交易所有限公司證券上市規則第13.51(2)及第13.51B(1)條規定而需要披露每位董事資料之變動。

Chairman's Statement 主席報告書

I am pleased to present the results of G-Prop (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2011 (the "Year") to the shareholders of the Company.

RESULTS

For the Year, profit attributable to owners of the Company surged to HK\$13,094,000 (2010: loss of HK\$1,859,000) which was mainly due to the increase in fair value of investment properties and exchange gain upon conversion of cash, received upon maturity of EUR denominated floating rate notes ("FRN"), in foreign currency into Hong Kong dollars. The basic and diluted earnings per share for the Year are HK0.54 cents (2010: loss per share of HK0.08 cents).

DIVIDENDS

The Board of Directors of the Company (the "Board") has recommended the payment of final dividend of HK0.1 cent per share for the Year (2010: HK0.2 cents). Subject to the shareholders' approval at the forthcoming annual general meeting of the Company to be held on 25 May 2012 (the "AGM"), the recommended final dividend will be paid on or around 13 June 2012 to the shareholders whose names appear on the register of members of the Company on 1 June 2012.

Taken together with the interim dividend of HK0.1 cent per share paid on 28 September 2011, this will make a total dividend for the full year of HK0.2 cents per share in 2011 (2010: HK0.2 cents).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 23 May 2012 to 25 May 2012, both days inclusive. In order to be eligible to attend and vote at the AGM, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Registrar and Transfer Office in Hong Kong, namely Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 22 May 2012.

本人欣然呈報G-Prop (Holdings) Limited (金匡企業有限公司*) (「本公司」)及其附屬公司(統稱「本集團」)截至二零一一年十二月三十一日止年度(「本年度」)之業績予本公司股東。

業績

本年度，本公司擁有人應佔溢利急升至13,094,000港元(二零一零年：虧損1,859,000港元)，主要源自投資物業之公平值增加及以歐元為單位之浮息票據(「浮息票據」)於到期時收取之外幣現金轉換為港元之匯兌收益。本年度之每股基本及攤薄盈利為0.54港仙(二零一零年：每股虧損0.08港仙)。

股息

本公司董事會(「董事會」)建議派付本年度末期股息每股0.1港仙(二零一零年：0.2港仙)。待本公司將於二零一二年五月二十五日召開之應屆股東週年大會(「股東週年大會」)取得股東批准後，建議之末期股息將於二零一二年六月十三日或前後派付予於二零一二年六月一日名列本公司股東名冊之股東。

連同於二零一一年九月二十八日已派發之中期股息每股0.1港仙，二零一一年全年度派付股息將合共為每股0.2港仙(二零一零年：0.2港仙)。

暫停辦理股東登記手續

為確定有權出席股東週年大會及投票之股東名單，本公司將自二零一二年五月二十三日起至二零一二年五月二十五日止(包括首尾兩天在內)暫停辦理股東登記手續。為符合資格出席股東週年大會及投票，所有股份過戶文件連同有關股票必須於二零一二年五月二十二日下午四時三十分前交回本公司於香港之過戶登記分處卓佳秘書商務有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

* 僅供識別

CLOSURE OF REGISTER OF MEMBERS (cont'd)

The recommended final dividend is subject to the approval of the shareholders at the AGM. The record date for the recommended final dividend is at the close of business on 1 June 2012. For determining the entitlement to the recommended final dividend, the register of members of the Company will be closed from 31 May 2012 to 1 June 2012, both days inclusive. In order to qualify for the recommended final dividend, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Registrar and Transfer Office in Hong Kong, namely Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 30 May 2012.

BUSINESS REVIEW

During the Year, the Group was mainly engaged in the businesses of investment and finance, and property investment.

Investment and Finance

During the Year, a total sum of HK\$200,000,000 advanced to the Chinese Estates Group ("CE Group") at the annual interest rate of HIBOR plus 1% under the three-year revolving loan facility agreement made in November 2008 expired on 3 November 2011. A new three-year revolving loan facility up to HK\$300,000,000 at the annual interest rate of HIBOR plus 1.5% was lent to the CE Group on 3 November 2011 upon receiving the approval from the independent shareholders of the Company.

At the end of the Year, the Company accrued an interest income in the sum of approximately HK\$2,843,000 from the aforesaid revolving loans, in comparison with HK\$2,354,000 last year.

On the other hand, the investment in various FRN for long-term investment purpose in EUR and USD denominated principal contributed an interest income of approximately HK\$3,803,000 for the Year, comparing HK\$4,434,000 last year. Certain FRN in the principal sum of EUR3,800,000 and US\$6,000,000 expired during the Year and the conversion of EUR into HK dollars upon maturity of EUR denominated FRN has substantially contributed to the exchange gain for the Year.

暫停辦理股東登記手續 (續)

擬派末期股息須待股東於股東週年大會上批准後，方可作實。二零一二年六月一日辦公時間結束時為末期股息之記錄日期。為確定股東獲派末期股息的資格，本公司將自二零一二年五月三十一日起至二零一二年六月一日止（包括首尾兩天在內）暫停辦理股東登記手續。為符合資格收取擬派末期股息，所有股份過戶文件連同有關股票必須於二零一二年五月三十日下午四時三十分前交回本公司於香港之過戶登記分處卓佳秘書商務有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

業務回顧

本年度，本集團主要從事投資及融資和物業投資業務。

投資及融資

年內，依照於二零零八年十一月訂立之三年期循環貸款協議借予華人置業集團（「華置集團」），年息為香港銀行同業拆息加1厘，總數200,000,000港元之貸款已於二零一一年十一月三日屆滿。在取得本公司獨立股東之批准後，一筆年息為香港銀行同業拆息加1.5厘，為數最多300,000,000港元之新造三年期循環貸款，於二零一一年十一月三日借予華置集團。

於年終，本公司從上述循環貸款入賬之利息收入總數約為2,843,000港元，而去年則為2,354,000港元。

另一方面，本集團於本年度，從本金以歐元及美元為單位，作為長線投資用途的多種浮息票據貢獻之利息收入約為3,803,000港元，而比較去年為4,434,000港元。若干本金總數為3,800,000歐元及6,000,000美元的浮息票據於年內到期，而從到期之以歐元為單位之浮息票據兌換成港元，為本年度帶來重大匯兌收益。

BUSINESS REVIEW (cont'd)

Property Investment

As at 31 December 2011, the Group held 31 car parking spaces with 5 adjoining spaces and a carport basement situated in Wanchai and Central. The relevant occupancy rate was approximately 80.04% with rental income amounted to about HK\$1,764,000 for the Year. The rental income represented an increment of 4.1% as compared to last year. Besides, an unrealised fair value gains on investment properties in the amount of HK\$3,800,000 was recorded during the Year.

PROSPECTS

The sovereignty debts problems in certain European countries spread like fire and triggered off chain effect on the economy of other countries in the world. The risk of economic recession is getting higher and Hong Kong as an export-oriented economy cannot be relieved from adverse effect in this trend. The United States ("US") economy has not shown substantial recovery since the global financial turmoil in 2008. The interest rate remains at a very low level in Hong Kong inter-banking industry. The Company, however, has bargained for a better interest rate return from the CE Group, notwithstanding the prevailing uncertain economic climate. It is believed that the interest on loan to the CE Group would be steady to bring income to the Group. For US dollars denominated FRN, they would remain stable in light of the recent slight improvement in US economy. The revenue from the car parking spaces letting is believed to be stable in future. The Company strives to maintain a prudent but flexible business model in the getting harsh business environment. Meanwhile, the Company will continue to take a conservative and cautious stand to face the future business and economic challenges.

APPRECIATION

I would like to take this opportunity to express our gratitude to the shareholders of the Company for their continued support, and our fellow Directors and those who have worked for the Group for their valuable contribution.

On behalf of the Board
Kong, Chi-ming
Deputy Chairman

Hong Kong, 9 March 2012

業務回顧 (續)

物業投資

於二零一一年十二月三十一日，本集團擁有位於灣仔及中環區31個停車位連同5個毗鄰空間，以及1個地庫停車場。本年度，相關出租率約為80.04%，而租金收入約為1,764,000港元。租金收入較去年增加4.1%。另外，年內投資物業之未變現之公平值收益為3,800,000港元。

展望

若干歐洲國家之主權債務問題如火一般擴散，並誘發世界其他國家經濟連鎖反應。經濟衰退之危機增加，而香港作為以出口外向型之經濟在這不利之趨勢下亦難於倖免。美國經濟自二零零八年環球金融海嘯以來並未呈現重大復甦。香港銀行業界之利率依然處於極低水平。儘管現時處於不明朗之經濟環境，然而本公司已從華置集團爭取較佳之利息回報。本公司相信借予華置集團之貸款利息將為本集團持續帶來收入。以美元為單位之浮息票據，在美國經濟近期輕微改善之下，彼等應持續平穩。本公司相信未來車位租賃之收入乃屬平穩。在這愈加嚴峻之經營環境下，本公司致力於維持審慎但靈活之經營模式。同時，本公司將繼續採取保守和謹慎之立場面對未來業務和經濟之挑戰。

致謝

本人謹此對本公司股東之鼎力支持，以及各董事及竭誠為本集團付出寶貴貢獻之人士致以衷心感謝。

代表董事會
副主席
江志明

香港，二零一二年三月九日

Financial Operation Review

財務經營回顧

RESULTS

Revenue for the Year was HK\$8,410,000 (2010: HK\$8,483,000), a slight decrease of HK\$73,000 when compared with last year. Gross profit for the Year amounted to HK\$8,248,000 (2010: HK\$8,279,000), a decrease of HK\$31,000 as compared with last year. Interest income generated from floating rate notes ("FRN") and loan to a fellow subsidiary was HK\$3,803,000 (2010: HK\$4,434,000) and HK\$2,843,000 (2010: HK\$2,354,000) respectively.

For property leasing, rental income for the Year amounted to HK\$1,764,000 (2010: HK\$1,695,000). An increase in fair value of investment properties of HK\$3,800,000 was recorded in the Year compare with a decrease of HK\$4,150,000 in 2010.

Exchange gain included in other income of HK\$2,658,000 (2010: exchange loss of HK\$2,451,000 included in administrative expenses) was mainly due to the conversion of cash, received upon maturity of EUR denominated FRN, in foreign currency into Hong Kong dollars.

PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the Year, profit attributable to owners of the Company surged to HK\$13,094,000 (2010: loss of HK\$1,859,000) which was mainly due to the increase in fair value of investment properties and exchange gain upon conversion of cash, received upon maturity of EUR denominated FRN, in foreign currency into Hong Kong dollars. The basic and diluted earnings per share for the Year are HK0.54 cents (2010: loss per share of HK0.08 cents).

CORE PROFIT

The major non-cash item for the Year was the increase in fair value of investment properties of HK\$3,800,000 (2010: decrease of HK\$4,150,000). The core profit attributable to owners of the Company will drop to HK\$9,294,000 (2010: turn around to profit of HK\$2,291,000) when the major non-cash item is excluded.

NET ASSET VALUE

At 31 December 2011, the Group's total net asset attributable to owners of the Company was HK\$487,536,000 (2010: HK\$485,952,000), showing an increase of HK\$1,584,000 or 0.3% compared with last year. The increase comprises the profit retained for the Year of HK\$13,094,000, decrease of fair value of available-for-sale financial assets of HK\$4,225,000 and payment of dividends of HK\$7,285,000.

Net asset value per share attributable to owners of the Company as at 31 December 2011 was HK20.08 cents (2010: HK20.01 cents).

業績

本年度之收入為8,410,000港元(二零一零年: 8,483,000港元),較去年微跌73,000港元。本年度之毛利為8,248,000港元(二零一零年: 8,279,000港元),較去年減少31,000港元。浮息票據(「浮息票據」)及借予同系附屬公司貸款之利息收入分別為3,803,000港元(二零一零年: 4,434,000港元)及2,843,000港元(二零一零年: 2,354,000港元)。

至於物業租賃,本年度之租金收入為1,764,000港元(二零一零年: 1,695,000港元)。本年度錄得投資物業之公平值增加3,800,000港元,而二零一零年則為減少4,150,000港元。

計入其他收入之匯兌收益2,658,000港元(二零一零年: 匯兌虧損(包括於行政開支內)2,451,000港元)主要由以歐元為單位之浮息票據於到期時收取之外幣現金轉換為港元而產生。

本公司擁有人應佔溢利(虧損)

本年度,本公司擁有人應佔溢利急升至13,094,000港元(二零一零年: 虧損1,859,000港元),主要源自投資物業之公平值增加及以歐元為單位之浮息票據於到期時收取之外幣現金轉換為港元之匯兌收益。本年度之每股基本及攤薄盈利為0.54港仙(二零一零年: 每股虧損0.08港仙)。

核心溢利

本年度之主要非現金項目為投資物業之公平值增加3,800,000港元(二零一零年: 減少4,150,000港元)。如撇除主要非現金項目,本公司擁有人應佔核心溢利將減少至9,294,000港元(二零一零年: 轉虧為盈,錄得溢利2,291,000港元)。

資產淨值

於二零一一年十二月三十一日,本公司擁有人應佔之本集團資產淨值合共為487,536,000港元(二零一零年: 485,952,000港元),較去年增加1,584,000港元或0.3%。增加包括本年度之保留溢利13,094,000港元、待售金融資產之公平值減少4,225,000港元及派付股息7,285,000港元。

於二零一一年十二月三十一日,本公司擁有人應佔每股資產淨值為20.08港仙(二零一零年: 20.01港仙)。

INVESTMENT AND FINANCE

Certain long term FRN matured during the Year. At 31 December 2011, the FRN retained and recorded under available-for-sale financial assets are in principal amount of US\$10,500,000 with maturity dates in 2012 and 2014. The interest rates are calculated with reference to the LIBOR. The three-year revolving loan to Chinese Estates Group ("CE Group") of HK\$200,000,000 per agreement made in 2008 expired during the Year. A new three-year revolving loan facility up to HK\$300,000,000 at HIBOR plus 1.5% per annum was lent to the CE Group on 3 November 2011. No hedging for interest rate and foreign currency were subsisted during the Year.

At 31 December 2011, the carrying amount of the FRN amounted to HK\$76,886,000 (2010: HK\$164,708,000), and the loan amounted to HK\$300,000,000 (2010: HK\$200,000,000) representing 15.7% and 61.4% of the total assets of the Group respectively.

EQUITY

The number of issued ordinary shares as at 31 December 2011 and 2010 were 2,428,255,008.

DEBT AND EQUITY RATIO

The Group did not have any borrowings as at 31 December 2011 and 2010.

The Group continued to maintain a sound capital and cash position. Time deposits and bank balances as at 31 December 2011 was approximately HK\$75,650,000 (2010: HK\$91,242,000). The majority of the Group's income for the Year was denominated in Hong Kong dollars and United States dollars and no hedging for non-Hong Kong dollars assets or investments had been made during the Year.

PLEDGE OF ASSETS

At 31 December 2011 and 2010, no assets were pledged by the Group to secure any banking facilities and the Group did not have any obligations under banking facility documentation.

投資及融資

於本年度，若干長期浮息票據已到期。於二零一一年十二月三十一日，持有之待售金融資產之浮息票據之本金為10,500,000美元，將於二零一二年及二零一四年到期。利率參考倫敦銀行同業拆息計算。此外，本集團按照於二零零八年訂立之三年期循環貸款協議，借予華人置業集團（「華置集團」）200,000,000港元，已於本年度屆滿。一筆最多300,000,000港元之新造三年期循環貸款，於二零一一年十一月三日借予華置集團，年息按香港銀行同業拆息加1.5厘計算。本年度並無利率及外幣對沖。

於二零一一年十二月三十一日，浮息票據之賬面值為76,886,000港元（二零一零年：164,708,000港元），而貸款金額為300,000,000港元（二零一零年：200,000,000港元），分別相當於本集團資產總值之15.7%及61.4%。

股本

於二零一一年及二零一零年十二月三十一日之已發行普通股數目均為2,428,255,008股。

債項與股權比率

於二零一一年及二零一零年十二月三十一日，本集團並無任何借貸。

本集團繼續維持充裕之資本及現金狀況。於二零一一年十二月三十一日之定期存款及銀行結餘約為75,650,000港元（二零一零年：91,242,000港元）。本集團於本年度之收入主要以港元及美元計算，於本年度內亦無對沖任何非港元之資產或投資。

資產抵押

於二零一一年及二零一零年十二月三十一日，本集團並無將任何資產抵押以取得任何銀行信貸，而本集團概無任何根據銀行信貸文件須履行之責任。

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group did not have any material capital commitment and contingent liabilities as at 31 December 2011 and 2010.

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income was included in revenue and other income for the Year. Interest income was HK\$7,225,000 (2010: HK\$6,881,000), representing an increase of 5% from last year. It was mainly due to the increase in interest income from time deposits and loan to CE Group for the Year. There was no finance cost (2010: Nil) during the Year.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

At 31 December 2011, the Group did not employ any staff (2010: Nil). The total staff cost excluding directors' emoluments for the Year was approximately HK\$1,041,000 (2010: HK\$939,000) representing the staff cost recharged from other fellow subsidiaries of the Company. The Company had adopted share option scheme since 15 February 2002. No option was outstanding at the beginning and at the end of the Year. No option was granted, exercised, cancelled or lapsed during the Year. The said scheme expired on 14 February 2012.

PROPERTY VALUATION

A property valuation has been carried out by B.I. Appraisals Limited ("B.I. Appraisals"), independent qualified professional valuers, in respect of the Group's investment properties as at 31 December 2011 and it was used in preparing 2011 final results. Property valuation as at 31 December 2010 was also carried out by B.I. Appraisals. The valuation was based on either direct comparison approach assuming each of these properties is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets, or investment method by taking into account the current passing rents and the reversionary income potential of such properties.

The Group's investment properties were valued at HK\$32,150,000 as at 31 December 2011 (2010: HK\$28,350,000), an increase in fair value of HK\$3,800,000 was recognised in the consolidated statement of comprehensive income for the Year.

資本承擔及或然負債

於二零一一年及二零一零年十二月三十一日，本集團並無任何重大資本承擔及或然負債。

財務及利息收入／開支

利息收入已計入本年度之收入及其他收入。利息收入為7,225,000港元（二零一零年：6,881,000港元），較去年增加5%。此乃主要由於來自定期存款及借予華置集團貸款之利息收入增加所致。本年度並無錄得財務成本（二零一零年：無）。

酬金政策及購股權計劃

於二零一一年十二月三十一日，本集團並無僱用任何員工（二零一零年：無）。本年度僱員成本總額（不包括董事酬金）約為1,041,000港元（二零一零年：939,000港元），相當於本公司其他同系附屬公司徵收之僱員成本。本公司於二零零二年二月十五日採納一項購股權計劃。本年度年初及年終並無購股權尚未行使。本年度亦無授出、行使、註銷或已失效之購股權。上述計劃已於二零一二年二月十四日到期。

物業估值

獨立合資格專業估值師保柏國際評估有限公司（「保柏國際評估」）已就本集團於二零一一年十二月三十一日之投資物業進行物業估值，有關估值已用於編製二零一一年全年業績。保柏國際評估亦於二零一零年十二月三十一日進行物業估值。該估值乃以直接比較法假設該等物業各自可以現況交吉出售及參照有關市場上可供比較之銷售證據，或投資法考慮該等物業目前收取之租金及其復歸收入潛力。

本集團投資物業於二零一一年十二月三十一日之估值為32,150,000港元（二零一零年：28,350,000港元），而公平值增加3,800,000港元已於本年度之綜合全面收益報表確認。

Corporate Governance Report

企業管治報告書

OBJECTIVE

The Board of Directors (the "Directors" or the "Board") of the Company together with its subsidiaries (together, the "Group") is committed to maintaining high standards of corporate governance so as to ensure high transparency and protection of shareholders' interests in general. The Board endeavours to ensure effective self-regulatory practices, to maintain sound internal control system and to absorb high calibre members to the Board.

The purpose of this Corporate Governance Report is to present to shareholders how the Company has applied the principles in the Code on Corporate Governance Practices (the "Code") under Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 December 2011 (the "Year").

BOARD OF DIRECTORS

The Board is responsible for directing the Group, formulating overall strategy, monitoring operating and financial performance of the Group and overseeing the performance of the management. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to the Company's affairs during the Year.

Structure

The Board currently comprises two Executive Directors and three Independent Non-executive Directors (the "INED(s)"). The INEDs represent more than one-third of the Board. The members of the Board are as follows:

Executive Directors

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

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

Independent Non-executive Directors

Dr. David Chain, Chi-woo

Mr. Lam, Yat-fai

Mr. Leung, Yun-fai

理念

本公司董事會（「董事」或「董事會」）連同其附屬公司（統稱「本集團」）銳意維持高度企業管治，以確保運作更具透明度及全面保障股東利益。董事會致力確保制訂有效之自我監管常規，以維持良好之內部監控制度及吸納卓越之成員加入董事會。

本企業管治報告書是向股東呈示本公司截至二零一一年十二月三十一日止年度（「本年度」）如何應用香港聯合交易所有限公司（「聯交所」）頒布之聯交所證券上市規則（「上市規則」）附錄十四《企業管治常規守則》（「該守則」）之原則。

董事會

董事會負責領導本集團、制訂整體策略、監察本集團之營運及財務表現，以及監督管理層之表現。每位董事均以本公司之最佳利益為前題，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。年內，彼等已付出足夠時間及專注力以處理本公司事務。

架構

董事會目前由兩位執行董事及三位獨立非執行董事組成（「獨立非執行董事」），獨立非執行董事之人數超過董事會成員總數之三分之一。董事會成員如下：

執行董事

江志明先生（*副主席*）

梁榮邦先生（*行政總裁*）

獨立非執行董事

錢其武醫生

林日輝先生

梁潤輝先生

BOARD OF DIRECTORS (cont'd)

Structure (cont'd)

The Directors' biographies are available on the Company's website. There is no relationship among members of the Board and in particular, between the Deputy Chairman and the Chief Executive Officer (the "CEO").

At least one of the INEDs has appropriate professional qualification as required by the Stock Exchange. The Company has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

Directors (including the INEDs) are not appointed for any specific term.

According to The International Tak Cheung Holdings Limited Act 1991 (the "Private Act", whereas "International Tak Cheung Holdings Limited" is the former name of the Company) under which the Company was exempted from certain compliances with the Bermuda Companies Act 1981 (the "Bermuda Companies Act"), the Directors shall not be required to be elected at each annual general meeting, but shall (save for any chairman and managing director) be subject to retirement by rotation in such manner and at such frequency as the Bye-laws may provide. Notwithstanding that no retirement by rotation is required for the managing director under the Private Act or the Bermuda Companies Act, Mr. Leung, Wing-pong, as the CEO is willing to voluntarily retire from his directorship at annual general meetings of the Company at least once every three years by following the Bye-laws of the Company concerning the directors' retirement by rotation, and being eligible, will offer himself for re-election at the relevant annual general meetings.

Every Director is therefore subject to retirement by rotation either under the Bye-laws or voluntarily, and eligible for re-election at the annual general meetings of the Company at least once every three years.

Assistance to Directors in Decision Making

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

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

董事會 (續)

架構 (續)

董事簡歷可於本公司網頁瀏覽。董事會成員之間，尤其副主席與行政總裁（「行政總裁」）之間，並無關係。

最少一名獨立非執行董事具備聯交所規定之相關專業資格。本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

董事（包括獨立非執行董事）並非按任何指定任期委任。

按照The International Tak Cheung Holdings Limited Act 1991（「私人法例」，而「International Tak Cheung Holdings Limited」乃本公司之前稱），據此本公司獲豁免若干一九八一年百慕達公司法（「百慕達公司法」）應遵守之規定，董事不須於每次股東週年大會上選舉連任，但須（任何主席及董事總經理除外）根據公司細則所指定的方法及按時輪席卸任。儘管私人法例或百慕達公司法並無規定董事總經理輪席卸任，梁榮邦先生作為行政總裁願意做效公司細則有關董事輪席卸任之規定，最少每三年於本公司之股東週年大會上自願輪席卸任為董事職務一次，並符合資格及願意於相關股東週年大會上膺選連任。

因此，每名董事須根據公司細則或自願最少每三年於本公司股東週年大會上輪席卸任一次，並符合資格重選連任。

給予董事決策之協助

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

董事可不時視乎履行其職責所需而尋求獨立專業意見，費用概由本公司承擔。

BOARD OF DIRECTORS (cont'd)

Assistance to Directors in Decision Making (cont'd)

To enhance the Directors' consciousness on the importance of the directors' duties under common law (which is also generally applicable to Bermuda where the Company was incorporated) and to comply with the requirements of the Companies Ordinance (Cap. 32, Laws of Hong Kong), a "Guide on Directors' Duties" in which the general principles a director should follow in the performance of his functions and exercise of his powers was distributed to the Directors.

Conduct of Meetings

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

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

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

Each Director has to declare his interest and to abstain from voting on any board resolution in which he or any of his associates has a material interest pursuant to the Company's Bye-laws and the laws of Bermuda.

董事會 (續)

給予董事決策之協助 (續)

為提高董事對普通法(彼亦一般地適用於本公司之註冊地百慕達)下董事職責重要性之意識及遵守公司條例(香港法例第32章)之要求,一份載有董事於執行職能及行使權力時應遵守之一般原則之「董事責任指引」已分發予董事。

會議之舉行

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

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

董事會之議事程序一般由副主席主持,以確保分配充裕之時間作出討論及考慮議程內之各個項目。各董事均獲平等機會表達其意見及關注事宜。

根據本公司之公司細則及百慕達法例,每位董事均須申報其權益,並就其本身或其任何聯繫人士擁有重大權益之任何董事決議案放棄投票。

BOARD OF DIRECTORS (cont'd)

Conduct of Meetings (cont'd)

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

Four regular Board meetings were held on 17 March, 15 July, 11 August and 6 December for the Year. The Company Secretary and the Company's senior management had attended the Board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting, finance and business.

Individual attendance of each Director at the meetings is as follows:

Directors	No. of Board meetings attended/held (Percentage of attendance in total)
<u>Executive Directors</u>	
Mr. Kong, Chi-ming (<i>Deputy Chairman</i>)	4/4 (100%)
Mr. Leung, Wing-pong (<i>CEO</i>)	4/4 (100%)
<u>Independent Non-executive Directors</u>	
Dr. David Chain, Chi-woo	4/4 (100%)
Mr. Lam, Yat-fai	4/4 (100%)
Mr. Leung, Yun-fai	4/4 (100%)

Works Performed

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

董事會 (續)

會議之舉行 (續)

全體董事有權全面尋求公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。詳盡之各董事會會議記錄之初稿及最終定稿將於舉行會議後之合理時間內，送交董事提供意見及記錄。董事會會議及董事會轄下委員會會議之記錄由公司秘書存置，並可由董事發出合理通知下供其查閱。

董事會分別於本年度三月十七日、七月十五日、八月十一日及十二月六日舉行共四次定期董事會會議。公司秘書及本公司高級管理層均已出席董事會會議，匯報企業管治、風險管理、法規遵守、會計、財務及業務相關之事宜。

各董事於該等會議之出席率如下：

董事	出席／舉行 董事會會議數目 (總出席率)
<u>執行董事</u>	
江志明先生 (<i>副主席</i>)	4/4 (100%)
梁榮邦先生 (<i>行政總裁</i>)	4/4 (100%)
<u>獨立非執行董事</u>	
錢其武醫生	4/4 (100%)
林日輝先生	4/4 (100%)
梁潤輝先生	4/4 (100%)

履行之工作

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

BOARD OF DIRECTORS (cont'd)

Works Performed (cont'd)

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

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

As part of the continuing process on supervising the Company's affairs, the Directors, acting through by the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of the Company's accounting staff and financial reporting function (which is being performed by the accounting staff of Chinese Estates Holdings Limited ("Chinese Estates"), the holding company), and their training programmes and budget in December 2011.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code") as a code of conduct regarding securities transactions by Directors. In addition, the Company has a separate written code of conduct on terms no less exacting than the Model Code for the relevant employees of the Company who are likely to be in possession of unpublished price-sensitive information in respect of their dealings in the securities of the Company (the "Employees' Code").

Having made specific enquiry of all Directors and the relevant employees (viz., the senior executives of Chinese Estates Group ("CE Group")), all Directors confirmed that they had complied with the required standard set out in the Model Code and the relevant employees had complied with the Employees' Code regarding securities transaction throughout the Year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and CEO are separate and not performed by the same individual. Mr. Kong, Chi-ming is the Deputy Chairman with responsibility for overseeing the function of the Board, formulating overall strategies and policies of the Company. Mr. Leung, Wing-pong is the CEO with responsibility for the overall business and operation of the Group. This segregation is clearly established and set out in writing to ensure a clear distinction between the Chairman's responsibility to manage the Board and CEO's responsibility to manage the Group's business.

董事會 (續)

履行之工作 (續)

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

除了舉行董事會或委員會會議，為了能及時作出決定及確保有效實施本公司之政策及實務，董事會亦不時採納全體董事書面決議書為公司事務作出決定。

作為持續監督本公司業務之程序，董事已於二零一一年十二月由審核委員會代行審閱本公司會計及財務匯報職能方面（由控股公司Chinese Estates Holdings Limited（「華置」）之會計僱員進行的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠。

進行證券交易之標準守則

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易的操守準則。另外，本公司亦已就可能擁有未公布的股價敏感資料之相關僱員，制訂不遜於標準守則之書面操守守則，作為彼等進行本公司證券交易之指引（「僱員守則」）。

本公司在向所有董事及有關僱員（即華人置業集團（「華置集團」）的高級行政人員）作出具體查詢後，所有董事確認彼等於年內一直遵守標準守則載列的所需標準，以及有關僱員於年內就進行證券交易一直遵守僱員守則。

主席及行政總裁

主席及行政總裁之角色須予分開，且不得由同一個人擔任。江志明先生為副主席，負責監督董事會職能、制訂本公司整體策略及政策。梁榮邦先生為行政總裁，負責監督本集團之整體業務及運作。主席及行政總裁職能分配已清楚以書面訂立，以清楚劃分主席負責管理董事會，而行政總裁負責管理本集團業務。

BOARD COMMITTEES

The Board has established Audit Committee and Remuneration Committee with defined roles and terms of reference. A Nomination Committee has also been established and will commence functioning on 1 April 2012.

Audit Committee

Structure

The Audit Committee has been established with the role to assist the Board in establishing formal and transparent arrangements for considering how it will apply the financial reporting and the internal control principles and for maintaining an appropriate relationship with the Company's auditors (the "Independent Auditors"). It acts in an advisory capacity and makes recommendations to the Board.

All the Audit Committee members possess diversified industry experience. The Audit Committee comprises all INEDs, namely:

Mr. Lam, Yat-fai (*Chairman*)
Dr. David Chain, Chi-woo
Mr. Leung, Yun-fai

Function

The Audit Committee's terms of reference can be found on the Group's website.

The major duties of the Audit Committee are summarised below:

- (i) to make recommendations to the Board on the appointment, re-appointment and removal of the Company's Independent Auditors, review and monitor their independence and objectivity as well as the effectiveness of the audit process;
- (ii) to monitor the integrity of the interim and annual consolidated financial statements, reports and accounts and quarterly reports (if applicable) of the Company, and to review any significant financial reporting judgments contained in them; and
- (iii) to review and ensure the effectiveness of the Company's financial control, internal control and risk management systems.

Conduct of Meetings

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

董事會轄下委員會

董事會已成立審核委員會及薪酬委員會，並界定其角色及職權範圍。提名委員會亦已成立，並將於二零一二年四月一日開始運作。

審核委員會

架構

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

審核委員會全體成員均具備多元化的業務經驗。審核委員會由全體獨立非執行董事組成，彼等為：

林日輝先生（主席）
錢其武醫生
梁潤輝先生

職能

有關審核委員會之職權範圍，可瀏覽本集團網頁。

審核委員會之主要職責概述如下：

- (i) 就委任、重新委任及罷免本公司獨立核數師向董事會提供意見、審核及監控彼等之獨立性及客觀性，以及審核程序之有效性；
- (ii) 監察本公司中期及全年綜合財務報表、報告和賬目及季度報告（如適用）之完整性，以及審閱上述各項所載之任何重大財務報告之判斷；及
- (iii) 審閱及確保本公司財務監控、內部監控及風險管理系統之有效性。

會議之舉行

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

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Conduct of Meetings (cont'd)

During the Year, the Audit Committee held three meetings on 10 March, 9 August and 6 December 2011 with the presence of the Company's senior management. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Audit Committee members for records.

Individual attendance of each committee member at the meetings is as follows:

Members	No. of meetings attended/held (Percentage of attendance in total)	成員	出席／舉行 會議數目 (總出席率)
Mr. Lam, Yat-fai (<i>Chairman</i>)	3/3 (100%)	林日輝先生 (<i>主席</i>)	3/3 (100%)
Dr. David Chain, Chi-woo	3/3 (100%)	錢其武醫生	3/3 (100%)
Mr. Leung, Yun-fai	3/3 (100%)	梁潤輝先生	3/3 (100%)

Works Performed

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

- (i) reviewed and considered the Group accounts and financial statements for the year ended 31 December 2010, and interim accounts for 2011;
- (ii) reviewed, discussed and agreed with the Independent Auditors in respect of the audit fee for the year 2011; the terms of the engagement letters; the nature, scope of audit and reporting obligations for the Year;
- (iii) reviewed and assessed the adequacy and effectiveness of the Group's financial reporting and controls, internal control procedures and risk management systems;
- (iv) reviewed the corporate governance practices and monitored the progress of compliance of the Code;

董事會轄下委員會 (續)

審核委員會 (續)

會議之舉行 (續)

年內，審核委員會分別於二零一一年三月十日、八月九日及十二月六日舉行共三次會議，而本公司的高級管理層成員均有出席。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員傳閱及給予意見。經簽署之會議記錄已由公司秘書存置，有關副本亦已送交審核委員會成員以作記錄。

各委員會成員於該等會議之出席率如下：

履行之工作

審核委員會成員於本年度履行之工作概述如下：

- (i) 審閱及省覽本集團截至二零一零年十二月三十一日止年度之賬目及財務報表，以及二零一一年之中期賬目；
- (ii) 與獨立核數師審閱、討論及商定二零一一年核數費用；本年度委聘書之條款；核數之性質、範圍及申報責任；
- (iii) 審閱及評估本集團之財務匯報及監控、內部監控程序及風險管理系統是否足夠及有效；
- (iv) 檢討企業管治常規及監控遵循該守則之進度；

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Works Performed (cont'd)

- (v) carried out annual review on the continuing connected transactions of the Company (including those fallen outside Rule 14A.33 of the Listing Rules and not required to be made public, if any) and their financial implication in their capacity as INEDs;
- (vi) reviewed the overall performance of the Group for the year ended 31 December 2010;
- (vii) reviewed the adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmes and budget;
- (viii) in their capacity as members of independent board committee, gave an independent advice to the independent shareholders of the Company in respect of a new revolving loan facility up to HK\$300 million from the Company to the CE Group; and
- (ix) prepared and submitted to the Board an Audit Committee Report detailing the works performed by the Audit Committee during the Year, presented its findings and made recommendations for the Board's consideration.

On 6 March 2012, the Audit Committee reviewed the Group's accounts and draft financial statements for the Year.

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

In light of the recent amendments to the Listing Rules by the Stock Exchange, the Board had on 9 March 2012 approved the amendments of the terms of reference of the Audit Committee which will become effective on 1 April 2012. Details of the works performed by the Audit Committee to comply with the new requirements under the Listing Rules will be given in the corporate governance report for the financial year ending 31 December 2012.

董事會轄下委員會 (續)

審核委員會 (續)

履行之工作 (續)

- (v) 以獨立非執行董事之身份，對本公司之持續關連交易（包括上市規則第14A.33條所涵蓋的範圍以外及無需披露者，如有）及其財務影響進行週年審閱；
- (vi) 審閱本集團截至二零一零年十二月三十一日止年度之整體表現；
- (vii) 審閱會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠；
- (viii) 以獨立董事委員會成員身份，就本公司向華置集團提供為數最多300,000,000港元之新造循環貸款，向本公司之獨立股東提供獨立意見；及
- (ix) 編製並向董事會呈交審核委員會報告，當中詳列審核委員會年內已履行之工作，以及呈交其審核結果及向董事會提供建議以作考慮。

於二零一二年三月六日，審核委員會已審閱本集團本年度之賬目及財務報表之草稿。

整體而言，審核委員會滿意本公司現狀，包括企業管治常規、內部監控制度、持續關連交易之進行，以及本公司會計及財務匯報職能方面之資源、員工資歷及經驗（由控股公司華置之會計僱員進行）與員工所接受的培訓課程及有關預算是足夠的。

按照最近聯交所對上市規則之修訂，董事會於二零一二年三月九日通過對審核委員會之職權範圍書之修訂，並將於二零一二年四月一日生效。審核委員會所履行之工作以遵守上市規則之新訂要求之詳情，將載列於截至二零一二年十二月三十一日止財政年度之企業管治報告書內。

BOARD COMMITTEES (cont'd)

Remuneration Committee

Structure

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

The Remuneration Committee comprises all INEDs, namely:

Mr. Leung, Yun-fai (*Chairman*)
Dr. David Chain, Chi-woo
Mr. Lam, Yat-fai

Function

The major duties of the Remuneration Committee are summarised below:

- (i) to set, review and make recommendations to the Board for approving the Group's overall remuneration policy and strategy;
- (ii) to set, review and approve performance-based remuneration and individual remuneration packages for the Executive Directors and senior management including terms and conditions of employment as well as compensation payable due to loss or termination of office, and dismissal or removal for misconduct; and
- (iii) to make recommendations to the Board on the remuneration of Non-executive Directors.

The Remuneration Committee's terms of reference can be found on the Group's website.

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

董事會轄下委員會 (續)

薪酬委員會

架構

薪酬委員會已成立，其角色為協助董事會檢討及釐定董事及高級管理層之薪酬待遇或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

薪酬委員會由全體獨立非執行董事組成，彼等為：

梁潤輝先生 (主席)
錢其武醫生
林日輝先生

職能

薪酬委員會之主要職責概述如下：

- (i) 制訂、檢討及建議董事會批准本集團之整體薪酬政策及策略；
- (ii) 制訂、檢討及批准以表現為考慮基礎之薪酬，以及執行董事及高級管理層之個別薪酬待遇，包括僱傭條款及條件，以及因離職或終止受僱及因行為不當而遭解僱或罷免所產生需支付之賠償；及
- (iii) 就非執行董事之薪酬向董事會提供意見。

有關薪酬委員會之職權範圍，可瀏覽本集團網頁。

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

BOARD COMMITTEES (cont'd)

Remuneration Committee (cont'd)

Conduct of Meetings

During the Year, the Remuneration Committee held a meeting on 15 July 2011 to consider and approve the annual remuneration of the Executive Directors for the Year.

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

Members	No. of meetings attended/held (Percentage of attendance in total)
Mr. Leung, Yun-fai (Chairman)	1/1 (100%)
Dr. David Chain, Chi-woo	1/1 (100%)
Mr. Lam, Yat-fai	1/1 (100%)

The Company prepares and delivers meeting papers that include all relevant information about the meeting to the Remuneration Committee members at least 3 days prior to such meeting. Minutes drafted by the Company Secretary were circulated to the Remuneration Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Remuneration Committee members for records.

Remuneration Policy

As the existing Executive Directors are employees of the subsidiaries of Chinese Estates, the Company's holding company, so they are not entitled to any emoluments of the Company but a nominal annual remuneration of HK\$10,000 approved by the Remuneration Committee as a reward for their contribution to the Group.

The INEDs are not entitled to any other emoluments for holding office as the INEDs except for their entitlement of an annual remuneration of HK\$150,000 determined by the Board subject to annual review with reference to their duties and responsibilities as well as the prevailing market condition.

董事會轄下委員會 (續)

薪酬委員會 (續)

會議之舉行

年內，薪酬委員會於二零一一年七月十五日舉行會議，以考慮及批准本年度執行董事之年度酬金。

各委員會成員於該會議之出席率如下：

Members	出席／舉行會議數目 (總出席率)
梁潤輝先生 (主席)	1/1 (100%)
錢其武醫生	1/1 (100%)
林日輝先生	1/1 (100%)

本公司編製及派發會議文件，內容包括會議時所需之相關資料，於該會議開會前最少三日提交予薪酬委員會成員。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予薪酬委員會成員傳閱及給予意見。經簽署之會議記錄由公司秘書存置，有關副本亦已送交薪酬委員會成員以作記錄。

薪酬政策

由於現時之執行董事為本公司之控股公司華置附屬公司之僱員，故彼等不會獲得本公司任何薪酬，惟經薪酬委員會批准獲發象徵式每年10,000港元之酬金，作為彼等對本集團之貢獻的回報。

獨立非執行董事除每年享有150,000港元之酬金外，並無就擔任獨立非執行董事收取任何其他薪酬。有關薪金須由董事會參考彼等之職務與責任以及當時市況而每年作出檢討。

BOARD COMMITTEES (cont'd)

Remuneration Committee (cont'd)

Remuneration Policy (cont'd)

The Company has adopted a share option scheme since 2002 in order to attract, retain and motivate talented and recognized staff, management and directors of the Group. There were no outstanding options at the beginning and at the end of the Year and no options were granted, exercised, cancelled or lapsed during the Year. The said scheme expired on 14 February 2012.

In light of the recent amendments to the Listing Rules by the Stock Exchange, the Board had on 9 March 2012 approved the amendments of the terms of reference of the Remuneration Committee which will become effective on 1 April 2012. Details of the works performed by the Remuneration Committee to comply with the new requirements under the Listing Rules will be given in the corporate governance report for the financial year ending 31 December 2012.

Nomination Committee

No Nomination Committee was established in view of the business requirement of the Group for the Year. During the Year, the Board was responsible for reviewing its composition, identifying and selecting suitable Board members, assessing independence of the INEDs, considering appointment or re-appointment of the Directors and succession planning for the Directors. The Board will exercise its power under Bye-law 86(2) of the Bye-laws of the Company to appoint any person as a director either to fill as casual vacancy or as an addition to the Board whenever the business of the Company requires.

In light of the recent amendments to the Listing Rules by the Stock Exchange, the Board had on 9 March 2012 approved the establishment of the Nomination Committee which will start functioning on 1 April 2012 with its members constituted by all the INEDs. The terms of reference of the Nomination Committee was also adopted which will become effective on 1 April 2012. Details of the works performed by the Nomination Committee to comply with the new requirements under the Listing Rules will be given in the corporate governance report for the financial year ending 31 December 2012.

MANAGEMENT FUNCTIONS

The Executive Directors have defined clear directions on powers of management and delegate daily management and administration functions to the management. The functions reserved to the Board and those delegated to the senior management are reviewed from time to time. The Company would formalize the division of responsibility between the Board and the management when the operational requirement of the Group justifies such division.

董事會轄下委員會(續)

薪酬委員會(續)

薪酬政策(續)

本公司自二零零二年採納一項購股權計劃，以吸引、保留及激勵有才能及獲肯定的本集團僱員、管理層及董事。本年初及年終並無購股權尚未行使，以及於本年度內亦無授出、行使或註銷購股權，亦無購股權已經失效。上述計劃已於二零一二年二月十四日屆滿。

按照最近聯交所對上市規則之修訂，董事會於二零一二年三月九日通過對薪酬委員會之職權範圍書之修訂，並將於二零一二年四月一日生效。薪酬委員會所履行之工作以遵守上市規則之新訂要求之詳情，將載列於截至二零一二年十二月三十一日止財政年度之企業管治報告書內。

提名委員會

鑑於本集團之業務狀況，本公司於年內並無成立提名委員會。年內，董事會負責檢討其組成、物色及甄選合適之董事會成員，評估獨立非執行董事之獨立性，考慮委任或重新委任董事，以及制訂董事之接任安排。董事會將按本公司之業務需要，根據本公司細則第86(2)條行使其權力，委任任何人士填補董事空缺或作為新增董事會成員。

按照最近聯交所對上市規則之修訂，董事會於二零一二年三月九日通過成立提名委員會，由全體獨立非執行董事組成，並將於二零一二年四月一日開始運作。董事會同時制訂提名委員會之職權範圍書，並將於二零一二年四月一日生效。提名委員會所履行之工作以遵守上市規則之新訂要求之詳情，將載列於截至二零一二年十二月三十一日止財政年度之企業管治報告書內。

管理層職能

執行董事就管理層的權力，給予清晰的指引，並指派管理層處理日常管理及行政職能。董事會所保留與委派予高級管理層之職能乃不時予以檢討。倘本集團之規模發展至須劃分董事會與管理層之職責時，本公司將制訂該等職責劃分。

INDEPENDENT AUDITORS

Messrs HLB Hodgson Impey Cheng (“HLB”) were re-appointed as the Independent Auditors by shareholders at the 2011 annual general meeting of the Company held on 26 May 2011 (the “2011 AGM”). In order to maintain the independence and objectivity of the Independent Auditors (which for these purposes include any entity under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), they will not be engaged for non-audit work unless it has been pre-approved by the Audit Committee pursuant to the Company’s non-audit services policy.

Independent Auditors were engaged on an ad hoc basis to provide non-audit service, such as to provide a confirmation letter to the Board and the Stock Exchange to confirm, among others, that the continuing connected transactions have not exceeded the stipulated cap for the transactions, as part of the process for the annual review of the transactions as required under the Listing Rules during the Year. The fundamental policy is to ensure that the engagement of the Independent Auditors for non-audit service will not harm their independence or cause any bias on audit works for the presentation of financial statements of the Company. During the Year, the fee for engaging Independent Auditors to carry out works in connection with the annual review of the continuing connected transactions amounted to HK\$20,000.

At the 2011 AGM, HLB were re-appointed by the shareholders as the Independent Auditors of the Company. The Audit Committee reviewed the terms of engagement letters of Independent Auditors in early December 2011 and agreed with HLB the audit fees for auditing the financial statements of the Group for the Year at HK\$300,000.

The accounts for the Year were audited by HLB whose term of office will expire upon the forthcoming annual general meeting. In March 2012, the practice of HLB as partnership has been reorganized as HLB Hodgson Impey Cheng Limited (“HLB Limited”). The Audit Committee has recommended to the Board that HLB Limited will be nominated for appointment as new auditors of the Company at the forthcoming annual general meeting.

FINANCIAL REPORTING

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

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

獨立核數師

國衛會計師事務所(「國衛」)已獲股東於二零一一年五月二十六日舉行之本公司二零一一年股東週年大會(「二零一一年股東週年大會」)上續聘為獨立核數師。為保持獨立核數師之獨立性及客觀性(就此而言包括與核數師行共同控制、擁有或管理之任何實體,或合理及知情第三方在接獲一切相關資料後合理認為在國家或國際方面屬核數師行一部分之任何實體),其將不會受聘進行非核數工作,除非已根據本公司之非審核服務政策獲審核委員會事先批准。

獨立核數師於特別情況下提供非審核之服務,如年內按上市規則規定提供確認書予董事會及聯交所,以確認(連同其他事項)持續關連交易並無超過該交易既定之上限,作為該交易週年審閱之部分程序。本公司之基本政策乃確保獨立核數師對非審核服務之參與不會損害其獨立性或導致編製本公司財務報表時構成審核偏頗。年內,聘任獨立核數師就持續關連交易週年審閱所進行之工作費用為20,000港元。

於二零一一年股東週年大會上,國衛獲重選為本公司之獨立核數師。審核委員會於二零一一年十二月初審閱獨立核數師之聘書之條款,並與國衛商定審核本年度本集團財務報表之審核費用為300,000港元。

本年度之賬目經由國衛審核,彼於即將舉行之股東週年大會上任滿。國衛於二零一二年三月已由合夥業務營運模式重組為國衛會計師事務所有限公司(「國衛有限公司」)。審核委員會已向董事會建議,於本公司即將舉行之股東週年大會上提名委任國衛有限公司為本公司之新核數師。

財務報告

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

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

FINANCIAL REPORTING (cont'd)

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

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

INTERNAL CONTROL

The Directors are responsible for maintaining the system of internal control of the Group and reviewing its effectiveness regularly. The internal control system covers financial, operational and compliance controls and risk management functions. During the Year, with the assistance of the Audit Committee, the Directors had carried out an annual review on internal control system and considered that the system was effective and adequate. The Directors will continue enhancing the system in order to cope with the changes in business environment with reference to the recommendations of the Audit Committee.

SHAREHOLDERS' RIGHTS

The Company is committed to safeguarding shareholders' and the Company's interests as a whole and encourages shareholders to attend general meetings of the shareholders for participating in the important decisions of the Company for which shareholders' approval is required under the Listing Rules and the laws of Bermuda. The Company regards general meetings of the shareholders as an important event as it provides an important opportunity for direct communication between the Board and the shareholders. Notice of the 2011 AGM, together with the annual report and circular, was sent to the shareholders more than 20 clear business days before the meeting whereas notice of the special general meeting, together with circular, was sent to the shareholders more than 10 clear business days before the meeting. These can allow more time for the shareholders to digest information in the annual report and circulars, and to consider whether joining the meetings or not. The Directors, including the INEDs were available to answer questions at the 2011 AGM and special general meeting held in May 2011 and October 2011 respectively.

財務報告(續)

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

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

內部監控

董事負責維持本集團之內部監控系統，並定期檢討其成效。內部監控系統包括財務、運作與合規之監控以及風險管理職能。本年度，董事在審核委員會之協助下，已對現行內部監控系統進行週年審閱並認為系統有效及足夠。董事將繼續提升系統質素，並參考審核委員會之建議，以應付營商環境之轉變。

股東權利

本公司銳意保障股東及本公司之整體利益，並鼓勵彼等出席股東大會，以參與上市規則及百慕達法例要求股東批准之重要決策。鑑於股東大會為董事會與股東直接溝通之主要機會，故本公司視股東大會為一項重要事項。召開二零一一年股東週年大會之通告，連同年報及通函，已在開會前，超過二十個營業日發送予股東，而召開股東特別大會之通告連同通函，已在開會前超過十個營業日發送予股東，以讓股東有更多時間消化年報及通函之資料，及考慮是否參與會議。董事（包括獨立非執行董事）已出席分別於二零一一年五月及二零一一年十月舉行之二零一一年股東週年大會及股東特別大會並回答提問。

SHAREHOLDERS' RIGHTS (cont'd)

With the implementation of poll voting in lieu of show of hands at all general meetings of a listed company, shareholders can fully reflect their proprietary rights and interests by means of poll which is regarded as a fairer method of determination on business matters than voting on a show of hands at general meetings.

The Deputy Chairman of the Board, when acting as the Chairman of the 2011 AGM and special general meeting held on 26 May 2011 and on 28 October 2011 respectively, took the initiative to demand for a poll at the commencement of the meetings and explained the detailed procedures for conducting a poll to the shareholders. All resolutions were put to vote and passed by poll under the scrutiny of the independent share registrar. The poll results were made public by means of public announcements which were uploaded to the websites of the Company and the Stock Exchange.

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

Shareholders may put their enquires to the Board and also put forward proposals at general meetings by way of a written notice addressed to the Company Secretary at the principal office of the Company in Hong Kong.

INVESTOR RELATIONS

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

The Company maintains a corporate website (www.g-prop.com.hk) to make the Group's information, statutory announcements, and other financial and non-financial information available on the internet to facilitate its communication with shareholders.

The Company welcomes suggestions from investors and shareholders, and invites them to share their views and suggestions by contacting the Investor Relations Team at investor.relations@chineseestates.com.

股東權利(續)

隨著上市公司於所有股東大會上實行以投票方式表決以代替舉手方式表決，股東以投票方式表決能全面反映股東之財產權益，且於股東大會上作為股東決定業務之辦法，較舉手方式表決更為公平。

董事會副主席分別於二零一一年五月二十六日及二零一一年十月二十八日舉行之二零一一年股東週年大會及股東特別大會擔任主席時，於會議開始時主動要求以投票方式表決，並向股東解釋進行投票表決之詳細程序。在獨立股份過戶登記處之監察下，所有議案以投票方式表決及通過。投票方式表決之結果以公布之方式，已在本公司及聯交所之網頁公開上載。

本集團之法定公布、財務及其他資料可於本公司網頁瀏覽，並定期更新。

股東可向董事會作出提問，並以書面通知方式致本公司於香港之主要辦事處向公司秘書提交於股東大會提呈之建議。

投資者關係

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

本公司設有公司網頁(www.g-prop.com.hk)，使股東可透過互聯網取得本集團之資料、法定公告及其他財務和非財務資料，加強與股東之溝通。

本公司歡迎投資者及股東提出意見，並誠邀彼等聯絡投資者關係部，分享彼等之意見及建議。投資者關係部之電郵為：investor.relations@chineseestates.com。

CODE ON CORPORATE GOVERNANCE PRACTICES

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

The Company had applied the principles and complied with the requirements of the Code throughout the Year. Having carried out the review, none of the Directors was aware of any information that would reasonably indicate that the Company was during the Year, in compliance with the Code except for several deviations (some of them are minor deviations in form) as follows:—

Under code provision A.2 of the Code, one of the important roles of chairman is to ensure proper management of the board and, among other things, to ensure that all directors are properly briefed on issue arising at board meetings and the directors receive adequate information, which must be completed, reliable and in a timely manner. Although the office of chairman of the Company has not been filled since 1 June 2007, the Deputy Chairman of the Company has been acting as the chairman and fulfilled its role and function properly. Accordingly, the Board considers that such code provision has been complied with in substance.

Under code provision A.4.1 of the Code, non-executive directors should be appointed for specific terms and subject to re-election. The INEDs of the Company, however, are not appointed for any specific term. Notwithstanding that, they are subject to retirement by rotation at the Company's annual general meeting at least once every three years in accordance with the Company's Bye-laws. The Directors are of the view that the term of the INEDs is specific enough in substance.

企業管治常規守則

自二零零五年起，本公司已採納載於該守則之守則條文，以提高企業管治對本公司及其股東之利益。

本公司於本年度一直應用該守則所列之原則，並遵守該守則之規定。在作出審閱後，董事會概不知悉有任何資料可合理顯示本公司於本年度內並無遵守該守則。惟下述若干偏離者（若干只是形式上屬輕微偏離者）除外：—

根據該守則第A.2條守則條文，主席其中一項主要職務為確保董事會之妥善管理，主席應（其中包括）負責確保向全體董事妥為簡介董事會會議上商討之事宜，並確保董事及時收到充分的資訊，而有關資訊必須完整及可靠。儘管本公司主席一職自二零零七年六月一日以來懸空，本公司副主席已暫代主席之位並恰當地履行主席之職責及職務。故此，董事會認為在實質上已遵守該守則條文。

根據該守則第A.4.1條守則條文，非執行董事須按特定任期委任及須膺選連任。然而，本公司獨立非執行董事並非按任何特定任期委任。儘管如此，彼等須根據本公司之公司細則最少每三年於本公司股東週年大會上輪席卸任一次。董事會認為在實質上，獨立非執行董事之任期已足夠特定。

CODE ON CORPORATE GOVERNANCE PRACTICES (cont'd)

Under code provision C.2.2 of the Code, the board of a listed company should consider the adequacy of resources, qualifications and experience of staff of the listed company's accounting and financial reporting functions, and their training programmes and budget as part of internal control of the listed company in the annual corporate governance review. Under code provision C.3.3(g) of the Code, the terms of reference of the audit committee of a listed company should include the duty to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the listed company's accounting and financial reporting functions, and their training programmes and budget. Although the Company does not for the time being engage any staff, the Directors have secured the assistance of Chinese Estates, the holding company of the Company, to provide and to share with its accounting and financial reporting resources, including human resources, accounting programmes and other information system facilities to ensure that the Company has fulfilled the legal and the Listing Rules' requirements on the preparation of financial account reporting and internal control. The Directors believed that such arrangement with Chinese Estates would substantially reduce the cost of the Company in accounting, financial reporting and internal controls functions. The Audit Committee had carried out reviews in December 2011 on the adequacy of resources, qualifications and experience of the managerial staff of Chinese Estates who were responsible for accounting, financial reporting and internal control functions. Various training programmes had been conducted by a well-known audit firm for the managerial staff of Chinese Estates to enhance their knowledge, skill and work quality on accounting, financial reporting and internal control. The Board was satisfied with the current accounting labour resources, qualifications and experience of Chinese Estates. The Directors shall continue to use their best endeavours to ensure high efficiency and effectiveness and independence of the financial reporting system and internal control system of the Company under the aforesaid arrangement with Chinese Estates.

CONCLUSION

Notwithstanding there were several deviations from the code provisions (some of them are minor deviations in form), the Company trusts that it has achieved high standards of corporate governance during the Year. The Company believes that corporate governance principles and practices are essential to the business communities. Ongoing effort will be put to review its corporate governance practices from time to time so as to accommodate the changing circumstances. The Company will strive to maintain and strengthen the standard and quality of its corporate governance.

企業管治常規守則(續)

根據該守則第C.2.2條守則條文，上市公司董事會於每年企業管治週年審閱時，應考慮上市公司在會計及財務匯報職能方面的資源、員工之資歷及經驗與員工所接受的培訓課程及有關預算是否足夠，作為內部監控之一部分。根據該守則第C.3.3(g)條守則條文，上市公司審核委員會之職權範圍內之責任應包括與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統，包括考慮上市公司在會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠。儘管本公司現時並無僱員，董事會已取得本公司之控股公司華置提供及分享其會計及財務報告資源，包括人力資源、會計程式及其他資訊系統設施，使本公司能履行法律及上市規則就預備財務會計報告及內部監控之規定。董事會相信與華置達成此安排將能大大減少本公司於會計、財務報告及內部監控職能之成本。審核委員會已於二零一一年十二月已對華置負責會計、財務匯報及內部監控職能方面的管理層職員，就彼等之資源、員工資歷及經驗是否足夠進行審閱。由著名會計師事務所提供之多項培訓課程予華置管理層僱員以加強彼等於會計、財務報告及內部監控的知識、技巧及工作質素。董事會滿意華置現時之會計僱員的資源、資歷及經驗。董事會亦會繼續盡最大努力按照上述與華置之安排下確保本公司之財務報告及內部監控系統具高效率及效益以及獨立性。

總結

儘管存在若干守則條文之偏離者（若干只是形式上屬輕微之偏離者），本公司相信於本年度已達到高水平之企業管治。本公司相信企業管治原則及常規對商業社會而言至關重要，故本公司亦將持續不時檢討其企業管治常規，以符合環境上之轉變。本公司將致力維持、加強及改善其企業管治標準及質素。

Directors' Report

董事會報告書

The directors of the Company (the "Directors" or the "Board") are pleased to present to the shareholders their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2011 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements.

REVENUE AND OPERATING SEGMENTS INFORMATION

The Group's revenue and contribution to profit for the Year from operations analysed by principal activities are set out in notes 7 and 8 to the consolidated financial statements.

SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Particulars of the Company's principal subsidiaries and jointly controlled entities as at 31 December 2011 are set out in notes 33 and 17 to the consolidated financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 39.

An interim dividend for HK0.1 cent per share was declared for the Year (2010: Nil). The Board resolved to recommend the payment of a final dividend of HK0.1 cent per share for the Year (2010: HK0.2 cents per share).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 91.

本公司董事（「董事」或「董事會」）欣然向股東提呈董事會報告書連同本公司及其附屬公司（統稱「本集團」）截至二零一一年十二月三十一日止年度（「本年度」）之經審核綜合財務報表。

主要業務

本公司為投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註33。

收入及營運分類資料

本集團以主要業務劃分之收入及本年度經營溢利分析載於綜合財務報表附註7及8。

附屬公司及共同控制機構

本公司於二零一一年十二月三十一日之主要附屬公司及共同控制機構之詳情分別載於綜合財務報表附註33及17。

業績及分配

本集團於本年度之業績載於第39頁之綜合全面收益報表。

本年度宣派之中期股息為每股0.1港仙（二零一零年：無）。董事會議決建議派發本年度之末期股息每股0.1港仙（二零一零年：每股0.2港仙）。

財務概要

本集團過往五年之業績、資產及負債概要載於第91頁。

INVESTMENT PROPERTIES

Movements in investment properties during the Year are set out in note 15 to the consolidated financial statements.

A summary of the investment properties held by the Group as at 31 December 2011 is set out in the schedule of properties on page 92.

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in note 26 to the consolidated financial statements.

RESERVES

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

As at 31 December 2011, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$56,116,000 (2010: HK\$58,458,000).

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

投資物業

投資物業於本年度內之變動情況載於綜合財務報表附註15。

本集團於二零一一年十二月三十一日持有之投資物業之概要載於第92頁之物業附表。

股本

本公司之股本於本年度內之變動情況載於綜合財務報表附註26。

儲備

本集團之儲備於本年度內之變動情況載於綜合財務報表第42頁。

於二零一一年十二月三十一日，根據百慕達一九八一年公司法（經修訂）之規定所計算，本公司之可供分派儲備約為56,116,000港元（二零一零年：58,458,000港元）。

優先購買權

本公司於百慕達註冊成立，該司法轄區之法律並無優先購買權存在。

購回、出售或贖回上市證券

於本年度內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

DIRECTORS

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

Executive Directors:

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

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

Independent Non-executive Directors:

Dr. David Chain, Chi-woo

Mr. Lam, Yat-fai

Mr. Leung, Yun-fai

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

SERVICE CONTRACTS OF DIRECTORS

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

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

As at 31 December 2011, none of the Directors, chief executive(s) nor their associates, had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company under section 352 of the Securities and Futures Ordinance (the "SFO"), or otherwise notified the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

董事

本年度及直至本報告日期止，董事為：

執行董事：

江志明先生 (*副主席*)

梁榮邦先生 (*行政總裁*)

獨立非執行董事：

錢其武醫生

林日輝先生

梁潤輝先生

根據本公司之公司細則第87條，梁榮邦先生及林日輝先生將於本公司應屆股東週年大會上輪席卸任，並符合資格及願意膺選連任。

董事之服務合約

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

董事及最高行政人員於本公司及相聯法團之證券權益

於二零一一年十二月三十一日，概無董事、最高行政人員或彼等之聯繫人於本公司或其相聯法團之股份、相關股份或債券而須記錄於本公司按證券及期貨條例 (「證券及期貨條例」) 第352條而存置之登記冊內之任何權益或淡倉，或依據香港聯合交易所有限公司 (「聯交所」) 證券上市規則 (「上市規則」) 所載《上市發行人董事進行證券交易的標準守則》須知會本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

主要股東於本公司之證券權益

As at 31 December 2011, so far as are known to any Director or chief executive of the Company, the following parties (other than a Director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

據董事及本公司最高行政人員所知悉，於二零一一年十二月三十一日，本公司根據證券及期貨條例第336條須備存之登記冊所載錄或另行知會本公司，直接或間接擁有或被視為擁有本公司已發行股本5%或以上之權益之人士（董事或本公司最高行政人員除外）如下：

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

Notes:

附註：

(1) The entire issued share capital of Asian Kingdom Limited is owned by Crown Jade Limited, the entire issued share capital of which is wholly-owned by Mr. Lau. Crown Jade Limited and Mr. Lau were deemed to be interested in the same parcel of shares in which Asian Kingdom Limited was interested.

(1) Asian Kingdom Limited之全部已發行股本由Crown Jade Limited擁有，而Crown Jade Limited之全部已發行股本由劉先生全資擁有。Crown Jade Limited及劉先生被視為於Asian Kingdom Limited擁有權益之同一批股份中擁有權益。

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

Notes: (cont'd)

- (2) GZ Trust Corporation as trustee of a discretionary trust holds units in a unit trust of which Global King (PTC) Ltd. is the trustee. Global King (PTC) Ltd. is entitled to exercise more than one-third of the voting power at general meetings of Chinese Estates. Chinese Estates owns the entire issued share capital of Mass Rise. Accordingly, each of Global King (PTC) Ltd., GZ Trust Corporation and Chinese Estates was deemed to be interested in the same interests stated against Mass Rise.
- (3) Mr. Lau, by virtue of his 74.94% interests in the issued share capital of Chinese Estates, was deemed to be interested in the same interests stated against Chinese Estates.

All the interests stated above represent long position which included interests in shares and underlying shares. As at 31 December 2011, no short position was recorded in the register kept by the Company under section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2011, none of the Directors was interested in any business which competed or was likely to compete, either directly or indirectly, with the Company's businesses.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in the "Connected Transactions" as mentioned below, there were no contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

主要股東於本公司之證券權益 (續)

附註：(續)

- (2) GZ Trust Corporation (作為一項酌情信託之信託人)持有一項由Global King (PTC) Ltd.任信託人之單位信託基金之單位。Global King (PTC) Ltd.有權於華置之股東大會行使三分之一以上之投票權。華置擁有巨昇全部已發行股本。因此，Global King (PTC) Ltd.、GZ Trust Corporation及華置各被視為擁有巨昇所擁有之同等權益。
- (3) 由於劉先生擁有華置之已發行股本74.94%權益，故被視為擁有華置所擁有之同等權益。

上述所有權益均為好倉(包括股份及相關股份之權益)。於二零一一年十二月三十一日，本公司根據證券及期貨條例第336條存置之登記冊中並無任何淡倉記錄。

董事於競爭性業務之權益

於二零一一年十二月三十一日，董事概無於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

購買股份或債券之安排

本公司、其附屬公司、其控股公司或其控股公司之附屬公司概無於本年度內作出安排，以使董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

董事及控權股東於合約之權益

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

CONNECTED TRANSACTIONS

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

According to the Listing Rules, the First Loan Transaction constituted the continuing connected transactions of the Company and was approved by the independent shareholders of the Company at the special general meeting held on 12 December 2008. It expired on 3 November 2011.

In September 2011, before the expiry of the First Loan Transaction, the Company as lender made a conditional loan agreement with Fancy Mark as borrower, granting a three-year revolving facility of up to HK\$300 million, with Chinese Estates acting as guarantor for repayment of the loan commenced on 3 November 2011 (the "Second Loan Transaction"). The Second Loan Transaction was approved by the independent shareholders of the Company at the special general meeting held on 28 October 2011.

As at 31 December 2011, a total sum of HK\$300 million had been drawn by Fancy Mark.

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

The Company's auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors had issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

關連交易

於二零零八年十一月，本公司作為貸方與一間華置之全資擁有附屬公司Fancy Mark Limited (「Fancy Mark」)作為借方簽訂一份有條件貸款協議，提供最高200,000,000港元為期三年之循環貸款，而華置則就償還貸款作為擔保人(「第一項貸款交易」)。

根據上市規則，第一項貸款交易構成本公司持續關連交易，並已於二零零八年十二月十二日舉行之股東特別大會取得本公司之獨立股東批准，並於二零一一年十一月三日屆滿。

在第一項貸款交易到期前，於二零一一年九月本公司作為貸方與Fancy Mark作為借方簽訂一份有條件貸款協議，由二零一一年十一月三日開始，提供最高300,000,000港元為期三年之循環貸款，而華置則就償還貸款作為擔保人(「第二項貸款交易」)。第二項貸款交易已於二零一一年十月二十八日舉行之股東特別大會取得本公司之獨立股東批准。

於二零一一年十二月三十一日，Fancy Mark已借取合共300,000,000港元。

在審閱第一項貸款交易及第二項貸款交易後，本公司之獨立非執行董事，根據上市規則第14A.37條就所有持續關連交易進行週年審閱之規定(除按上市規則完全豁免之持續關連交易者外(如有))，確認儘管第一項貸款交易及第二項貸款交易並非本公司之日常業務，該等交易是按照一般商業條款，並根據該等交易之相關貸款協議條款進行，而交易條款屬公平及合理，且符合本公司股東之整體利益。

本公司之核數師受委聘就本集團之持續關連交易，按照香港會計師公會所頒布之香港核證工作準則3000「歷史財務信息審計或審閱以外的鑒證業務」，以及參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」進行報告。核數師已按上市規則第14A.38條發出無保留信函，包含其對有關持續關連交易作出之調查及結論。本公司已向聯交所呈交上述之核數師信函副本。

CONNECTED TRANSACTIONS (cont'd)

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

- (i) had received the approvals of the Board;
- (ii) had been entered into in accordance with the relevant agreements governing the First Loan Transaction and the Second Loan Transaction; and
- (iii) had not exceeded the caps disclosed in the previous announcements made on 4 November 2008 and 22 September 2011 respectively.

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

Related party transactions, including the said continuing connected transactions, entered into by the Group for the Year are disclosed in note 32 to the consolidated financial statements.

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

REMUNERATION POLICIES AND SHARE OPTION SCHEME

Remuneration package comprised salaries and year-end bonuses based on individual merits. The Company had adopted a share option scheme since 15 February 2002 (the "2002 Scheme"). Details of the 2002 Scheme are set out in note 28 to the consolidated financial statements. There were no outstanding options at the beginning and at the end of the Year. No options were granted, exercised, cancelled or lapsed during the Year. The 2002 Scheme expired on 14 February 2012.

RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

- (i) the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme"); and
- (ii) the provident fund scheme as defined in the Occupational Retirement Schemes Ordinance, Chapter 426 of the laws of Hong Kong (the "Top-up Scheme").

關連交易 (續)

本公司核數師已就上市規則第14A.38條確認第一項貸款交易及第二項貸款交易：

- (i) 已經由董事會批准；
- (ii) 乃根據第一項貸款交易及第二項貸款交易之有關協議條款進行；及
- (iii) 並無超逾先前分別於二零零八年十一月四日及二零一一年九月二十二日公布所披露之上限。

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

本年度，由本集團進行之關連人士交易，包括上述持續關連交易，已於綜合財務報表附註32披露。

就綜合財務報表附註32所披露之關連人士交易，倘構成根據上市規則所界定之持續關連交易，本公司已於本年度遵守上市規則第14A章的有關規定。

酬金政策及購股權計劃

酬金待遇包括薪金及按個別表現釐定之年終花紅。自二零零二年二月十五日，本公司採納購股權計劃（「二零零二年計劃」）。二零零二年計劃之詳情載於綜合財務報表附註28。本年初及年終並無購股權尚未行使。本年度亦無授出、行使、註銷或已經失效之購股權。二零零二年計劃已於二零一二年二月十四日屆滿。

退休福利計劃

本集團推行兩項退休福利計劃：

- (i) 香港法例第485章《強制性公積金計劃條例》所界定之公積金計劃（「強積金計劃」）；及
- (ii) 香港法例第426章《職業退休計劃條例》所界定之公積金計劃（「補足計劃」）。

RETIREMENT BENEFIT SCHEMES (cont'd)

Both the MPF Scheme and the Top-up Scheme were defined contribution schemes and the assets of both schemes were managed by their respective trustees accordingly.

The MPF Scheme was available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The statutory maximum level of relevant income for contribution purpose is HK\$20,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefit was required by law to be preserved until the retirement age of 65.

The Top-up Scheme was available to those employees with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Scheme were made by the Group at 5%, 7.5% or 10% of staff's basic salary (depending on the length of service) less the Group's mandatory contribution under the MPF Scheme. Staff members were entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or were entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service at least 3 years but less than 10 years. The Top-up Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the Top-up Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

Particulars of contribution to these schemes are set out in note 31 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's largest customer and five largest customers amounted for approximately 33.81% and 79.02% respectively, of the Group's total turnover for the Year.

The aggregate purchases attributable to the Group's largest supplier and four largest suppliers accounted for approximately 55.06% and 99.88% respectively, of the Group's total purchases for the Year.

Fancy Mark and Chase Master Company Limited, two wholly-owned subsidiaries of Chinese Estates, were one of the Group's five largest customers and four largest suppliers during the Year respectively. As at 31 December 2011, Chinese Estates, through its wholly-owned subsidiaries, beneficially owned 41.93% of the entire issued share capital of the Company, is deemed as a substantial shareholder (as defined in the Listing Rules) of the Company.

退休福利計劃(續)

強積金計劃及補足計劃均為界定供款計劃，該等計劃之資產均相應由各自之受託人管理。

強積金計劃可供所有18至64歲受僱於香港最少60日之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言，有關法定入息水平上限為每月20,000港元。不論其於本集團之服務年期，僱員均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。

補足計劃可供基本薪金超過20,000港元及／或年資超過5年之僱員參加。本集團乃根據僱員之基本薪金減去本集團根據強積金計劃作出之強制性供款，按其服務年期作出5%、7.5%或10%之補足計劃供款。僱員於服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。補足計劃容許本集團將任何已沒收供款（即本集團就任何可獲得全部供款前退出補足計劃之僱員而作出之供款）用以抵銷本集團現有之供款水平。

對該等計劃供款之詳情載於綜合財務報表附註31。

主要客戶及供應商

本集團最大客戶及五大客戶之營業總額分別約佔本集團本年度營業總額之33.81%及79.02%。

本集團最大供應商及四大供應商之購貨總額分別約佔本集團本年度購貨總額之55.06%及99.88%。

於本年度內，華置兩間全資擁有附屬公司Fancy Mark及Chase Master Company Limited，分別為本集團五大客戶及四大供應商其中之一。於二零一一年十二月三十一日，華置透過其全資擁有附屬公司，實益擁有本公司全部已發行股本41.93%，因此根據上市規則被視為本公司之主要股東。

MAJOR CUSTOMERS AND SUPPLIERS (cont'd)

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

ADVANCES TO AN ENTITY

As at 31 December 2011, pursuant to Rule 13.20 of the Listing Rules, the Group had made advances of HK\$300 million at HIBOR plus 1.5% per annum to Fancy Mark. The loan had been granted for the capital expenditure and general working capital of Chinese Estates and its subsidiaries. The loan is a three-year revolving facility, with Chinese Estates acting as the guarantor, but is unsecured, and repayable on demand with maturity date on 2 November 2014.

PUBLIC FLOAT

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

AUDITORS

The accounts for the Year were audited by Messrs HLB Hodgson Impey Cheng ("HLB") whose term of office will expire upon the forthcoming annual general meeting. In March 2012, the practice of HLB as partnership has been reorganized as HLB Hodgson Impey Cheng Limited. As such, HLB will not offer themselves for re-appointment as auditors of the Company at the annual general meeting. HLB have confirmed that there are no matters in connection with their retirement as auditors that need to be brought to the attention of the shareholders of the Company.

A resolution for the appointment of HLB Hodgson Impey Cheng Limited as new auditors of the Company for the ensuing year will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Kong, Chi-ming
Deputy Chairman

Hong Kong, 9 March 2012

主要客戶及供應商(續)

除上述外，董事、彼等之聯系人或本公司任何股東（據董事所知擁有本公司已發行股份逾5%者）概無於本年度擁有本集團任何四大供應商及五大客戶之權益。

給予某實體的貸款

於二零一一年十二月三十一日，根據上市規則第13.20條，本集團向Fancy Mark提供年利率以香港銀行同業拆息加1.5厘計息之貸款總共300,000,000港元。該貸款乃供華置及其附屬公司用作資本開支及作為一般營運資金用途。該貸款乃三年期循環貸款，並由華置作為擔保人，但無抵押而須於通知時償還，其到期還款日為二零一四年十一月二日。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告書日期已按上市規則規定維持指定數額之公眾持股量。

核數師

本年度之賬目經由國衛會計師事務所（「國衛」）審核，彼於應屆股東週年大會上任滿。國衛於二零一二年三月已由合夥業務營運模式重組為國衛會計師事務所有限公司。因此，國衛將不會在股東週年大會提出重選彼為本公司核數師。國衛已確認概無有關彼退任事宜須本公司股東垂注。

本公司將於應屆股東週年大會上提呈一項決議案，委任國衛會計師事務所有限公司為本公司來年之新核數師。

代表董事會
副主席
江志明

香港，二零一二年三月九日

Independent Auditors' Report

獨立核數師報告書



國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

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

TO THE SHAREHOLDERS OF G-PROP (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of G-Prop (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 90, which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致G-PROP (HOLDINGS) LIMITED股東

(金匡企業有限公司*)

(於百慕達註冊成立之有限公司)

吾等已審核第39頁至第90頁所載金匡企業有限公司* (「貴公司」) 及其附屬公司 (統稱「貴集團」) 之綜合財務報表。此綜合財務報表包括於二零一一年十二月三十一日之綜合財務狀況報表、與截至該日止年度之綜合全面收益報表、綜合股本權益變動表及綜合現金流量表，以及主要會計政策概要及其他資料說明。

董事編製綜合財務報表之責任

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

核數師之責任

吾等負責根據吾等之審核結果對綜合財務報表發表意見。本報告謹按照百慕達公司法第90條而僅向 閣下編製，並不作其他用途。吾等不會就報告內容而向任何其他人士負責或承擔責任。吾等按照香港會計師公會頒布之香港核數準則進行審核工作。該等準則要求吾等在策劃和進行審核工作時須符合道德規範，使吾等能就綜合財務報表是否存有重要錯誤陳述作合理之確定。

* 僅供識別

AUDITORS' RESPONSIBILITY (cont'd)

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2011 and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 9 March 2012

核數師之責任 (續)

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

吾等相信，就提出審核意見而言，吾等所獲審核憑證屬充分恰當。

意見

吾等認為，根據香港財務報告準則，綜合財務報表真實公平地反映 貴集團於二零一一年十二月三十一日之財務狀況以及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露要求妥為編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，二零一二年三月九日

Consolidated Statement of Comprehensive Income

綜合全面收益報表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Notes 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Revenue	收入	7	8,410	8,483
Costs of sales	銷售成本		(162)	(204)
Gross profit	毛利		8,248	8,279
Other income	其他收入	9	3,981	210
Administrative expenses	行政開支		(2,885)	(5,218)
Fair value changes on investment properties	投資物業之公平值變動		3,800	(4,150)
Profit (loss) before tax	除稅前溢利(虧損)		13,144	(879)
Income tax expense	所得稅開支	12	(50)	(980)
Profit (loss) for the year	本年度溢利(虧損)	10	13,094	(1,859)
Other comprehensive (expense) income	其他全面(支出)收益			
Fair value changes on available-for-sale financial assets	待售金融資產之公平值變動		(4,225)	5,415
Total comprehensive income for the year	本年度全面收益總額		8,869	3,556
Profit (loss) for the year attributable to owners of the Company	本公司擁有人應佔 本年度溢利(虧損)		13,094	(1,859)
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔 本年度全面收益總額		8,869	3,556
Earnings (loss) per share (HK cents)	每股盈利(虧損)(港仙)	14		
Basic and diluted	基本及攤薄		0.54	(0.08)

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

綜合財務報表附註乃綜合財務報表的一部分。

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2011 於二零一一年十二月三十一日

		Notes 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	15	32,150	28,350
Goodwill	商譽	16	2,939	2,939
Interests in jointly controlled entities	共同控制機構權益	17	–	–
Available-for-sale financial assets	待售金融資產	18	34,978	79,677
			70,067	110,966
Current assets	流動資產			
Available-for-sale financial assets	待售金融資產	18	41,908	85,031
Loan to a fellow subsidiary	借予同系附屬公司貸款	19	300,000	200,000
Debtors, deposits and prepayments	應收賬項、按金及預付款項	20	1,061	705
Short-term loans receivable	短期應收貸款	21	–	–
Time deposits and bank balances	定期存款及銀行結餘	22	75,650	91,242
			418,619	376,978
Current liabilities	流動負債			
Amount due to ultimate holding company	欠負最終控股公司款項	23	3	–
Amounts due to fellow subsidiaries	欠負同系附屬公司款項	24	103	230
Creditors and accruals	應付賬項及應計款項	25	488	1,220
Deposits and receipts in advance	按金及預收款項		438	427
Tax liabilities	稅項負債		11	9
			1,043	1,886
Net current assets	流動資產淨值		417,576	375,092
Total assets less current liabilities	資產總額減流動負債		487,643	486,058

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2011 於二零一一年十二月三十一日

		Notes	2011 HK\$'000 千港元	2010 HK\$'000 千港元
		附註		
Equity attributable to owners of the Company	本公司擁有人應佔股本權益			
Share capital	股本	26	24,282	24,282
Share premium	股份溢價		351,638	351,638
Translation reserve	匯兌儲備		234	234
Securities investments reserve	證券投資儲備		(2,907)	1,318
Retained profits	保留溢利			
– Proposed final dividend	– 擬派末期股息		2,428	4,857
– Others	– 其他		111,861	103,623
Total equity	股本權益總額		487,536	485,952
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	27	107	106
			487,643	486,058

Approved and authorised for issue by the Board of Directors on 9 March 2012 and signed on its behalf by:

已獲董事會於二零一二年三月九日批准及授權發布，並由下列董事代表董事會簽署：

Kong, Chi-ming
Director

江志明
董事

Leung, Wing-pong
Director

梁榮邦
董事

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

綜合財務報表附註乃綜合財務報表的一部分。

Consolidated Statement of Changes in Equity

綜合股本權益變動表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Share capital	Share premium	Translation reserve	Securities investments reserve	Retained profits	Total equity
		股本	股份溢價	匯兌儲備	證券投資 儲備	保留溢利	股本權益 總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2010	於二零一零年一月一日	24,282	351,638	234	(4,097)	112,767	484,824
Loss for the year	本年度虧損	-	-	-	-	(1,859)	(1,859)
Fair value changes on available-for-sale financial assets	待售金融資產之 公平值變動	-	-	-	5,415	-	5,415
Total comprehensive income (expense) for the year	本年度全面收益(支出) 總額	-	-	-	5,415	(1,859)	3,556
Final dividend paid	已付末期股息	-	-	-	-	(2,428)	(2,428)
At 31 December 2010	於二零一零年十二月三十一日	24,282	351,638	234	1,318	108,480	485,952
Profit for the year	本年度溢利	-	-	-	-	13,094	13,094
Fair value changes on available-for-sale financial assets	待售金融資產之 公平值變動	-	-	-	(4,225)	-	(4,225)
Total comprehensive (expense) income for the year	本年度全面(支出) 收益總額	-	-	-	(4,225)	13,094	8,869
Final dividend paid	已付末期股息	-	-	-	-	(4,857)	(4,857)
Interim dividend paid	已付中期股息	-	-	-	-	(2,428)	(2,428)
At 31 December 2011	於二零一一年十二月三十一日	24,282	351,638	234	(2,907)	114,289	487,536

The accompanying notes form an integral part of these consolidated financial statements. 綜合財務報表附註乃綜合財務報表的一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Operating activities	經營業務		
Profit (loss) before tax	除稅前溢利(虧損)	13,144	(879)
Adjustments for:	因下列事項之調整:		
Interest income	利息收入	(7,225)	(6,881)
Fair value changes on investment properties	投資物業之公平值變動	(3,800)	4,150
Net exchange (gain) loss	匯兌(收益)虧損淨額	(2,658)	2,451
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(539)	(1,159)
(Increase) decrease in debtors, deposits and prepayments	應收賬項、按金及預付款項(增加)減少	(356)	14
(Decrease) increase in creditors and accruals, deposits and receipts in advance	應付賬項及應計款項、按金及預收款項(減少)增加	(721)	9
Cash used in operating activities	用於經營業務之現金	(1,616)	(1,136)
Net Hong Kong Profits Tax paid	已付香港利得稅淨額	(47)	(58)
Net cash used in operating activities	用於經營業務之現金淨額	(1,663)	(1,194)
Investing activities	投資業務		
Redemption of available-for-sale financial assets	贖回待售金融資產	88,583	-
Interest received	已收利息	4,631	3,670
Loan to a fellow subsidiary	借予同系附屬公司貸款	(100,000)	-
Net cash (used in) generated from investing activities	(用於)來自投資業務之現金淨額	(6,786)	3,670
Financing activities	融資業務		
Dividends paid	已付股息	(7,285)	(2,428)
Net advances from ultimate holding company	最終控股公司墊款淨額	3	-
Net (repayment to) advances from fellow subsidiaries	同系附屬公司(還款)墊款淨額	(127)	41
Net cash used in financing activities	用於融資業務之現金淨額	(7,409)	(2,387)
Net (decrease) increase in cash and cash equivalents	現金及現金等值項目(減少)增加淨額	(15,858)	89
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	91,242	91,247
Effect of foreign exchange rate changes	匯率變動之影響	266	(94)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	75,650	91,242
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Time deposits and bank balances	定期存款及銀行結餘	75,650	91,242

The accompanying notes form an integral part of these consolidated financial statements. 綜合財務報表附註乃綜合財務報表的一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

1. GENERAL INFORMATION

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

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

The Company's principal activity is investment holding and the principal activities of its principal subsidiaries and jointly controlled entities are set out in Notes 33 and 17 respectively.

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

The accounting policies adopted in the consolidated financial statements for the year ended 31 December 2011 are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2010 except as described below.

1. 一般資料

本公司為一間於百慕達註冊成立之受豁免有限公司，而其股份於香港聯合交易所有限公司（「聯交所」）上市。其最終控股公司為Chinese Estates Holdings Limited（「華置」），一間於百慕達註冊成立，而其股份在聯交所上市之公司。本公司在香港之註冊辦事處及主要辦事處之地址於本年報「公司資料」一節中披露。

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

本公司之主要業務為投資控股，而其主要附屬公司及共同控制機構之主要業務分別載於附註33及17。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

除下述者外，截至二零一一年十二月三十一日止年度之綜合財務報表所採納之會計政策與編製本集團截至二零一零年十二月三十一日止年度之綜合財務報表所依循者一致。

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

In the current year, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1 January 2011. The new HKFRSs adopted by the Group in the consolidated financial statements are set out below:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transaction with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definition of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

The Group had early adopted the amendments to HKAS 12 “Deferred Tax: Recovery of Underlying Assets”, in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40 “Investment Property” for the financial year ended 31 December 2010 and this change in accounting policy has been consistently applied in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

於本年度，本集團已首次應用香港會計師公會（「香港會計師公會」）頒布並對本集團於二零一一年一月一日開始之財政年度生效之下列新訂或經修訂準則、修訂及詮釋（「新香港財務報告準則」）。本集團綜合財務報表所採納之新香港財務報告準則載列如下：

香港財務報告準則（修訂本）	2010年頒布之香港財務報告準則改進
香港財務報告準則第1號（修訂本）	首次採納者根據香港財務報告準則第7號對比較資料披露之有限豁免
香港會計準則第24號（經修訂）	關連人士披露
香港會計準則第32號（修訂本）	供股分類
香港（國際財務報告詮釋委員會）— 詮釋第14號（修訂本）	預付最低資金需求
香港（國際財務報告詮釋委員會）— 詮釋第19號	以股本工具抵銷金融負債

香港會計準則第24號（經修訂）闡明及簡化關連人士之定義。新定義強調關連人士關係之對稱觀念，並闡明人士及主要管理人員影響實體之關連人士關係之情況。經修訂準則亦提出，與政府及受與報告實體相同之政府控制、共同控制或行使重大影響力之實體進行之交易所豁免之一般關連人士披露規定。有關關連人士之會計政策經修訂後，反映經修訂準則下關連人士之定義。採納經修訂準則對本集團之財務狀況或表現並無產生任何影響。

在截至二零一零年十二月三十一日止財政年度，本集團已提早採納香港會計準則第12號（修訂本）「遞延稅項：收回相關資產」對按香港會計準則第40號「投資物業」以公平值列賬之投資物業以確認遞延稅項，該會計政策變動已貫徹地應用於綜合財務報表。

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

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

The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 1 (Amendments)	Disclosures – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ¹
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities ³
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure ⁵
HKFRS 9	Financial Instruments ⁵
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ²
HKAS 19 (Revised in 2011)	Employee Benefits ³
HKAS 27 (Revised in 2011)	Separate Financial Statements ³
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures ³
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities ⁴
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ³

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 July 2012

³ Effective for annual periods beginning on or after 1 January 2013

⁴ Effective for annual periods beginning on or after 1 January 2014

⁵ Effective for annual periods beginning on or after 1 January 2015

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

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

本集團並未提早採納下列已頒布但仍未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第1號（修訂本）	披露－嚴重高通脹及剔除首次採納者之固定日期 ¹
香港財務報告準則第7號（修訂本）	披露－金融資產轉讓 ¹
香港財務報告準則第7號（修訂本）	披露－金融資產及金融負債之抵銷 ³
香港財務報告準則第7號及香港財務報告準則第9號（修訂本）	香港財務報告準則第9號之強制生效日期及過渡披露 ⁵
香港財務報告準則第9號	金融工具 ⁵
香港財務報告準則第10號	綜合財務報表 ³
香港財務報告準則第11號	共同安排 ³
香港財務報告準則第12號	披露於其他實體之權益 ³
香港財務報告準則第13號	公平值計量 ³
香港會計準則第1號（修訂本）	其他全面收益項目之呈列 ²
香港會計準則第19號（2011年經修訂）	僱員福利 ³
香港會計準則第27號（2011年經修訂）	獨立財務報表 ³
香港會計準則第28號（2011年經修訂）	於聯營公司及合營公司之投資 ³
香港會計準則第32號（修訂本）	呈列－金融資產及金融負債之抵銷 ⁴
香港（國際財務報告詮釋委員會）－詮釋第20號	露天礦場之生產階段之剝採成本 ³

¹ 於二零一一年七月一日或之後開始之年度期間生效

² 於二零一二年七月一日或之後開始之年度期間生效

³ 於二零一三年一月一日或之後開始之年度期間生效

⁴ 於二零一四年一月一日或之後開始之年度期間生效

⁵ 於二零一五年一月一日或之後開始之年度期間生效

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

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

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

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

3. 主要會計政策概要

綜合財務報表已根據香港會計師公會頒布之香港財務報告準則（包括所有適用之香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）及香港公認會計原則而編製。此外，綜合財務報表亦包括聯交所證券上市規則（「上市規則」）及香港公司條例之披露規定所規定之適用披露事項。

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

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

(a) Basis of consolidation

Subsidiaries

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

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

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

3. 主要會計政策概要 (續)

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

(a) 綜合賬目基準

附屬公司

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

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

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

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

(a) Basis of consolidation (cont'd)

Subsidiaries (cont'd)

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

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

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

Transactions with non-controlling interests

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

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

3. 主要會計政策概要 (續)

(a) 綜合賬目基準 (續)

附屬公司 (續)

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

集團內公司間之交易、結餘及交易之未變現收益會予以對銷。未變現虧損亦予以對銷。

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

非控股權益交易

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

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

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

(a) Basis of consolidation (cont'd)

Transactions with non-controlling interests (cont'd)

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

(b) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is measured as the excess of the sum of the consideration transferred, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in the consolidated statement of comprehensive income as a bargain purchase gain.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3. 主要會計政策概要 (續)

(a) 綜合賬目基準 (續)

非控股權益交易 (續)

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

(b) 商譽

收購業務所產生之商譽按於收購業務當日確立之成本扣除累計減值虧損（如有）列賬。

商譽按轉讓代價總額超出所收購可辨別資產扣除所承擔負債後於收購日期之金額之差額計量。倘經重新評估後，所收購可辨別資產扣除所承擔負債後於收購日期之金額超出轉讓代價總額，則該差額即時在綜合全面收益報表內確認為議價收購收益。

就減值測試而言，商譽會分配至本集團各預期可受惠於合併之協同效益之現金產生單位（或多組現金產生單位）。

商譽所屬之現金產生單位會每年（或於有跡象顯示該單位可能出現減值時更頻密地）進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。任何商譽之減值虧損會直接於綜合全面收益報表中之損益確認。商譽之已確認減值虧損不會於往後期間撥回。

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

(b) Goodwill (cont'd)

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

(c) Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

3. 主要會計政策概要 (續)

(b) 商譽 (續)

出售相關現金產生單位而釐定出售盈虧時，會計入商譽所佔之金額。

(c) 共同控制機構

共同控制機構指涉及另行成立獨立機構，而其合營方擁有對該機構之經濟活動共同控制權之合營安排。

共同控制機構之業績及資產與負債利用會計權益法計入綜合財務報表。根據權益法，共同控制機構權益以成本在綜合財務狀況報表內列賬，並經本集團攤佔共同控制機構損益及股本權益變動之收購後變動而調整，減任何已識別減值虧損列賬。倘本集團攤佔共同控制機構之虧損相等於或高出其所佔該共同控制機構權益（包括任何實質上構成本集團於該共同控制機構之淨投資一部分之任何長期權益），則本集團會終止確認其攤佔之其他虧損。本集團會就額外攤佔之虧損撥備，並會確認負債，惟僅以本集團已產生法定或推定責任或代表該共同控制機構付款為限。

倘集團實體與本集團之共同控制機構進行交易，則會以本集團所佔有關共同控制機構權益為限而對銷未變現損益，惟倘未變現虧損證實已轉讓資產出現減值，則全數確認虧損。

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

(d) Impairment losses

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

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

(e) Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from the changes in the fair value of the investment properties are included in the consolidated statement of comprehensive income for the year in which they arise.

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

3. 主要會計政策概要 (續)

(d) 減值虧損

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

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

(e) 投資物業

投資物業為持作賺取租金收入及／或資本增值用途之物業。於首次確認時，投資物業乃按成本（包括任何直接應佔之開支）計量。於首次確認後，投資物業利用公平值計量。投資物業公平值變動所產生之盈虧會於產生年度計入綜合全面收益報表。

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

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

(f) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. 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 the consolidated statement of comprehensive income.

Financial assets

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

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

3. 主要會計政策概要 (續)

(f) 金融工具

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

金融資產

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

實際利率法

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

除分類為通過損益以反映公平值之金融資產外，債務工具之利息收入按實際利率計算確認。

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

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Loans and receivables

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

Available-for-sale financial assets

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

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

Impairment of financial assets

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

3. 主要會計政策概要 (續)

(f) 金融工具 (續)

金融資產 (續)

貸款及應收款項

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

待售金融資產

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

然而，利用實際利率法計算之利息會於綜合全面收益報表確認。

金融資產減值

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

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

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

Objective evidence of impairment could include:

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

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

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

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

3. 主要會計政策概要 (續)

(f) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

減值客觀證據可包括：

- (i) 發行人或交易方出現嚴重財困；
- (ii) 無力支付或拖欠利息或本金額；或
- (iii) 借款人有可能破產或進行財務重組。

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

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

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

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

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

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

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

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

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

Financial liabilities and equity

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

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

3. 主要會計政策概要 (續)

(f) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

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

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

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

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

金融負債及股本權益

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

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

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

(f) Financial instruments (cont'd)

Financial liabilities and equity (cont'd)

Effective interest method

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

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

Other financial liabilities

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

Equity instruments

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

Derecognition

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

3. 主要會計政策概要 (續)

(f) 金融工具 (續)

金融負債及股本權益 (續)

實際利率法

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

除分類為通過損益以反映公平值之金融負債外，利息開支按實際利率計算確認。

其他金融負債

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

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

取消確認

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

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

(f) Financial instruments (cont'd)

Derecognition (cont'd)

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

(g) Revenue recognition

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

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

(h) 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.

3. 主要會計政策概要 (續)

(f) 金融工具 (續)

取消確認 (續)

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

(g) 收入確認

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

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

(h) 稅項

所得稅開支指當期應付稅項及遞延稅項之總和。

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

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

(h) Taxation (cont'd)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, 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 deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised. Current and deferred tax are recognised to the consolidated statement of comprehensive income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

3. 主要會計政策概要 (續)

(h) 稅項 (續)

遞延稅項按綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相關稅基兩者之差異確認。遞延稅項負債通常會就所有應課稅暫時差異確認，而遞延稅項資產則限於較可能於日後取得應課稅溢利，並可用以抵銷可扣減暫時差異時確認。若暫時差異因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中首次確認其他資產及負債而引致，則不會確認該等遞延稅項資產及負債。

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

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

遞延稅項乃按預期於負債償還或資產變現期間之適用稅率計算。當期稅項及遞延稅項會於綜合全面收益報表中確認，惟有關項目於其他全面收益或股本權益之中確認，其當期稅項及遞延稅項亦會於其他全面收益或直接於股本權益中確認。若當期稅項或遞延稅項乃因首次就業務合併入賬而產生，其稅務影響會納入業務合併之會計處理中。

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

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

(i) Leasing

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

The Group as lessor

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

(j) Foreign currencies

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

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

(k) Retirement benefits costs

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

3. 主要會計政策概要 (續)

(i) 租賃

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

本集團為出租人

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

(j) 外幣

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

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

(k) 退休福利成本

界定供款退休福利計劃之供款於僱員提供服務以有權取得供款時確認為開支。

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

(l) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. 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.

(m) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

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

- (1) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) both entities are joint ventures of the same third party.

3. 主要會計政策概要 (續)

(l) 撥備

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

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

(m) 關連人士

(i) 倘屬以下人士，即該人士或與該人士關係密切的家庭成員與本集團有關連：

- (1) 控制或共同控制本集團；
- (2) 對本集團有重大影響力；或
- (3) 為本集團或本集團母公司的主要管理人員。

(ii) 倘符合下列任何條件，即該實體與本集團有關連：

- (1) 該實體與本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
- (2) 一實體為另一實體的聯營公司或合營公司（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營公司）。
- (3) 兩間實體均為同一第三方的合營公司。

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

(m) Related parties (cont'd)

- (ii) An entity is related to the Group if any of the following conditions applies: (cont'd)
- (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (6) the entity is controlled or jointly controlled by a person identified in (i).
 - (7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgments in applying accounting policies

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

3. 主要會計政策概要 (續)

(m) 關連人士 (續)

- (ii) 倘符合下列任何條件，即該實體與本集團有關連：(續)
- (4) 一實體為一第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。
 - (5) 該實體為本集團或本集團相關實體之僱員離職後福利計劃。
 - (6) 該實體受(i)項所述人士控制或共同控制。
 - (7) 於(i)(1)項所述人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理人員。

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

4. 重大會計判斷及估計不明確因素之主要來源

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

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

應用會計政策時之關鍵判斷

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Critical judgments in applying accounting policies (cont'd)

Investment properties

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

Impairment of goodwill

The Group performs annual tests on whether there has been impairment of goodwill in accordance with the accounting policy stated in Note 3. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments:

Financial assets

Available-for-sale financial assets
Loans and receivables (including time deposits and bank balances)

Financial liabilities

Amortised cost

金融資產

待售金融資產
貸款及應收款項 (包括定期存款及銀行結餘)

金融負債

攤銷成本

4. 重大會計判斷及估計不明確因素之主要來源 (續)

應用會計政策時之關鍵判斷 (續)

投資物業

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

商譽之減值

本集團根據附註3所述之會計政策每年對商譽進行減值測試。現金產生單位之可收回金額會根據使用價值計算法釐定。使用價值計算法需要管理層對未來業務營運、稅前貼現率及其他有關使用價值計算法之假設作出估計及假設。

5. 金融工具

(a) 金融工具類別：

2011 HK\$'000 千港元	2010 HK\$'000 千港元
76,886	164,708
376,270	291,511
968	1,798

5. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale financial assets, loan to a fellow subsidiary, debtors and deposits, short-term loans receivable, time deposits and bank balances, amount due to ultimate holding company, amounts due to fellow subsidiaries, creditors and accruals and deposits received. 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. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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

Market risk

(i) Foreign currency risk

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

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

Assets	資產
EURO ("EUR")	歐元(「歐元」)
USD	美元

5. 金融工具 (續)

(b) 金融風險管理目標及政策

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

本集團有關金融工具之風險或管理及計量該等風險之方式並無變動。

市場風險

(i) 外幣風險

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

本集團以外幣計值之貨幣資產於報告期末之賬面值如下：

2011 HK\$'000 千港元	2010 HK\$'000 千港元
—	40,952
77,166	130,635

5. FINANCIAL INSTRUMENTS (cont'd)

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

Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the HK\$ against the relevant foreign currencies. As HK\$ are pegged to USD, it is assumed that there would be no material currency risk exposure between these two currencies and therefore is excluded from the analysis below. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

A positive/negative number below indicates an increase/decrease in profit where the relevant currencies strengthen 5% against HK\$.

Impact of EUR	歐元之影響
Profit or loss	盈虧

The Group's sensitivity to foreign currency has decreased during the current year mainly due to the decrease in monetary net assets denominated in EUR.

(ii) Cash flow interest rate risk

The Group does not have any bank borrowings.

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

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

5. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

敏感度分析

下表詳列本集團對港元兌相關外幣之匯率上升及下跌5%之敏感度。由於港元與美元掛鈎，故假設兩種貨幣之間並無重大貨幣風險，亦不會載於下文之分析內。於內部向主要管理人員報告外幣風險時會用5%作為敏感度比率，而有關比率為管理層對匯率可能合理出現之變動作出之評估。

下文之正數/負數表示相關貨幣兌港元之匯率轉強5%時溢利增加/減少數額。

2011 HK\$'000 千港元	2010 HK\$'000 千港元
-	2,048

本集團對外幣之敏感度於本年度減少，主要是因為以歐元計值之貨幣淨資產減少。

(ii) 現金流量利率風險

本集團並無任何銀行借貸。

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

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

5. FINANCIAL INSTRUMENTS (cont'd)

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

Market risk (cont'd)

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

Sensitivity analysis

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

- profit before tax for the year ended 31 December 2011 would increase/decrease by approximately HK\$2,232,000 (2010: loss before tax decrease/increase HK\$2,225,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate financial assets; and
- no impact to the other component of equity for the years ended 31 December 2011 and 2010.

(iii) Price risk

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

Sensitivity analysis

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

- profit before tax for the years ended 31 December 2011 and 2010 would not increase/decrease; and
- other component of equity for the year ended 31 December 2011 would increase/decrease by approximately HK\$3,844,000 (2010: HK\$8,235,000).

5. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(ii) 現金流量利率風險(續)

敏感度分析

倘浮動利率上升/降低50個基點，則本集團：

- 截至二零一一年十二月三十一日止年度之除稅前溢利將增加/減少約2,232,000港元(二零一零年：除稅前虧損減少/增加2,225,000港元)。此乃主要由於本集團所承受之浮息金融資產之利率風險所致；及
- 截至二零一一年及二零一零年十二月三十一日止年度之股本權益內其他成份不受影響。

(iii) 價格風險

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

敏感度分析

倘價格上升/下降5%，則本集團：

- 截至二零一一年及二零一零年十二月三十一日止年度之除稅前溢利不會增加/減少；及
- 截至二零一一年十二月三十一日止年度之股本權益內其他成份將增加/減少約3,844,000港元(二零一零年：8,235,000港元)。

5. FINANCIAL INSTRUMENTS (cont'd)

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

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2011 in relation to each class of recognised financial assets are the carrying amounts of those assets. With respect to credit risk arising from loan to a fellow subsidiary, the Group's exposure to risk of default of the counterparty is limited as the counterparty has good history of repayment. The Group's time deposits are deposited with banks of high credit quality in Hong Kong.

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

In an attempt to forestall adverse market movement, the Group also monitors potential exposures to each financial institution counterparty.

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

Liquidity risk

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

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

The contractual maturities at the end of the reporting period of the Group's financial liabilities which are required to be repaid within one year or on demand amounted to HK\$968,000 (2010: HK\$1,798,000).

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險

本集團就倘若交易方未能履行彼等於二零一一年十二月三十一日有關各類已確認金融資產之責任所面對最大信貸風險為該等資產之賬面值。就借予同系附屬公司貸款所產生之信貸風險，由於交易方還款歷史良好，本集團所面對因交易方違約而產生之信貸風險有限。本集團之定期存款存於香港高信貸質素之銀行。

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

為不利之市場變動預先作準備，本集團亦監察每間金融機構交易方之潛在風險。

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

流動資金風險

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

於報告期末，本集團並無重大之流動資金風險。

於報告期末，須於一年內或按要求時償還之本集團金融負債為968,000港元（二零一零年：1,798,000港元）。

5. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value estimation

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

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

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

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

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

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2011	於二零一一年十二月三十一日				
Available-for-sale financial assets	待售金融資產	76,886	-	-	76,886
At 31 December 2010	於二零一零年十二月三十一日				
Available-for-sale financial assets	待售金融資產	164,708	-	-	164,708

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

5. 金融工具 (續)

(c) 公平值估計

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

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

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

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

下表顯示按公平值分級制所劃分按公平值記錄本集團之金融工具分析：

	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2011				
Available-for-sale financial assets	76,886	-	-	76,886
At 31 December 2010				
Available-for-sale financial assets	164,708	-	-	164,708

公平值分級制內第一級、第二級及第三級之間並無轉撥。

5. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value estimation (cont'd)

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

6. CAPITAL RISK MANAGEMENT

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

The Directors actively and regularly review and manage the Group's capital structure to maximise the returns to shareholders through the optimisation of the debt afforded by a sound capital position, and make adjustments to the capital structure in light of changes in economic conditions. The Group's overall strategy remains unchanged from 2010.

Consistent with others in the industry, the Group monitors its capital structure on the basis of the gearing ratio. At 31 December 2011 and 2010, the Group's gearing ratio was undefined because the Group did not have any borrowings at the end of each reporting period.

7. REVENUE

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

Property rental income
Interest income from investment and finance

收入指已收及應收之合計金額，分析如下：

物業租金收入
投資及融資利息收入

5. 金融工具 (續)

(c) 公平值估計 (續)

於活躍市場買賣之金融工具之公平值即各報告期末所報之市價。倘即時及定時透過交易所、交易商、經紀、業界組別、報價服務或監管機構獲得報價，且該等價格屬實際及定期按公平基準進行之市場交易，則市場可視為活躍。本集團所持金融資產所用之市場報價為目前之買入價。此等工具已計入第一級。

6. 資本風險管理

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

董事積極並定時檢討及管理本集團之資本架構，透過以完善資本狀況支持優化債務及於經濟條件發生變動時對資本架構作出調整，為股東爭取最大之回報。本集團整體策略與二零一零年保持不變。

本集團運用資本負債比率監察其資本結構，此舉與行業其他業者貫徹一致。於二零一一年及二零一零年十二月三十一日，由於本集團於各報告期末並無任何借貸，故並無界定資本負債比率。

7. 收入

	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Property rental income	1,764	1,695
Interest income from investment and finance	6,646	6,788
	8,410	8,483

8. OPERATING SEGMENTS

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

The Group has engaged two reportable segments – (i) investment and finance; and (ii) properties investment. The segmentations are based on the information about the operations of the Group that management uses to make decisions.

Principal activities are as follows:

Investment and finance	–	Investing and financing activities
Properties investment	–	Property leasing

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

The Group's measurement methods used to determine reported segment profit or loss remain unchanged from 2010.

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

Included in revenue arising from investment and finance of HK\$6,646,000 (2010: HK\$6,788,000) is revenue of approximately HK\$5,070,000 (2010: HK\$5,961,000) which arose from the Group's three (2010: four) major customers and each customer accounted for more than 10% of the Group's total revenue.

8. 營運分類

本集團根據主要營運決策者用於作出策略決定時審閱之報告釐定營運分類。

本集團擁有兩個可呈報分類 – (i) 投資及融資；及 (ii) 物業投資。本集團乃以管理層用作決策之本集團營運資料進行分類。

主要業務活動如下：

投資及融資	–	投資及融資業務
物業投資	–	物業租賃

本集團以扣除稅項開支前（惟不包括主要非現金項目）之經營溢利或虧損為基準評估表現。主要非現金項目為投資物業之公平值變動。於兩個年度並無可入賬之分類間收入。

本集團用於釐定已呈報分類溢利或虧損之計量方式自二零一零年起維持不變。

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

於投資及融資產生之收入6,646,000港元（二零一零年：6,788,000港元）中約5,070,000港元（二零一零年：5,961,000港元）之收入來自本集團三名（二零一零年：四名）主要客戶，而每名客戶佔本集團收入總額超過10%。

8. OPERATING SEGMENTS (cont'd)

Operating segment information is presented below:

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2011

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

Consolidated Statement of Financial Position

At 31 December 2011

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

8. 營運分類 (續)

營運分類資料呈列如下：

綜合全面收益報表

截至二零一一年十二月三十一日止年度

	Investment and finance 投資及融資 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
	6,646	1,764	8,410
	9,304	1,619	10,923
			579
			(2,158)
			(50)
			9,294
			3,800
			13,094

綜合財務狀況報表

於二零一一年十二月三十一日

	Investment and finance 投資及融資 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
	448,279	37,468	485,747
			2,939
			488,686
	536	496	1,032
			118
			1,150

8. OPERATING SEGMENTS (cont'd)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

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

Consolidated Statement of Financial Position

At 31 December 2010

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

8. 營運分類 (續)

綜合全面收益報表

截至二零一零年十二月三十一日止年度

Investment and finance 投資及融資 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
6,788	1,695	8,483
4,437	1,508	5,945
		93
		(2,767)
		(980)
		2,291
		(4,150)
		(1,859)

綜合財務狀況報表

於二零一零年十二月三十一日

Investment and finance 投資及融資 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
452,846	32,159	485,005
		2,939
		487,944
1,326	551	1,877
		115
		1,992

8. OPERATING SEGMENTS (cont'd)

Geographical information

For the years ended 31 December 2011 and 2010, all the Group's operations are located in Hong Kong. The Group's revenue is all derived from Hong Kong for both years.

9. OTHER INCOME

Included in other income are:

Interest income
Exchange gain, net

其他收入包括：

利息收入
匯兌收益淨額

8. 營運分類 (續)

地區資料

截至二零一一年及二零一零年十二月三十一日止年度，本集團在香港經營所有業務。在兩個年度本集團之收入全部來自香港。

9. 其他收入

2011 HK\$'000 千港元	2010 HK\$'000 千港元
579	93
2,658	-

10. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived
at after (charging) crediting:

Total staff costs:
Directors' emoluments
Salaries and other benefits
Retirement benefit scheme contributions

Auditors' remuneration
Exchange loss, net

Gross rental income from investment properties
Less: Direct operating expenses from investment
properties that generated rental income
during the year
Direct operating expenses from investment
properties that did not generate rental
income during the year

本年度溢利 (虧損)
已 (扣除) 計入：

僱員成本總額：
董事酬金
薪金及其他福利
退休福利計劃供款

核數師酬金
匯兌虧損淨額

投資物業之租金收入總額
減：本年度產生租金收入
之投資物業直接經營
開支
本年度並無產生租金
收入之投資物業直接
經營開支

10. 本年度溢利 (虧損)

2011 HK\$'000 千港元	2010 HK\$'000 千港元
(470)	(410)
(989)	(899)
(52)	(40)
(1,511)	(1,349)
(300)	(300)
-	(2,451)
1,764	1,695
(146)	(187)
(16)	(17)
1,602	1,491

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

Fees and other emoluments paid or payable to the Directors for the years ended 31 December 2011 and 2010 were as follows:

Mr. Kong, Chi-ming	江志明先生
Mr. Leung, Wing-pong	梁榮邦先生
Dr. David Chain, Chi-woo	錢其武醫生
Mr. Lam, Yat-fai	林日輝先生
Mr. Leung, Yun-fai	梁潤輝先生

2011			2010		
Fee	Salaries and other emoluments	Total	Fee	Salaries and other emoluments	Total
袍金	薪金及其他酬金	總額	袍金	薪金及其他酬金	總額
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
10	-	10	10	-	10
10	-	10	10	-	10
150	-	150	130	-	130
150	-	150	130	-	130
150	-	150	130	-	130
470	-	470	410	-	410

No Directors waived any emoluments for the years ended 31 December 2011 and 2010.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, all (2010: all) were Directors whose emoluments were included in (a).

During the years ended 31 December 2011 and 2010, 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.

11. 董事及僱員酬金

(a) 董事酬金

截至二零一一年及二零一零年十二月三十一日止年度，已付或應付予各董事之袍金及其他酬金如下：

董事概無於截至二零一一年及二零一零年十二月三十一日止年度內放棄收取任何酬金。

(b) 僱員酬金

本集團五名最高薪酬僱員，全部（二零一零年：全部）為董事，其酬金資料載列於(a)項。

於截至二零一一年及二零一零年十二月三十一日止年度內，本集團概無為吸引加入本集團或於加入本集團時或作為離職補償而向董事支付任何酬金。

12. INCOME TAX EXPENSE

12. 所得稅開支

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
The charge comprises:	支出包括：		
Current tax:	當期稅項：		
Hong Kong	香港	49	51
Deferred tax	遞延稅項	1	929
		50	980

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) on the estimated assessable profits for the year.

香港利得稅乃根據本年度之估計應課稅溢利按稅率16.5%（二零一零年：16.5%）計算。

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

本年度之所得稅支出與綜合全面收益報表之除稅前溢利（虧損）對賬如下：

		2011		2010	
		HK\$'000 千港元	%	HK\$'000 千港元	%
Profit (loss) before tax	除稅前溢利（虧損）	13,144		(879)	
Tax at the Hong Kong Profits Tax rate of 16.5% (2010: 16.5%)	按香港利得稅稅率16.5% （二零一零年：16.5%） 計算之稅項	2,169	16.5	(145)	16.5
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之 稅務影響	(12)	(0.1)	(556)	63.3
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣減開支之 稅務影響	(1,466)	(11.1)	950	(108.1)
Tax effect of tax losses not recognised	未確認之稅務虧損之 稅務影響	382	2.9	1,619	(184.2)
Utilisation of tax losses previously not recognised	運用先前未確認之 稅務虧損	(1,023)	(7.8)	(888)	101.0
Tax charge for the year	本年度稅項支出	50	0.4	980	(111.5)

13. DIVIDENDS

(a) Final dividend for 2010 paid on 17 June 2011 of HK0.2 cents (2009: HK0.1 cent) per share

(a) 於二零一一年六月十七日已派付之二零一零年末期股息每股0.2港仙(二零零九年: 0.1港仙)

(b) Interim dividend for 2011 paid on 28 September 2011 of HK0.1 cent (2010: Nil) per share

(b) 於二零一一年九月二十八日已派付之二零一一年中期股息每股0.1港仙(二零一零年: 無)

Total dividends paid

已派付股息總額

13. 股息

2011 HK\$'000 千港元	2010 HK\$'000 千港元
4,857	2,428
2,428	—
7,285	2,428

Final dividend of HK0.1 cent (2010: HK0.2 cents) per ordinary share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

董事建議派付末期股息每股普通股0.1港仙(二零一零年: 0.2港仙), 有待股東於應屆股東週年大會上批准。

14. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share is based on the profit attributable to owners of the Company of HK\$13,094,000 (2010: loss of HK\$1,859,000) and on the weighted average number of 2,428,255,008 (2010: 2,428,255,008) ordinary shares in issue during the year.

14. 每股盈利(虧損)

每股基本及攤薄盈利(虧損)乃根據本公司擁有人應佔溢利13,094,000港元(二零一零年: 虧損1,859,000港元)及本年度已發行普通股之加權平均數2,428,255,008股(二零一零年: 2,428,255,008股)計算。

Diluted earnings (loss) per share for the years ended 31 December 2011 and 2010 was the same as the basic earnings (loss) per share as there were no diluting events during both years.

截至二零一一年及二零一零年十二月三十一日止年度, 由於並無攤薄事項, 故上述兩個年度之每股攤薄盈利(虧損)與每股基本盈利(虧損)相同。

15. INVESTMENT PROPERTIES

15. 投資物業

		HK\$'000 千港元
Fair value	公平值	
At 1 January 2010	於二零一零年一月一日	32,500
Decrease in fair value recognised in the consolidated statement of comprehensive income	於綜合全面收益報表中確認之公平值減少	(4,150)
		<hr/>
At 31 December 2010	於二零一零年十二月三十一日	28,350
Increase in fair value recognised in the consolidated statement of comprehensive income	於綜合全面收益報表中確認之公平值增加	3,800
		<hr/>
At 31 December 2011	於二零一一年十二月三十一日	32,150
		<hr/> <hr/>

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

根據營業租約持有以賺取租金或作資本增值之本集團所有物業權益乃採用公平值模式計量，並分類及入賬列作投資物業。

Property valuations as at 31 December 2011 and 2010 were carried out by B.I. Appraisals Limited ("B.I. Appraisals"), independent qualified professional valuers, who hold a recognised professional qualification and have recent relevant experience. Property valuation was arrived at by reference to market evidence of transaction prices for similar properties at similar locations.

獨立合資格專業估值師保柏國際評估有限公司（「保柏國際評估」）已於二零一一年及二零一零年十二月三十一日進行物業估值。保柏國際評估持有認可專業資格，並具有近期之相關經驗。物業估值乃參照類似地點同類物業之成交價之市場憑證釐定。

The valuation report for the investment properties as at 31 December 2011 is signed by a director of B.I. Appraisals, who is a member of The Hong Kong Institute of Surveyors. The valuation is performed in accordance with The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

於二零一一年十二月三十一日，投資物業之估值報告由保柏國際評估之董事（香港測量師學會會員）簽署。該估值乃遵守香港測量師學會所頒布之物業估值準則（二零零五年第一版）進行重估。

The Group's investment properties are under long-term leases in Hong Kong as at 31 December 2011 and 2010.

於二零一一年及二零一零年十二月三十一日，本集團之投資物業於香港按長期租約持有。

16. GOODWILL

16. 商譽

		HK\$'000 千港元
Cost	成本	
At 1 January 2010,	於二零一零年一月一日、	
31 December 2010	二零一零年十二月三十一日	
and 31 December 2011	及二零一一年十二月三十一日	2,939
Impairment	減值	
At 1 January 2010,	於二零一零年一月一日、	
31 December 2010	二零一零年十二月三十一日	
and 31 December 2011	及二零一一年十二月三十一日	—
Carrying amounts	賬面值	
At 31 December 2010	於二零一零年十二月三十一日	
and 31 December 2011	及二零一一年十二月三十一日	2,939

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash-generating unit ("CGU"). The carrying amount of goodwill (net of accumulated impairment losses) as at 31 December 2011 and 2010 was allocated as follow:

商譽減值測試

為進行減值測試，商譽已分配至以下現金產生單位（「現金產生單位」）。於二零一一年及二零一零年十二月三十一日，商譽之賬面值（扣除累計減值虧損）分配如下：

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Investment properties	投資物業	2,939	2,939

The recoverable amount for the CGU has been determined based on value-in-use calculation using five-year cash flow projection approved by the Directors. The pre-tax discount rate of approximately 8.96% (2010: 11.67%) per annum was applied to the cash flow projection when assessing the recoverability of the CGU containing goodwill.

現金產生單位之可收回金額會利用董事批准之五年現金流量預測，根據使用價值計算法釐定。於評估已包含商譽之現金產生單位之可收回程度時，現金流量預測應用之稅前年貼現率約為8.96%（二零一零年：11.67%）。

There are a number of assumptions and estimates involved for the preparation of the cash flow projection. Key assumptions included gross margin and discount rate which are determined by the Directors based on past performance and its expectation for market development. The values assigned to key assumptions are based on historical experience, current market condition, approved forecasts and consistent with external information sources. Gross margin are budgeted gross margin. The discount rate used was determined with reference to weighted average cost of capital of similar companies in the industry reflected specific risks relating to the industry. The Directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amounts of the CGU to exceed the recoverable amounts of CGU. During the years ended 31 December 2011 and 2010, the Directors determine that there is no impairment of the goodwill.

編製現金流量預測涉及多項假設及估計。主要假設包括由董事根據過往表現及其對市場發展預測釐定之毛利率及貼現率。主要假設所用之價值以過往之經驗、市場現況及經批准預測為基礎，並符合外部資料來源。毛利率乃預算毛利率，而所採用之貼現率乃參照業內同類型公司之加權平均資本成本釐定，並反映與行業相關之特定風險。董事相信，任何該等假設可能合理出現之任何變動不會導致現金產生單位賬面值超出現金產生單位之可收回金額。於截至二零一一年及二零一零年十二月三十一日止年度內，董事評定商譽並無減值。

17. INTERESTS IN JOINTLY CONTROLLED ENTITIES

17. 共同控制機構權益

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Share of net assets of jointly controlled entities	攤佔共同控制機構淨資產	-	-

Details of the Group's jointly controlled entities, which are held indirectly by the Company as at 31 December 2011, are as follows: 本公司間接持有之本集團共同控制機構於二零一一年十二月三十一日之詳情如下:

Name of jointly controlled entity	Form of business and structure	Place of incorporation	Proportion of nominal value of issued share capital held 所持已發行股本面值比率	Principal activities
共同控制機構名稱	業務組建形式	註冊成立地點		主要業務
Golden Royce Investment Limited 金萊斯投資有限公司	Incorporated 註冊成立	Hong Kong 香港	40%	Dormant 暫無營業
Top Grade Assets Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Dormant 暫無營業
Upgrade Properties Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Dormant 暫無營業

The summarised financial information in respect of the Group's jointly controlled entities is set out below: 本集團之共同控制機構之財務資料概述如下:

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Total assets	資產總額	-	-
Total liabilities	負債總額	(160,145)	(160,138)
Net liabilities	淨負債	(160,145)	(160,138)
Net assets attributable to the Group	本集團應佔淨資產	-	-
Revenue	收入	-	-
Loss for the year	本年度虧損	(7)	(3,990)
Profit for the year attributable to the Group	本集團應佔本年度溢利	-	-

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

18. 待售金融資產

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Available-for-sale financial assets comprise:	待售金融資產包括：		
Club debentures (Note 1)	會籍債券(附註1)	-	-
Floating rate notes	浮息票據		
Listed (Note 2)	上市(附註2)	-	38,976
Unlisted (Note 3)	非上市(附註3)	76,886	125,732
		76,886	164,708
Analysis for reporting purposes as:	作報告用途之分析：		
Non-current assets	非流動資產	34,978	79,677
Current assets	流動資產	41,908	85,031
		76,886	164,708

Notes:

- (1) The club debentures classified as available-for-sale financial assets are stated at cost less accumulated impairment losses. The costs of club debentures were HK\$220,000 and a full provision for impairment have been made during the year of 2007.
- (2) At 31 December 2010, the listed floating rate note which carried interest at Euro Interbank Offered Rates plus 0.2% per annum, payable on quarterly basis, was denominated in EUR.
- (3) The unlisted floating rate notes with maturity dates in 2012 and 2014 carry interest at LIBOR plus 0.3% to 0.35% per annum, payable on quarterly basis, and the balances with maturity date in 2012 were classified as current assets. At the end of the reporting period, the unlisted floating rate notes are denominated in USD.

附註：

- (1) 分類為待售金融資產之會籍債券按成本扣除累計減值虧損入賬。會籍債券之成本為220,000港元，已於二零零七年度作出全數減值撥備。
- (2) 於二零一零年十二月三十一日，按年利率歐洲銀行同業拆息加0.2厘計息並須按季付款之上市浮息票據以歐元為單位。
- (3) 到期日為二零一二年至二零一四年之非上市浮息票據按年利率倫敦銀行同業拆息加0.3厘至0.35厘計息，須按季付款，而到期日為二零一二年之結餘已分類為流動資產。於報告期末，該等非上市浮息票據以美元為單位。

19. LOAN TO A FELLOW SUBSIDIARY

On 4 November 2008, the Company, as lender, entered into a loan agreement with Fancy Mark Limited ("Fancy Mark"), a subsidiary of Chinese Estates, as borrower, and Chinese Estates, as guarantor, to grant a three-year revolving facility of up to HK\$200 million to Fancy Mark at an interest rate of HIBOR plus 1% per annum ("First Revolving Loan").

On 22 September 2011, the Company, as lender, entered into a new loan agreement to renew the First Revolving Loan with revised principal of HK\$300 million with the same parties for three-year commenced from 3 November 2011 at an interest rate of HIBOR plus 1.5% per annum ("Second Revolving Loan").

For further details of the Second Revolving Loan, please refer to the Company's circular dated 12 October 2011.

19. 借予同系附屬公司貸款

於二零零八年十一月四日，本公司（作為貸方）與華置之附屬公司Fancy Mark Limited（「Fancy Mark」，作為借方）及華置（作為擔保人）訂立一份貸款協議，向Fancy Mark提供一筆最多200,000,000港元之三年期循環貸款融資，此貸款之年利率為香港銀行同業拆息加1厘（「第一筆循環貸款」）。

於二零一一年九月二十二日，本公司（作為貸方）與同一訂約方訂立一份新貸款協議，續新第一筆循環貸款，本金額修訂為300,000,000港元，自二零一一年十一月三日起計為期三年，此貸款之年利率為香港銀行同業拆息加1.5厘（「第二筆循環貸款」）。

有關第二筆循環貸款之更詳細資料，請參閱本公司日期為二零一一年十月十二日之通函。

Name of fellow subsidiary	同系附屬公司名稱	Highest balance during the year 年內最高結餘 HK\$'000 千港元	2011		2010
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fancy Mark	Fancy Mark				
– First Revolving loan	– 第一筆循環貸款	200,000	–	–	200,000
– Second Revolving loan	– 第二筆循環貸款	300,000	300,000	–	–

20. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade receivables of HK\$8,400 (2010: Nil) comprised rental receivables billed in advance and settlements from tenants are expected upon receipts of billings.

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables. Rental in respect of leased properties are payable in advance by the tenants.

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

0 – 30 days	零至三十日
31 – 60 days	三十一日至六十日

Total trade receivables as at 31 December 2011 were past due but not impaired.

Despite the fact that no collateral is held, the Group has assessed the creditworthiness, past payment history and settlement after the end of the reporting period, and considered that the amounts are still recoverable and no allowance for doubtful debts is required.

20. 應收賬項、按金及預付款項

應收賬項、按金及預付款項內包括應收貿易款項 8,400 港元（二零一零年：無），當中包括預先開單而預期租戶會於收到租單後支付之應收租金。

本集團已制訂明確之信貸政策，以評估每名交易對手之信貸質素。本集團密切監察收款情況，務求盡量減低有關該等應收貿易款項之信貸風險。租賃物業之租金須由租戶預先支付。

應收貿易款項（扣除呆賬撥備）於報告期末之賬齡分析如下：

2011 HK\$'000 千港元	2010 HK\$'000 千港元
4	—
4	—
8	—

於二零一一年十二月三十一日應收貿易款項總額已逾期但未被減值。

總額雖然並無抵押，本集團已就其信譽、過往還款記錄及於報告期末後之結賬作出評估，並認為該數額仍可收回，無需要作呆賬撥備。

21. SHORT-TERM LOANS RECEIVABLE

Loans receivable	應收貸款
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備
Less: Amounts written off as uncollectible during the year	減：本年度內撇銷為不可收回之款項

21. 短期應收貸款

2011 HK\$'000 千港元	2010 HK\$'000 千港元
3,203	3,203
-	(3,203)
(3,203)	-
-	-

The Group maintained a defined credit policy in accordance with respective loan agreements and the Group did not hold any collateral over these balances.

本集團因應個別之貸款協議而採用既定之信貸政策，而本集團並無就該等結餘持有任何抵押品。

22. TIME DEPOSITS AND BANK BALANCES

The time deposits carry interests at prevailing market deposit rates and mature within one month. The Group does not hold collateral over the balances.

22. 定期存款及銀行結餘

定期存款按當時之市場存款利率計息，並於一個月內到期。本集團並無就結餘持有抵押。

23. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount due to ultimate holding company is unsecured, interest-free and repayable on demand.

23. 欠負最終控股公司款項

欠負最終控股公司款項為無抵押、免息及按要求償還。

24. AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts due to fellow subsidiaries are unsecured, interest-free and repayable on demand.

24. 欠負同系附屬公司款項

欠負同系附屬公司款項為無抵押、免息及按要求償還。

25. CREDITORS AND ACCRUALS

There were no trade payables included in creditors and accruals as at 31 December 2011 and 2010.

25. 應付賬項及應計款項

於二零一一年及二零一零年十二月三十一日，應付賬項及應計款項內並無包括應付貿易賬項。

26. SHARE CAPITAL

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定股本：		
At 1 January 2010,	於二零一零年一月一日、		
31 December 2010	二零一零年十二月三十一日		
and 31 December 2011	及二零一一年十二月三十一日	80,000,000,000	800,000
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2010,	於二零一零年一月一日、		
31 December 2010	二零一零年十二月三十一日		
and 31 December 2011	及二零一一年十二月三十一日	2,428,255,008	24,282

26. 股本

27. DEFERRED TAX LIABILITIES

The following is the major deferred tax liabilities provided (assets recognised) by the Group and movements thereon during the current and prior reporting periods:

27. 遞延稅項負債

以下為本集團於本報告期間及過往報告期間作出撥備之主要遞延稅項負債（確認資產）及其變動：

		Investment properties 投資物業 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日	105	(928)	(823)
Charged to the consolidated statement of comprehensive income	於綜合全面收益報表扣除	1	928	929
At 31 December 2010	於二零一零年十二月三十一日	106	-	106
Charged to the consolidated statement of comprehensive income	於綜合全面收益報表扣除	1	-	1
At 31 December 2011	於二零一一年十二月三十一日	107	-	107

For the purpose of the presentation in the consolidated statement of financial position, certain deferred tax liabilities and assets have been offset.

為呈列綜合財務狀況報表，若干遞延稅項負債及資產已經對銷。

At 31 December 2011, the Group has unused tax losses of HK\$702,362,000 (2010: HK\$705,677,000) available for offset against future profits. No deferred tax assets have been recognised due to the unpredictability of future profit streams. All unused tax losses may be carried forward indefinitely.

於二零一一年十二月三十一日，本集團可用作對銷未來溢利但尚未動用之稅項虧損為702,362,000港元（二零一零年：705,677,000港元）。由於未能預測日後溢利來源，故本集團並無確認遞延稅項資產。所有未動用之稅項虧損可無限期結轉。

28. SHARE OPTION SCHEME

The Company adopted a share option scheme on 15 February 2002 (“2002 Scheme”) for the primary purpose of providing incentives to Directors and eligible employees. Pursuant to the terms of the 2002 Scheme, the Company may grant options to Directors and full time employees of the Company or its subsidiaries to subscribe for ordinary shares in the Company at a consideration of HK\$10 per grant. The subscription price for the shares under the 2002 Scheme shall be a price determined by the Directors being at least the higher of the closing price of the shares as stated in the Stock Exchange’s daily quotation sheets on the date of grant, or the average closing price of the shares stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant. Options granted are exercisable at any time during a period to be notified by the Directors but limited to a maximum period of ten years after the date the options are granted. Options granted should be accepted within 21 days from date of offer.

There were no outstanding options at the beginning and at the end of the year. No option was granted, exercised, cancelled or lapsed during the year and the said scheme expired on 14 February 2012.

29. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2011 and 2010, the Group did not have any material capital commitments and contingent liabilities.

30. OPERATING LEASES

At 31 December 2011 and 2010, the Group did not have any material operating lease commitments.

31. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution retirement schemes in Hong Kong, namely the Occupational Retirement Scheme (“ORSO Scheme”) and the Mandatory Provident Fund Scheme (“MPF Scheme”). Contributions to the ORSO Scheme are based on a percentage of employees’ salaries ranging from 5% to 10%, depending upon the length of service of the employees. From 1 December 2000, newly joined employees are compulsorily required to join the MPF Scheme. The employer and its employees are each required to make contributions to the scheme at rates specified in the rules of the MPF Scheme.

The total costs charged to the consolidated statement of comprehensive income of approximately HK\$52,000 (2010: HK\$40,000) represented contributions payable to these schemes by the Group for the year.

28. 購股權計劃

本公司於二零零二年二月十五日採納一項購股權計劃（「二零零二年計劃」），主要目的是獎勵董事及合資格僱員。根據二零零二年計劃之條款，本公司可按每次10港元之代價向本公司或其附屬公司之董事及全職僱員授出可認購本公司普通股之購股權。二零零二年計劃之股份認購價由董事決定，惟最低為股份於授出日期在聯交所每日報價表所示之收市價或股份於緊接授出日期前五個營業日在聯交所每日報價表所示之收市價平均值（以較高者為準）。已授出之購股權於董事知會之期間內可隨時行使，惟該期間最長以購股權授出日期起計十年為限。所授出之購股權於提呈日期起計21天內可供接納。

本年度年初及年終並無購股權尚未行使。本年度亦無授出、行使、註銷或已失效之購股權，而上述計劃已於二零一二年二月十四日屆滿。

29. 資本承擔及或然負債

於二零一一年及二零一零年十二月三十一日，本集團並無任何重大資本承擔及或然負債。

30. 營業租約

於二零一一年及二零一零年十二月三十一日，本集團並無任何重大營業租約承擔。

31. 退休福利計劃

本集團參與香港界定供款退休計劃之職業退休計劃（「職業退休計劃」）及強制性公積金計劃（「強積金計劃」）。本集團向職業退休計劃作出僱員薪酬之5%至10%供款（視乎僱員服務年資）。由二零零零年十二月一日起加入本集團之新僱員均須參加強積金計劃。僱主及僱員均需為強積金計劃規則內列明之比率供款。

於綜合全面收益報表扣除之總費用約為52,000港元（二零一零年：40,000港元），即本集團於本年度向該等計劃應付之供款。

32. MATERIAL RELATED PARTY TRANSACTIONS

Transactions:

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

Interest income on loan to a fellow subsidiary (Note 1)	借予同系附屬公司貸款之 利息收入(附註1)
Management fee paid to a fellow subsidiary (Note 2)	同系附屬公司收取之 管理費(附註2)

Notes:

- (1) Interest income was charged on outstanding balance during the year, details are set out in Note 19.
- (2) Management fee was based on the terms mutually agreed by both parties.

Balances:

Details of the balances with related parties at the end of reporting period are set out in Notes 19, 23 and 24.

Key management personnel emoluments:

Remuneration for key management personnel is disclosed in Note 11(a).

32. 重大關連人士交易

交易:

除綜合財務報表其他部分已披露者外，本集團於本年度與關連人士進行以下重大交易：

2011 HK\$'000 千港元	2010 HK\$'000 千港元
2,843	2,354
90	132

附註:

- (1) 利息收入根據年內尚欠結餘計算，詳情載於附註19。
- (2) 管理費根據雙方互相協定之條款計算。

結餘:

於報告期末，與關連人士之交易結餘詳情載於附註19、23及24。

主要管理人員酬金:

主要管理人員酬金於附註11(a)內披露。

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the following list contains only the subsidiaries as at 31 December 2011 which principally affected the results or assets of the Group.

33. 主要附屬公司詳情

董事會認為列出全部附屬公司資料會令篇幅過於冗長。故此，下表只列出於二零一一年十二月三十一日對本集團之業績或資產有重要影響之附屬公司。

Name of subsidiary	Place of incorporation/ operation	Class of share/ registered capital held	Fully paid share capital/ registered capital	Proportion of nominal value of paid-up capital/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
附屬公司名稱	註冊成立/ 經營地點	所持股份/ 註冊資本 類別	繳足股本/ 註冊資本	本公司所持繳足股本/ 註冊資本面值之百分比		主要業務
				直接	間接	
Grow Wealth Company Ltd (Business name: Grow Wealth Property Investment Limited) (業務名稱: Grow Wealth Property Investment Limited)	Republic of Liberia/Hong Kong 利比里亞共和國/ 香港	Registered 記名股	US\$1 1美元	–	100%	Property investment 物業投資
G-Prop Services Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Investment and finance 投資及融資
Minkind Development Limited 名佳發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property investment 物業投資

None of the subsidiaries had issued any debt securities subsisting at the end of the reporting period or at any time during the reporting period.

於報告期末或於報告期內任何時間，並無附屬公司發行任何仍然有效之債務證券。

34. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

The Company's statement of financial position at 31 December 2011 and 2010 are as follows:

34. 本公司財務狀況報表之資料

本公司於二零一一年及二零一零年十二月三十一日之財務狀況報表如下：

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Non-current asset	非流動資產		
Investments in subsidiaries	附屬公司投資	61,914	154,260
Current assets	流動資產		
Loan to a fellow subsidiary	借予同系附屬公司貸款	300,000	200,000
Prepayment and other receivables	預付款項及其他應收款項	958	463
Time deposits and bank balances	定期存款以及銀行結餘	69,944	80,583
		370,902	281,046
Current liabilities	流動負債		
Amount due to ultimate holding company	欠負最終控股公司款項	3	–
Amounts due to fellow subsidiaries	欠負同系附屬公司款項	87	149
Accruals and other payables	應計款項及其他應付款項	352	359
		442	508
Net current assets	流動資產淨值	370,460	280,538
Total assets less current liabilities	資產總額減流動負債	432,374	434,798
Equity attributable to owners of the Company	本公司擁有人應佔股本權益		
Share capital (Note 26)	股本(附註26)	24,282	24,282
Share premium	股份溢價	351,638	351,638
Retained profits	保留溢利		
– Proposed final dividend	– 擬派末期股息	2,428	4,857
– Others	– 其他	53,688	53,601
Total equity	股本權益總額	432,036	434,378
Non-current liability	非流動負債		
Amounts due to subsidiaries	欠負附屬公司款項	338	420
		432,374	434,798

34. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(cont'd)

- (a) The HKICPA has issued the new HKFRSs which are effective for the Company's financial year beginning 1 January 2011. The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

The Company has undertaken to provide necessary financial resources to support the future operations of the subsidiaries. The Directors are of the opinion that the subsidiaries are financially resourceful in settling obligations.

- (b) The carrying amount of the investment in subsidiaries is reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.
- (c) Except for an amount due from subsidiary of HK\$40,852,000 (2010: HK\$36,507,000) is interest-bearing, the amounts due from (to) subsidiaries are unsecured, interest-free and have no fixed repayment terms.
- (d) Profit of the Company for the year ended 31 December 2011 amounted to approximately HK\$4,943,000 (2010: HK\$3,665,000).

34. 本公司財務狀況報表之資料(續)

- (a) 香港會計師公會已頒布於本公司在二零一一年一月一日開始之財政年度生效之新香港財務報告準則。應用新香港財務報告準則並無對本會計期間或過往會計期間業績及財務狀況之編製及呈列方式構成任何重大影響。

本公司已承諾提供所需財務資源，以支持附屬公司之未來經營。董事認為，各附屬公司具有足夠財務資源履行責任。

- (b) 附屬公司投資賬面值減少至其可收回金額，有關可收回金額乃參考預期來自各附屬公司之估計未來現金流量釐定。
- (c) 除附屬公司欠款為數40,852,000港元(二零一零年：36,507,000港元)之款項須計息外，附屬公司欠款(欠負附屬公司款項)為無抵押、免息及並無固定還款期。
- (d) 截至二零一一年十二月三十一日止年度，本公司溢利約為4,943,000港元(二零一零年：3,665,000港元)。

35. EVENTS AFTER THE REPORTING PERIOD

The Group does not have material events after the end of the reporting period.

36. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 9 March 2012.

35. 報告期末後事項

報告期末後本集團概無重大事件發生。

36. 授權刊發綜合財務報表

董事會已於二零一二年三月九日批准及授權刊發綜合財務報表。

Five-Year Financial Summary 五年財務概要

Summary of the results, assets and liabilities of the Group for the last five years is as follows:

本集團過去五年之業績、資產與負債概要如下：

		For the year ended 31 December 截至十二月三十一日止年度				
		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Results	業績					
Revenue	收入	8,410	8,483	9,099	6,790	2,812
Profit (loss) before tax from continuing operations	來自持續經營業務之除稅前溢利(虧損)	13,144	(879)	12,267	(5,731)	15,297
Income tax (expense) credit	所得稅(開支)抵免	(50)	(980)	379	2,690	1,334
Profit (loss) for the year from continuing operations	本年度來自持續經營業務之溢利(虧損)	13,094	(1,859)	12,646	(3,041)	16,631
Loss for the year from discontinued operations	本年度來自已終止經營業務之虧損	-	-	-	(1,813)	(1,438)
Profit (loss) for the year attributable to owners of the Company	本公司擁有人應佔本年度溢利(虧損)	13,094	(1,859)	12,646	(4,854)	15,193
Earnings (loss) per share (HK cents)	每股盈利(虧損)(港仙)					
Basic	基本	0.54	(0.08)	0.56	(0.24)	1.49
Diluted	攤薄	0.54	(0.08)	0.56	(0.24)	1.39
Final and interim dividends per share (HK cents)	每股末期及中期股息(港仙)	0.2	0.2	0.1	-	-

Note: The calculation of the basic earnings (loss) per share is based on the profit (loss) attributable to owners of the Company for the years and on the weighted average number of shares in issue during the relevant years. The diluted earnings (loss) per share is calculated by adjusting the profit (loss) attributable to owners of the Company and on the weighted average number of shares in issue for the effects of all dilutive potential shares during the relevant years.

附註：每股基本盈利(虧損)乃根據當年度本公司擁有人應佔溢利(虧損)及有關年度已發行股份之加權平均股數計算。每股攤薄盈利(虧損)乃根據經調整之本公司擁有人應佔溢利(虧損)及有關年度已發行股份加權平均股數以反映所有潛在股份攤薄效應作出計算。

		At 31 December 於十二月三十一日				
		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	資產總額	488,686	487,944	486,772	301,330	532,342
Total liabilities	負債總額	(1,150)	(1,992)	(1,948)	(3,952)	(166,683)
Equity attributable to owners of the Company	本公司擁有人應佔股本權益	487,536	485,952	484,824	297,378	365,659
Net asset value per share attributable to owners of the Company (HK\$)	本公司擁有人應佔每股資產淨值(港元)	0.20	0.20	0.20	0.15	0.18
Number of shares issued	已發行股份數目	2,428,255,008	2,428,255,008	2,428,255,008	2,028,255,008	2,028,255,008

Schedule of Properties

物業附表

Particulars of the Group's properties at 31 December 2011 are as follows: 本集團於二零一一年十二月三十一日之物業詳情如下:

INVESTMENT PROPERTIES

投資物業

Location	Lot number	Usage	Category of the lease term	Group's interest
地點	地段編號	用途	租期類別	本集團所佔權益
1. 25 car parking spaces on various floors and 5 adjoining spaces at the 2nd and 4th floors of the Bank of East Asia Harbour View Centre, No. 56 Gloucester Road, Wanchai, Hong Kong 香港灣仔 告士打道56號 東亞銀行港灣中心 數層之25個車位及 2樓與4樓之5個毗鄰空間	Certain parts or shares of and in the Remaining Portion of Inland Lot No. 2818, The Remaining Portion of Section D of Inland Lot No. 2818, The Remaining Portion of Section F of Inland Lot No. 2817 and Section M of Inland Lot No. 2817 內地段第2818號餘段、 內地段第2818號D段餘段、 內地段第2817號F段餘段以及 內地段第2817號M段之若干部分或份額	Parking 車位	Long 長期	100%
2. 6 car parking spaces and carport basement of No. 9 Queen's Road Central, Central, Hong Kong 香港中環 皇后大道中9號 6個車位及地庫停車場	Certain parts or shares of and in Section A of Marine Lot No. 101, Section B of Marine Lot No. 101, The Remaining Portion of Section C of Marine Lot No. 101, The Remaining Portion of Marine Lot No. 101, The Remaining Portion of Section A of Marine Lot No. 102, Section C of Marine Lot No. 103 and The Remaining Portion of Inland Lot No. 514 海傍地段第101號A段、 海傍地段第101號B段、 海傍地段第101號C段餘段、 海傍地段第101號餘段、 海傍地段第102號A段餘段、 海傍地段第103號C段以及 內地段第514號餘段之若干部分或份額	Parking 車位	Long 長期	100%



G.PROP
(HOLDINGS) LIMITED