

Financial Operation Review

財務業務回顧

RESULTS

Revenue

Revenue for the Year amounted to HK\$2,151.3 million (year ended 31st December, 2008: HK\$1,264.9 million), a 70.1% increase over last year. The increase was mainly due to recording of revenue of sales proceeds recognised from York Place and i-home of HK\$1,126.0 million and other properties of HK\$91.7 million (year ended 31st December, 2008: property revenue of HK\$370.4 million).

The loss in the sales of held-for-trading investment on a net basis was HK\$115.5 million (year ended 31st December, 2008: HK\$116.1 million) was included in revenue.

Rental

For property leasing, the rental revenue in retail section jumped by 3.3% to HK\$645.9 million. Rental revenue from non-retail section had also shown an increase of 9.3% to HK\$367.2 million during the Year. The Year recorded an increase of 5.4% in total rental revenue to HK\$1,013.1 million as compared with HK\$961.6 million in 2008. Together with the attributable rental revenue generated from associates of HK\$82.3 million (year ended 31st December, 2008: HK\$116.0 million), the total attributable rental revenue to the Group after non-controlling interests reached to approximately HK\$1,092.3 million (year ended 31st December, 2008: HK\$1,074.6 million), which achieved a 1.7% increase over last year.

Attributable net rental income for the Year showed HK\$992.8 million, a 2.7% increase over HK\$966.4 million in 2008.

業績

收入

本年度之收入為2,151,300,000港元(截至二零零八年十二月三十一日止年度: 1,264,900,000港元), 較去年增加70.1%, 該增加主要來自出售York Place及i-home所錄得之收入為1,126,000,000港元及其他物業收入91,700,000港元(截至二零零八年十二月三十一日止年度: 其他物業收入370,400,000港元)。

按淨額基準呈報出售之持作買賣投資虧損為115,500,000港元(截至二零零八年十二月三十一日止年度: 116,100,000港元)已包括在本年度之收入中。

租金

在物業租賃方面, 零售部分之租金收入躍升3.3%至645,900,000港元, 非零售部分之租金收入於本年度亦取得9.3%之增長至367,200,000港元。本年度錄得之租金總收入較去年增加5.4%, 由二零零八年961,600,000港元增至1,013,100,000港元。連同應佔聯營公司租金收入82,300,000港元(截至二零零八年十二月三十一日止年度: 116,000,000港元), 本集團扣除非控股權益後應佔租金總收入達至約1,092,300,000港元(截至二零零八年十二月三十一日止年度: 1,074,600,000港元), 較去年上升1.7%之升幅。

本年度的應佔租金收入淨額為992,800,000港元, 較二零零八年之966,400,000港元增加2.7%。

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Property Development and Trading

In relation to property sales, an attributable profit of HK\$83.6 million (year ended 31st December, 2008: HK\$186.0 million) was recorded. The major components recorded in gross profit are: sales of MOD 595 in Mongkok and i-home in Tai Kok Tsui had contributed an attributable profit to the Group of approximately HK\$17.0 million (year ended 31st December, 2008: HK\$52.3 million) and HK\$82.5 million (year ended 31st December, 2008: nil) respectively, York Place in Wanchai had a book loss of approximately HK\$34.9 million. Book loss represented sales revenue less book cost. York Place was previously an investment property and was transferred to stock of properties in 2008 at its then market value. For those units sold and recognised in the Year, the book cost included a valuation surplus of HK\$451.6 million. If the valuation surplus is excluded from the book cost, a profit of HK\$416.7 million would be resulted.

A unit of Gemstar Tower in Hunghom (61.96% interest) and a unit of The Zenith in Wanchai (87.5% interest) sold during the Year had contributed an attributable profit to the Group of HK\$2.5 million (year ended 31st December, 2008: HK\$61.3 million) and HK\$2.3 million (year ended 31st December, 2008: HK\$9.8 million) respectively.

In respect of properties held by an associate, Indihome in Tsuen Wan (50% interest) and Miami Crescent in Sheung Shui (50% interest) continuously generated profit of HK\$1.6 million (year ended 31st December, 2008: HK\$5.8 million) and HK\$4.0 million (year ended 31st December, 2008: HK\$26.6 million) respectively, the mentioned profits was reflected in the share of results of associates. For the sale of Parc Palais in Homantin (10% interest), a contribution of HK\$7.4 million (year ended 31st December, 2008: HK\$25.4 million) was recorded in investment income.

In the current year, the forfeited deposits received for York Place and i-home recorded in other income were approximately HK\$9.5 million and HK\$0.7 million respectively (year ended 31st December, 2008: HK\$0.7 million being forfeited deposits of The Zenith).

業績 (續)

物業發展及買賣

有關物業銷售方面，錄得應佔溢利83,600,000港元（截至二零零八年十二月三十一日止年度：186,000,000港元）。列入毛利之主要部分包括銷售旺角MOD 595及大角咀i-home，分別為本集團帶來約17,000,000港元（截至二零零八年十二月三十一日止年度：52,300,000港元）及82,500,000港元（截至二零零八年十二月三十一日止年度：無）之應佔溢利，灣仔York Place賬面虧損約34,900,000港元，賬面虧損乃指銷售收入減去賬面成本。York Place早前為投資物業，並於二零零八年按其當時市值轉撥至物業存貨。對於本年度已出售並確認之單位，其賬面成本包括估值盈餘451,600,000港元。倘賬面成本撇除估值盈餘，將得出溢利416,700,000港元。

紅磡駿昇中心（佔61.96%權益）及灣仔尚翹峰（佔87.5%權益）於本年度各出售一個單位，分別為本集團帶來2,500,000港元（截至二零零八年十二月三十一日止年度：61,300,000港元）及2,300,000港元（截至二零零八年十二月三十一日止年度：9,800,000港元）之應佔溢利。

至於由一間聯營公司所持有之物業，荃灣樂悠居（佔50%權益）及上水邁爾豪園（佔50%權益）持續帶來分別1,600,000港元（截至二零零八年十二月三十一日止年度：5,800,000港元）及4,000,000港元（截至二零零八年十二月三十一日止年度：26,600,000港元）之溢利，該溢利均列入攤佔聯營公司業績。此外，何文田君頤峰（佔10%權益）之銷售入賬為7,400,000港元（截至二零零八年十二月三十一日止年度：25,400,000港元），已列入投資收入內。

於本年度，其他收入包括York Place及i-home收取之沒收按金分別約為9,500,000港元及700,000港元（截至二零零八年十二月三十一日止年度：尚翹峰之沒收按金為700,000港元）。

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RESULTS (cont'd)

Property Development and Trading (cont'd)

Deposit received for stock of properties contracted to be sold and revenue be recognised in 2010 at 31st December, 2009 amounted to HK\$319.2 million. The presale recorded for Phase I of Splendid City in Chengdu at 31st December, 2009 was 542 units of RMB363.5 million equivalent to HK\$413.1 million, profit of which is expected to be recognised in late 2010 and HK\$316.7 million deposit was received, the average selling price approximately RMB670,680 per unit.

In summary, the Group together with associated companies and investee company, executed property sale agreements to third parties in 2009 with an attributable amount of HK\$1,332.0 million (year ended 31st December, 2008: HK\$731.0 million). Property sale and other property income in total recognised in 2009 was HK\$99.6 million (year ended 31st December, 2008: HK\$186.0 million).

Listed Securities

During the Year, the total gains recognised on listed securities investments were HK\$508.6 million (year ended 31st December, 2008: HK\$3,690.5 million), comprised of listed available-for-sale investments equity investment of HK\$3.7 million (year ended 31st December, 2008: HK\$3,764.0 million), listed held-for-trading investments and treasury products of HK\$500.9 million (year ended 31st December, 2008: loss HK\$73.5 million) and disposal of subsidiaries of HK\$4.0 million (year ended 31st December, 2008: nil).

Listed Securities: Available-for-sale

The Group recorded dividend income of HK\$3.7 million and had not disposed any available-for-sale investments for the year of 2009 (year ended 31st December, 2008: gain on disposal of listed available-for-sale investments HK\$3,647.8 million was recognised as investment income).

Listed Securities: Held-for-trading and Treasury Products

The performance of the listed held-for-trading investments and treasury products improved significantly and generated a profit before or after finance costs of HK\$514.6 million and HK\$500.9 million respectively for the Year (year ended 31st December, 2008: loss before/after finance costs HK\$77.0 million/HK\$73.5 million).

業績 (續)

物業發展及買賣 (續)

於二零零九年十二月三十一日，從已訂約出售並將於二零一零年確認其收入之物業存貨所收取之按金為319,200,000港元。於二零零九年十二月三十一日，位於成都之華置·西錦城第一期已預售542個單位，共錄得人民幣363,500,000元（相當於413,100,000港元）收益，將於二零一零年年底確認。截至二零零九年十二月三十一日，已收取之按金為合共316,700,000港元，而每個單位之平均售價約為人民幣670,680元。

總括而言，本集團連同聯營公司及接受投資公司於二零零九年與第三者已簽訂物業買賣協議之金額為1,332,000,000港元（截至二零零八年十二月三十一日止年度：731,000,000港元）。於二零零九年，物業銷售及其他物業中確認收入總額為99,600,000港元（截至二零零八年十二月三十一日止年度：186,000,000港元）。

上市證券

於本年度，上市證券投資已確認之收益總額為508,600,000港元（截至二零零八年十二月三十一日止年度：3,690,500,000港元），包括歸類為待售投資的上市股本證券投資3,700,000港元（截至二零零八年十二月三十一日止年度：3,764,000,000港元）、上市持作買賣投資及財資產品為500,900,000港元（截至二零零八年十二月三十一日止年度：虧損73,500,000港元）及出售附屬公司4,000,000港元（截至二零零八年十二月三十一日止年度：無）。

上市證券：待售投資

本集團於二零零九年錄得股息收入3,700,000港元及並無出售待售投資（截至二零零八年十二月三十一日止年度：出售待售投資之收益3,647,800,000港元已於投資收入中確認）。

上市證券：持作買賣投資及財資產品

上市持作買賣投資及財資產品之表現大幅改善，為本年度分別帶來扣除財務費用前／後溢利514,600,000港元及500,900,000港元（截至二零零八年十二月三十一日止年度：扣除財務費用前／後虧損：77,000,000港元／73,500,000港元）。

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RESULTS (cont'd)

Listed Securities: Held-for-trading and Treasury Products (cont'd)

Profit from the listed held-for-trading investments reflected in the consolidated statement of comprehensive income for the Year comprised of a gross loss of totaling HK\$115.5 million (year ended 31st December, 2008: HK\$116.1 million), an unrealised loss on fair value change amounted to HK\$1.8 million (year ended 31st December, 2008: gain of HK\$26.4 million), a realised gain on bonds of HK\$197.3 million (include a gain of HK\$98.3 million from disposal to connected persons as announced on 2nd September, 2009) (year ended 31st December, 2008: nil), a realised gain on credit-linked notes of HK\$48.1 million (year ended 31st December, 2008: a realised loss on equity-linked notes of HK\$16.2 million) and release of the fair value liability on the knocked-out derivative financial instruments of HK\$24.4 million (year ended 31st December, 2008: nil) and dividend and interest income of HK\$362.1 million (year ended 31st December, 2008: HK\$28.9 million). The relevant finance costs incurred in the Year of HK\$13.7 million (year ended 31st December, 2008: net gain HK\$3.5 million) including interest expense and exchange loss of HK\$2.8 million (year ended 31st December, 2008: HK\$4.4 million) and HK\$10.9 million (year ended 31st December, 2008: exchange gain HK\$7.9 million) respectively.

Listed Securities: Other Comprehensive Income from Available-for-sale Investments

The listed equity securities included in available-for-sale investments also bring an addition of fair value of HK\$41.4 million (year ended 31st December, 2008: deduction of fair value of HK\$4,501.1 million) was recognised in other comprehensive income as an equity transaction of securities investments reserve.

Other Income and Expenses

During the Year, administrative expenses and finance costs decreased by 8.6% to HK\$204.9 million (year ended 31st December, 2008: HK\$224.1 million) and 62.7% to HK\$105.5 million (year ended 31st December, 2008: HK\$283.2 million) respectively.

業績 (續)

上市證券：持作買賣投資及財資產品 (續)

於本年度，於綜合全面收益報表內反映之上市持作買賣投資之溢利中，包括毛虧損合共115,500,000港元（截至二零零八年十二月三十一日止年度：116,100,000港元）、公平值變動之未變現虧損1,800,000港元（截至二零零八年十二月三十一日止年度：收益26,400,000港元）、已變現債券收益197,300,000港元（包括於二零零九年九月二日公布出售于關連人士之收益98,300,000港元）（截至二零零八年十二月三十一日止年度：無）、已變現信貸掛鈎票據收益48,100,000港元（截至二零零八年十二月三十一日止年度：已變現股票掛鈎票據虧損16,200,000港元）、解除衍生金融工具之公平值負債24,400,000港元（截至二零零八年十二月三十一日止年度：無）及股息與利息收入362,100,000港元（截至二零零八年十二月三十一日止年度：28,900,000港元）。於本年度產生之相關財務費用為13,700,000港元（截至二零零八年十二月三十一日止年度：淨收益3,500,000港元）包括利息開支及匯兌虧損分別為2,800,000港元（截至二零零八年十二月三十一日止年度：4,400,000港元）及10,900,000港元（截至二零零八年十二月三十一日止年度：匯兌收益7,900,000港元）。

上市證券：由待售投資帶來之其他全面收益

待售投資的上市股本證券之公平值變動亦增加41,400,000港元（截至二零零八年十二月三十一日止年度：公平值變動減少4,501,100,000港元）已於其他全面收益中確認及列為證券投資儲備之股本權益交易。

其他收入及支出

於本年度，行政開支及財務費用較去年分別減少8.6%至204,900,000港元（截至二零零八年十二月三十一日止年度：224,100,000港元）及62.7%至105,500,000港元（截至二零零八年十二月三十一日止年度：283,200,000港元）。

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RESULTS (cont'd)

Other Income and Expenses (cont'd)

Other gains and losses recorded a net gain of HK\$84.4 million (year ended 31st December, 2008: HK\$10.2 million), including gain on deemed disposal of 8.27% interest in G-Prop (Holdings) Limited ("G-Prop") through a placing exercise completed on 17th June, 2009 of HK\$35.1 million; and gain on disposal of subsidiaries to connected persons as announced on 2nd September, 2009 of HK\$53.1 million.

Associates

The share of results of associates for the Year was a profit of HK\$122.6 million as compared to loss of HK\$8.4 million for last year, it was mainly due to the increase of fair value gain on investment properties.

Disposal of Assets to Connected Persons

On 2nd September, 2009, the Company issued an announcement in respect of the execution of agreements for disposal of certain assets to connected persons, the considerations are determined by reference to cost or market value, whichever is higher. The assets mainly comprise of (a) an investment property at Eaton Square in London; (b) an investment property at Hans Crescent and a carpark at Basil Street in London; (c) an investment in credit-linked note with Japan Airlines International Co., Ltd as underlying securities; (d) an investment in credit-linked note with Cathay Pacific Airways Limited as underlying securities; (e) an investment in bonds issued by Morgan Stanley; (f) an investment in bonds issued by Atlantic Finance Limited; (g) an investment in bonds issued by Barclays Bank PLC; and (h) a derivative financial instrument for interest rate yield curve range accrual swap and its margin deposit.

Prior to completion, the derivative financial instrument in (h) above has been knocked-out by its issuer with no further payment, the financial liability was then vanished, and the margin deposit placed with issuer of HK\$161.2 million was released, a realised gain on derivative financial instruments of HK\$24.4 million was recorded in investment income.

Subsequent to 2nd September, 2009 and prior to completion, certain assets were revalued. The investment properties in (a) and (b) above were revalued, fair value gains of HK\$54.2 million was recorded in fair value changes on investment properties. The credit-linked notes in (c) and (d) above were revalued, a realised gain on credit-linked notes of HK\$48.1 million was recorded in investment income.

業績 (續)

其他收入及支出 (續)

其他收益及虧損錄得收益淨額84,400,000港元(截至二零零八年十二月三十一日止年度: 10,200,000港元)·包括於二零零九年六月十七日完成之透過配售方式而視作出售金匡企業有限公司(「金匡」)8.27%權益之收益35,100,000港元及於二零零九年九月二日公布之出售附屬公司予關連人士之收益53,100,000港元。

聯營公司

本年度攤佔聯營公司業績溢利122,600,000港元·而去年為虧損8,400,000港元·主要由於投資物業公平值增加。

向關連人士出售資產

本公司於二零零九年九月二日發表一項公布·其內容有關就向關連人士出售若干資產簽立多份協議·代價乃經參考成本或市值(以較高者為準)釐定。有關資產主要包括(a)一項位於倫敦Eaton Square之投資物業·(b)位於倫敦Hans Crescent的一個投資物業及於Basil Street的一個車位·(c)一項以Japan Airlines International Co., Ltd之信貸為基礎之掛鈎票據之投資·(d)一項以國泰航空有限公司之信貸為基礎之掛鈎票據之投資·(e)一項由摩根士丹利發行之債券之投資·(f)一項由Atlantic Finance Limited發行之債券之投資·(g)一項由Barclays Bank PLC發行之債券之投資·及(h)利率收益曲線區間應計掉期衍生金融工具及其保證金存款。

於該宗交易完成前·上述(h)項衍生金融工具已被其發行人解除·並無進一步付款·有關金融負債因而消除·而存放於發行人之保證金存款161,200,000港元亦已獲發還·衍生金融工具之已變現收益24,400,000港元已列入投資收入。

於二零零九年九月二日後及於完成交易前·若干資產經過重估。上述(a)及(b)項投資物業已經重估·公平值變動收益54,200,000港元已列入投資物業之公平值變動。上述(c)及(d)項信貸掛鈎票據亦已重估·信貸掛鈎票據之已變現收益48,100,000港元已列入投資收入。

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Disposal of Assets to Connected Persons (cont'd)

The disposal of assets in (a) to (g) above were completed in October and December 2009 with an aggregate consideration of HK\$1,893.6 million. Upon completion, gain on disposal of subsidiaries in (a) to (b) and (c) to (d) above of HK\$49.0 million and HK\$4.0 million respectively were recorded in other gains and losses; and realised gain on bonds in (e) to (g) above of HK\$98.3 million was recorded in investment income and included as part of the gain.

Fair Value Gain on Investment Properties

Investment properties of the Group were revalued as at 31st December, 2009 and recorded an increase in fair value of HK\$8,564.3 million (year ended 31st December, 2008: loss HK\$7,467.7 million) as a result of the upturn of the property markets in Hong Kong and Mainland China.

PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE AND CASH PAYMENT RATIO

Profit

Profit attributable to equity holders of the parent for the Year was HK\$8,648.7 million as compared to loss of HK\$1,494.4 million for last year. The profit for the Year was mainly due to the fair value gains on investment properties. Earnings per share was HK\$4.34 (year ended 31st December, 2008: loss per share HK\$0.67).

Core Profit

If the net gain on the major non-cash items of HK\$7,231.4 million (year ended 31st December, 2008: net loss HK\$5,943.2 million) are excluded, the Group will have a core profit attributable to equity holders of the parent for the Year of HK\$1,417.3 million (year ended 31st December, 2008: HK\$4,448.8 million) and a core earnings per share of HK71.0 cents (year ended 31st December, 2008: HK199.6 cents), a decrease of 68.1% and 64.5% over 2008 respectively.

The major non-cash items are fair value gains on investment properties together with their respective deferred tax expenses of HK\$7,231.4 million (year ended 31st December, 2008: loss of HK\$6,235.7 million and credit effect of deferred tax on reduction in tax rate in respect of the fair value changes on investment properties of HK\$292.5 million).

業績 (續)

向關連人士出售資產 (續)

上述(a)至(g)項之資產已於二零零九年十月及十二月完成出售，總代價為1,893,600,000港元。於交易完成後，上述(a)至(b)項及(c)至(d)項之出售附屬公司收益分別為49,000,000港元及4,000,000港元並已列入其他收益及虧損中；而上述(e)至(g)項之債券之已變現收益98,300,000港元已列入投資收入，並列作收益一部分。

投資物業之公平值收益

於二零零九年十二月三十一日本集團就投資物業進行物業估值及錄得公平值增加約8,564,300,000港元（截至二零零八年十二月三十一日止年度：虧損7,467,700,000港元），乃因香港及中國大陸物業市場好轉所致。

溢利、核心溢利、股息、回購及現金支出

溢利

本年度母公司股本權益持有人的應佔溢利為8,648,700,000港元，而去年同期虧損為1,494,400,000港元。本年度的溢利主要來自投資物業的公平值變動收益。每股盈利為4.34港元（截至二零零八年十二月三十一日止年度：每股虧損為0.67港元）。

核心溢利

如撇除主要非現金項目收益淨額7,231,400,000港元（截至二零零八年十二月三十一日止年度：淨虧損5,943,200,000港元），本集團於本年度母公司股本權益持有人的應佔核心溢利將為1,417,300,000港元（截至二零零八年十二月三十一日止年度：4,448,800,000港元），而每股核心盈利將為71.0港仙（截至二零零八年十二月三十一日止年度：199.6港仙），分別較二零零八年減少68.1%及64.5%。

主要非現金項目為投資物業公平值變動之收益連同其相關的遞延稅項7,231,400,000港元（截至二零零八年十二月三十一日止年度：虧損6,235,700,000港元以及由於稅率減少而引至之有關投資物業公平值變動之遞延稅項撥回292,500,000港元）。

Financial Operation Review

財務業務回顧

PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE AND CASH PAYMENT RATIO (cont'd)

Dividends

In June 2009, final dividend of HK1.0 cent (year ended 31st December, 2007: HK22.5 cents) and special dividend of HK99.0 cents (year ended 31st December, 2007: nil) per share in total amount of HK\$2,006.3 million for the year ended 31st December, 2008 were paid in cash.

In October 2009, an interim dividend of HK2.0 cents per share in amount of HK\$39.2 million for the half year ended 30th June, 2009 (half year ended 30th June, 2008: HK13.5 cents) was paid in cash.

In November 2009, a special dividend for connected transaction of HK63.0 cents per share with a total amount of HK\$1,228.5 million was paid in cash.

Total dividend of HK\$3,274.0 million were paid in cash during the Year.

Repurchase

During the Year, the Company has utilised HK\$1,453.7 million (including transaction cost) (year ended 31st December, 2008: HK\$2,289.2 million) in repurchase of the Company's shares, such amount is equivalent to HK72.9 cents (year ended 31st December, 2008: HK102.7 cents) per share, calculated based on weighted average number of ordinary shares during the Year.

Cash Payment Ratio

Based on (a) the core profit for the Year of HK\$1,417.3 million (year ended 31st December, 2008: HK\$4,448.8 million) or HK71.0 cents (year ended 31st December, 2008: HK199.6 cents) per share; (b) the amount utilised for share repurchase during the Year of HK\$1,453.7 million (including transaction cost) (year ended 31st December, 2008: HK\$2,289.2 million) or HK72.9 cents (year ended 31st December, 2008: HK102.7 cents) per share and (c) final dividend of HK1.0 cent (year ended 31st December, 2008: final dividend HK1.0 cent and special dividend HK99.0 cents) per share proposed, interim dividend of HK2.0 cents (half year ended 30th June, 2008: HK13.5 cents) and special dividend HK63.0 cents per share were paid for the Year, the ratio of such cash payment to the core profit is 195.6% (year ended 31st December, 2008: 108.3%).

溢利、核心溢利、股息、回購及現金支出(續)

股息

於二零零九年六月以現金派付截至二零零八年十二月三十一日止年度之末期股息每股1.0港仙(截至二零零七年十二月三十一日止年度: 22.5港仙)及特別股息每股99.0港仙(截至二零零七年十二月三十一日止年度: 無), 合共為2,006,300,000港元。

於二零零九年十月以現金派付截至二零零九年六月三十日止半年的中期股息每股2.0港仙(截至二零零八年六月三十日止六個月: 13.5港仙), 合共為39,200,000港元。

於二零零九年十一月以現金派付關連交易之特別股息每股63.0港仙, 合共1,228,500,000港元。

本年度, 以現金派付之股息總額為3,274,000,000港元。

回購

於本年度, 本公司用作回購本公司股份之金額為1,453,700,000港元(包括交易成本)(截至二零零八年十二月三十一日止年度: 2,289,200,000港元), 該款項相等於每股72.9港仙(截至二零零八年十二月三十一日止年度: 102.7港仙), 乃以本年度普通股份之加權平均股數基準計算。

現金支出

根據(a)本年度之核心溢利1,417,300,000港元(截至二零零八年十二月三十一日止年度: 4,448,800,000港元)或每股71.0港仙(截至二零零八年十二月三十一日止年度: 199.6港仙); (b)本年度用於回購股份之金額1,453,700,000港元(包括交易成本)(截至二零零八年十二月三十一日止年度: 2,289,200,000港元)或每股72.9港仙(截至二零零八年十二月三十一日止年度: 每股102.7港仙)及(c)本年度建議之末期股息每股1.0港仙(截至二零零八年十二月三十一日止年度: 末期股息每股1.0港仙及特別股息每股99.0港仙), 連同已派付之中期股息每股2.0港仙(截至二零零八年六月三十日止半年: 13.5港仙)及特別股息每股63.0港仙, 該現金支出與核心溢利之比率為195.6%(截至二零零八年十二月三十一日止年度: 108.3%)。

Financial Operation Review

財務業務回顧

NET ASSET VALUE

As at 31st December, 2009, the Group's total net asset to equity holders of the parent amounted to approximately HK\$38,632.9 million (31st December, 2008: HK\$34,650.6 million), an increase of HK\$3,982.3 million or 11.5% when compared with 31st December, 2008. With the total number of ordinary shares in issue of 1,950,000,079 as at 31st December, 2009 (31st December, 2008: 2,077,750,079 shares), the net asset value per share to equity holders of the parent was HK\$19.81, an increase of 18.8% over 31st December, 2008 (HK\$16.68). The movement in net asset value was mainly due to (a) Profit for the Year of HK\$8,648.7 million; (b) addition in the reserve for the listed available-for-sale investments of HK\$41.4 million; (c) reduction in equity for share repurchase of HK\$1,453.7 million, and (d) payment of final, interim and special dividend of HK\$3,274.0 million.

An addition in fair value on the listed equity securities investments categorised as available-for-sales investments of approximately HK\$41.4 million (year ended 31st December, 2008: reduction HK\$4,501.1 million) was recognised for the Year and the carrying amount of the Listed Equity Securities Investments Reserve as at 31st December, 2009 amounted to approximately HK\$41.4 million (31st December, 2008: nil).

Included in the total net asset is net deferred tax liabilities of HK\$5,220.9 million on fair value gains of investment properties. If the deferred tax liabilities are excluded, the total net asset to equity holders of the parent will become HK\$43,853.8 million or HK\$22.5 per share (31st December, 2008: HK\$18.5 per share).

During the Year, the Group had bought and sold listed and unlisted securities investments and deemed disposal of 8.27% interest in G-Prop through placing. The indirect shareholding of the Group in G-Prop decreased from 50.20% to 41.93%, but the Group still has control over the board and the power to govern the financial and operating policies of G-Prop, thus G-Prop remains as a subsidiary of the Company. Other than the existing projects and those disclosed in the annual results, the Group did not have any future plans for material investment or capital assets.

資產淨值

於二零零九年十二月三十一日，母公司股本權益持有人的應佔本集團的總資產淨值約為38,632,900,000港元（二零零八年十二月三十一日：34,650,600,000港元），較二零零八年十二月三十一日增加3,982,300,000港元或11.5%。根據二零零九年十二月三十一日的已發行普通股總數1,950,000,079股（二零零八年十二月三十一日：2,077,750,079股）計算，母公司股本權益持有人的每股資產淨值為19.81港元，較二零零八年十二月三十一日（16.68港元）增加18.8%。資產淨值變動主要與(a)本年度溢利8,648,700,000港元；(b)上市待售投資之儲備增加41,400,000港元；(c)因回購股份而減少股份權益1,453,700,000港元及(d)派付末期：中期及特別股息3,274,000,000港元有關。

於本年度，已確認之上市股本證券投資歸屬為待售投資之公平值的增加約41,400,000港元（截至二零零八年十二月三十一日止年度：減少4,501,100,000港元），於二零零九年十二月三十一日，上市股本證券投資儲備之賬面值約41,400,000港元（二零零八年十二月三十一日：無）。

總資產淨值包括有關投資物業公平值收益的遞延稅項負債5,220,900,000港元。如撇除該遞延稅項負債，母公司股本權益持有人的總資產淨值將為43,853,800,000港元或每股22.5港元（二零零八年十二月三十一日：18.5港元）。

於本年度，本集團買賣上市及非上市證券投資，並透過配售方式視作出售金匡之8.27%權益。本集團於金匡之間接股權由50.20%下降至41.93%，但由於本集團對金匡之董事會仍具有控制權，並有權管制其財務和營運政策，故此金匡仍屬本公司之附屬公司。除該等現有項目以及全年業績內所披露者外，本集團並無任何有關重大投資或資本資產之未來計劃。

Financial Operation Review

財務業務回顧

SECURITIES INVESTMENTS

As at 31st December, 2008, the carrying amount of the treasury products was HK\$24.4 million, which was included in derivative financial instrument under current liabilities. During the Year, the portfolio was increased by a net purchase of HK\$2,641.6 million and was increased by the release of the fair value liability on the knocked-out derivative financial instruments of HK\$24.4 million. After adding the fair value gain of HK\$39.6 million for the Year, the listed securities investments portfolios of the Group reached HK\$2,681.2 million as at 31st December, 2009 representing 4.5% of total assets, which formed part of the Group's cash management activities.

The portfolio HK\$2,681.2 million (31st December, 2008: liabilities HK\$24.4 million) comprised of (a) equity securities (available-for-sale) HK\$1,312.3 million (31st December, 2008: nil); (b) equity securities (held-for-trading) HK\$644.0 million (31st December, 2008: nil); (c) bonds (financial assets designated as at fair value through profit or loss) HK\$728.2 million (31st December, 2008: nil); and (d) derivative financial instrument liabilities HK\$3.3 million (31st December, 2008: liabilities HK\$24.4 million).

Notes held by Listed Subsidiaries

As at 31st December, 2009, the carrying amount of the floating rate and fixed rate notes amounted to HK\$254.9 million (31st December, 2008: HK\$216.7 million) representing 0.4% of the total assets of the Group at the year end. The increase mainly represented fair value gain during the Year.

RISK MANAGEMENT

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audit in the best interests of the Group.

證券投資

於二零零八年十二月三十一日，財資產品賬面值為24,400,000港元，並列入流動負債中之衍生金融工具。於本年度，該等組合已就購買淨額增加2,641,600,000港元及因解除衍生金融工具之公平值負債24,400,000港元而增加。於增加本年度公平值變動收益39,600,000港元後，本集團於二零零九年十二月三十一日的上市證券投資組合達至2,681,200,000港元，佔總資產4.5%，該等組合為本集團資金管理活動之一部分。

該組合2,681,200,000港元（二零零八年十二月三十一日：負債24,400,000港元）中包括(a)股本證券（待售投資）1,312,300,000港元（二零零八年十二月三十一日：無）、(b)股本證券（持作買賣）644,000,000港元（二零零八年十二月三十一日：無）、(c)債券（指定為通過損益以反映公平值之金融資產）728,200,000港元（二零零八年十二月三十一日：無）及(d)衍生金融工具負債3,300,000港元（二零零八年十二月三十一日：負債24,400,000港元）。

上市附屬公司持有之票據

於二零零九年十二月三十一日，浮息票據及定息票據賬面值為254,900,000港元（二零零八年十二月三十一日：216,700,000港元），佔本集團年終總資產0.4%。於本年度賬面值增加主要來自公平值變動的增加。

風險管理

本集團設有一套完善的風險管理程序，以識別、衡量、監察及控制其面對的各種風險，同時輔以積極管理、有效的內部監控及足夠的內部審核，以保障本集團的最佳利益。

Financial Operation Review

財務業務回顧

EQUITY

The number of issued ordinary shares as at 31st December, 2009 and 31st December, 2008 were 1,950,000,079 and 2,077,750,079 respectively.

DEBT AND GEARING

As at 31st December, 2009, the Group's bank and other borrowings amounted to HK\$13,215.0 million (31st December, 2008: HK\$11,669.2 million). Cash and deposit at bank amounted to HK\$5,200.7 million (31st December, 2008: HK\$10,418.9 million), pledged deposit amounted to HK\$1,116.7 million (31st December, 2008: HK\$478.1 million) and net borrowings amounted to HK\$6,897.6 million (31st December, 2008: HK\$772.2 million).

Total debt to equity ratio was 33.5% (31st December, 2008: 33.1%) and net debt to equity ratio was 17.5% (31st December, 2008: 2.2%), which are expressed as a percentage of total borrowings, and net borrowings respectively, over the total equity of HK\$39,431.9 million (31st December, 2008: HK\$35,302.6 million).

The increase of net debt to equity ratio mainly due to the decrease of cash and deposit balances and increase of borrowings for the repurchase of the Company's shares, payment of dividends and additions to listed available-for-sales investments.

As at 31st December, 2009, the Group's bank and other borrowings were denominated in Hong Kong dollars (88.8%), United States dollars (2.5%), Renminbi (3.4%), Euro (5.2%) and Japanese Yen (0.1%). Of the Group's bank and other borrowings of HK\$13,215.0 million, 28.1%, 18.0%, 53.5% and 0.4% were repayable within 1 year, 1 to 2 years, 2 to 5 years and over 5 years respectively. The Group's bank and other borrowings carrying interest rates were calculated mainly with reference to HIBOR and inter-bank rate. No hedging for interest rate as subsisted at the end of the year. Borrowing in Japanese Yen was for hedging of Japanese Yen securities investments and such securities turned into cash at 31st December, 2009.

股本

於二零零九年十二月三十一日及二零零八年十二月三十一日的已發行普通股數目分別為1,950,000,079股及2,077,750,079股。

債務及資本與負債比率

於二零零九年十二月三十一日，本集團的銀行及其他借貸為13,215,000,000港元（二零零八年十二月三十一日：11,669,200,000港元）。現金及銀行結存為5,200,700,000港元（二零零八年十二月三十一日：10,418,900,000港元），抵押存款為1,116,700,000港元（二零零八年十二月三十一日：478,100,000港元），而借貸淨額為6,897,600,000港元（二零零八年十二月三十一日：772,200,000港元）。

總債務與股本權益比率為33.5%（二零零八年十二月三十一日：33.1%），而淨債務與股本權益比率為17.5%（二零零八年十二月三十一日：2.2%），乃將借貸總額及借貸淨額分別除以股本權益總額39,431,900,000港元（二零零八年十二月三十一日：35,302,600,000港元）得出的百分比。

淨債務與股本權益的比率上升，主要由於現金及定期存款減少及借貸增加以用作回購本公司股份、派付股息、及增加上市待售投資。

於二零零九年十二月三十一日，本集團之銀行及其他借貸以港元（88.8%）、美元（2.5%）、人民幣（3.4%）、歐元（5.2%）及日圓（0.1%）計值。於本集團之銀行及其他借貸總額13,215,000,000港元中，28.1%、18.0%、53.5%及0.4%須分別於一年內、一至兩年、兩至五年及五年後償還。本集團之銀行及其他借貸主要參照香港銀行同業拆息計算利息。於年終並無就利率作出對沖。日圓之借貸是用以對沖日圓計值之證券投資，該等證券已於二零零九年十二月三十一日轉換為現金。

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財務業務回顧

PLEDGE OF ASSETS

As at 31st December, 2009, the Group had pledged the following assets:

- (a) The Group's investment properties, property and other fixed assets, prepaid lease payments, stock of properties and time deposits with their respective carrying amount of approximately HK\$37,844.3 million (31st December, 2008: HK\$28,643.2 million), HK\$58.4 million (31st December, 2008: HK\$60.3 million), HK\$318.8 million (31st December, 2008: HK\$319.6 million), HK\$1,242.8 million (31st December, 2008: HK\$2,995.2 million) and HK\$1,116.7 million (31st December, 2008: HK\$149.3 million) were pledged to the Group's bankers to secure general banking and loan facilities granted to the Group.
- (b) The Group's investments held-for-trading, available-for-sale investment and bonds with carrying amount of approximately HK\$731.7 million (31st December, 2008: deposit HK\$328.7 million) was pledged to the Group's financial institutions to secure margin and securities facilities granted to the Group in respect of securities transactions and utilised by the Group as borrowings due within one year of approximately HK\$1,236.5 million (31st December, 2008: nil).
- (c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.
- (d) The Group has subordinated and assigned its advance to an associate and advance to an investee company of approximately HK\$1,415.9 million (31st December, 2008: HK\$1,275.0 million) to financial institutions to secure banking general credit facilities granted to an associate and an investee company.

資產抵押

於二零零九年十二月三十一日，本集團已抵押以下資產：

- (a) 本集團賬面值分別約為37,844,300,000港元(二零零八年十二月三十一日：28,643,200,000港元)、58,400,000港元(二零零八年十二月三十一日：60,300,000港元)、318,800,000港元(二零零八年十二月三十一日：319,600,000港元)、1,242,800,000港元(二零零八年十二月三十一日：2,995,200,000港元)及1,116,700,000港元(二零零八年十二月三十一日：149,300,000港元)之投資物業、物業及其他固定資產、預付租賃款項、物業存貨及定期存款，已就本集團獲授之一般銀行及貸款融資，抵押予本集團之往來銀行。
- (b) 本集團賬面值約為731,700,000港元(二零零八年十二月三十一日：現金存款328,700,000港元)之持作買賣之投資、待售投資及債券，已就本集團有關證券交易獲授之保證金及證券融資，抵押予本集團之財務機構，而本集團已動用於一年內到期之借貸約1,236,500,000港元(二零零八年十二月三十一日：無)。
- (c) 本公司若干附屬公司之權益已質押為本集團獲授若干銀行借貸之部分抵押品。
- (d) 本集團已就聯營公司及接受投資公司獲授之銀行信貸將其墊付聯營公司及接受投資公司款項約1,415,900,000港元(二零零八年十二月三十一日：1,275,000,000港元)轉歸予授讓財務機構。

Financial Operation Review

財務業務回顧

REPURCHASE GUARANTEE

Certain mortgagee banks have provided end-user financing to purchasers of Splendid City and the Group has provided repurchase guarantees to these mortgagee banks for securing the obligations of such purchasers for repayments. Such guarantees will be terminated upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the mortgagee banks.

The total outstanding amount of repurchase guarantee as at 31st December, 2009 was RMB100.4 million (HK\$114.1 million) (31st December, 2008: nil) and disclosed in the contingent liabilities.

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income was included in revenue and investment income. Interest income for the Year was HK\$184.3 million, representing a decrease of 19.3% from that of 31st December, 2008 (HK\$228.4 million).

Finance costs included interest expenses on bank and other loans, imputed interest expenses, exchange difference on foreign currency loans, arrangement fee and facility and commitment fee expenses. Excluding imputed interest, interest expenses for the Year amounted to HK\$80.4 million, representing a 70.7% decrease over the interest expenses of HK\$274.3 million recorded for the same period last year. The decrease in interest expenses was mainly due to decrease in interest rate during the Year. Interest capitalised for the Year was HK\$22.4 million as compared to HK\$52.7 million for last year. The average interest rate over the year under review was 0.83% (2008: 2.63%), which was expressed as a percentage of total interest paid over the average total borrowings.

回購擔保

若干按揭銀行向華置·西錦城買家提供最終用戶融資，而本集團已向該等按揭銀行提供回購擔保，保證該等買家履行還款責任。該等擔保將於(i)發出房地產權證（一般於擔保登記完成後一年內可得）；或(ii)物業買家償還按揭貸款時（以較早者為準）終止。

根據擔保條款，倘該等買家拖欠按揭還款，本集團有責任向按揭銀行償還該等買家拖欠之未償還按揭本金，並連同任何應計利息及罰款。

於二零零九年十二月三十一日，回購擔保未償還總額為人民幣100,400,000元（約114,100,000港元）（二零零八年十二月三十一日：無），於或然負債內披露。

財務及利息收入／支出

收入及投資收入包括利息收入。本年度之利息收入為184,300,000港元，較二零零八年十月三十一日（228,400,000港元）減少19.3%。

財務費用包括銀行及其他貸款之利息支出、名義利息支出、外幣貸款匯兌差額、安排費用與信貸及承擔費用支出。撇除名義利息，本年度之利息支出為80,400,000港元，較去年同期錄得之利息支出274,300,000港元減少70.7%。利息支出減少主要與本年度利率減低有關。本年度之資本化利息為22,400,000港元，而去年則為52,700,000港元。於回顧年度內之平均利率為0.83%（二零零八年：2.63%），乃以總利息支付除以平均借貸總額得出。

Financial Operation Review

財務業務回顧

REMUNERATION POLICIES, SHARE OPTION SCHEME AND SHARE AWARD SCHEME

During the year under review, the Group employed a total of 320 staff (year ended 31st December, 2008: 306 staff) (excluding about a total of 316 staff (year ended 31st December, 2008: 301 staff) for estate management employed under the Group's estate management company, Perfect World Company Limited).

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The Executive Director continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted for the Year.

A share award scheme (the "Scheme") was adopted by the shareholders of the Company at the special general meeting on 14th January, 2009. The Scheme is to recognise and reward certain employees for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group. Details of the Scheme were set out in the Company's circular dated 23rd December, 2008. No share was granted under the Scheme during the Year.

MAINLAND CHINA AND MACAU

Profit contribution from the Group's investment in the Mainland China (including gross profit, fair value changes on investment properties, share of results of associates and taxation) for the Year amounted to HK\$77.5 million (year ended 31st December, 2008: HK\$116.7 million). The Group's net investment as at 31st December, 2009 amounted to HK\$6,355.3 million (31st December, 2008: HK\$6,877.5 million) representing approximately 10.7% of the Group's total asset value and 16.5% of the Group's net asset value.

Further, the Group's net investment in Macau as at 31st December, 2009 amounted to HK\$1,696.8 million (31st December, 2008: HK\$1,665.0 million) representing approximately 2.9% of the Group's total asset value.

酬金政策、購股權計劃及股份獎勵計劃

於回顧年度內，本集團共有僱員320人（截至二零零八年十二月三十一日止年度：306人）（不包括受僱於本集團之物業管理公司忠信物業管理有限公司之物業管理員工合共316人（截至二零零八年十二月三十一日止年度：301人））。

僱員薪金乃根據其表現、經驗及目前業內慣例釐定。酬金包括薪金以及按市況及個人表現釐定之年終花紅。執行董事持續檢討僱員之貢獻及向彼等提供所需之獎勵及彈性，使其更投入工作及有更佳表現。本年度並無採納購股權計劃。

股份獎勵計劃（「計劃」）已獲本公司股東於二零零九年一月十四日之股東特別大會上採納。計劃乃為經甄選僱員而設之長期獎勵安排，旨在向為本集團作出貢獻之若干僱員給予肯定及回報，並作為吸引其留效本集團，繼續為本集團之營運及發展而努力之長期獎勵。有關計劃之詳情已刊載於本公司日期為二零零八年十二月二十三日之通函。本年度並無就該計劃授出任何股份。

中國大陸及澳門

本集團於中國大陸之投資為本年度帶來溢利（包括毛利、投資物業的公平值變動、攤佔聯營公司業績及稅項）77,500,000港元（截至二零零八年十二月三十一日止年度：116,700,000港元）。而本集團之投資淨額於二零零九年十二月三十一日為6,355,300,000港元（二零零八年十二月三十一日：6,877,500,000港元），分別佔本集團資產總值及本集團資產淨值約10.7%及16.5%。

此外，於二零零九年十二月三十一日本集團於澳門之投資淨額為1,696,800,000港元（二零零八年十二月三十一日：1,665,000,000港元），佔本集團資產總值約2.9%。

Financial Operation Review

財務業務回顧

LISTED SUBSIDIARIES

At the year end date, the Group owned 61.96% interest in Chi Cheung Investment Company, Limited.

On 5th February, 2008, the Group acquired 36.51% shareholding in G-Prop. Accordingly, the Group held 50.20% shareholding of G-Prop and G-Prop became a subsidiary of the Company. After G-Prop's placement completed on 17th June, 2009, the indirect shareholding of the Company in G-Prop decreased from 50.20% to 41.93% but the Group still has control over the board and the power to govern the financial and operating policies of G-Prop, thus G-Prop remains as a subsidiary of the Company.

PROPERTY VALUATION

A property valuation has been carried out by Messrs. Norton Appraisals Limited, independent qualified professional valuers, in respect of the Group's investment properties as at 31st December, 2009 and that valuation was used in preparing 2009 year results. The Group's investment properties were valued at HK\$40,708.5 million (31st December, 2008: HK\$30,302.6 million), a 26.4% increase over 2008 after adjusted for additions and disposals of investment properties during the Year. The increase in fair value of approximately HK\$8,564.3 million was recognised in the consolidated statement of comprehensive income for the Year. The Group also shared an increase in fair value of investment properties of the associates of HK\$131.1 million (net of deferred tax of HK\$21.7 million) for the Year. Development properties and non-investment properties of the Group were stated at cost less impairment, if any, in the consolidated financial statements. Investment property under development at Chinese Estates Plaza, Chengdu was stated at cost of HK\$1,402 million and will be carried at fair value when its fair value first become reliably measurable or the date of its completion of the property.

上市附屬公司

於期終日，本集團於至祥置業有限公司擁有61.96%權益。

於二零零八年二月五日，本集團收購金匡36.51%股權，因此，本集團持有50.20%金匡股權，金匡遂成為本公司之附屬公司。於二零零九年六月十七日金匡配售完成後，本集團於金匡之間接股權由50.20%下降至41.93%，但由於本集團對金匡之董事會仍具有控制權，並有權管限其財務和營運政策，故此金匡仍屬本公司之附屬公司。

物業估值

獨立合資格專業估值師普敦國際評估有限公司已就本集團於二零零九年十二月三十一日持有之投資物業進行物業估值，有關估值乃用於編製二零零九年全年業績。本集團投資物業之估值為40,708,500,000港元（二零零八年十二月三十一日：30,302,600,000港元），經作出本年度投資物業之增加及出售之調整後較二零零八年增加26.4%。公平值增加約8,564,300,000港元已計入本年度之綜合全面收益報表。本集團亦攤佔本年度聯營公司投資物業之公平值之增加131,100,000港元（已扣除遞延稅項21,700,000港元）。本集團之發展物業及非投資物業乃於綜合財務報表中按成本扣除減值（如有）列賬。成都華置廣場之發展中投資物業為1,402,000,000港元乃按成本列賬，其公平值將於該物業能夠可靠地計量時或於其建造完工後按公平值列賬。