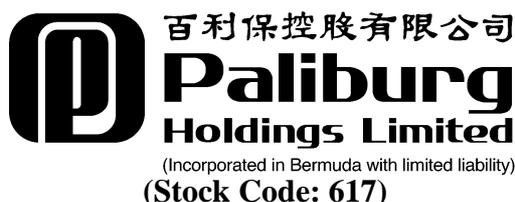


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ANNOUNCEMENT OF 2009 GROUP FINAL RESULTS

FINANCIAL HIGHLIGHTS

	Year 2009	Year 2008
	HK\$'M	HK\$'M
Operating profit/(loss)	329.4	(95.7)
Profit/(Loss) for the year attributable to equity holders of the parent	429.5	(468.8)
Basic earnings/(loss) per ordinary share attributable to equity holders of the parent	HK42.1 cents	HK(46.0) cents
Proposed final dividend	HK3.3 cents	HK2.0 cents
*Adjusted net asset value per ordinary share	HK\$6.83	HK\$6.22

- Achieved net profit for the year of HK\$429.5 million, as compared to the loss of HK\$468.8 million recorded in 2008.
- Final dividend and total dividends per ordinary share for 2009 increased by 65% and 13%, respectively, over the comparative amounts last year.
- Completed the sale of 75% interest in 211 Johnston Road, Wanchai to Regal REIT in October 2009.
- Presale programme for “Larvotto”, a luxury residential development in Hong Kong 30%-owned by the Group, will be launched shortly. The project is expected to generate for the Group very substantial cash flow and profit contributions.
- The Group is seriously reviewing a number of property projects, most of which are located in China.
- It is anticipated that the Group will be able to regain growth momentum and to secure for its shareholders long term benefits in the coming years.

*compiled on an adjusted basis, for the purpose of reference, to restate the Group's interest in Regal based on its adjusted net assets to reflect the share of the underlying adjusted net assets of Regal REIT attributable to Regal

FINANCIAL RESULTS

For the year ended 31st December, 2009, the Group achieved a consolidated profit attributable to shareholders of HK\$429.5 million, as compared to the consolidated loss of HK\$468.8 million recorded in 2008. The profit attained for the year under review is mainly attributable to the fair value gains on certain financial assets and investment properties held by the Group and the contribution from Regal Hotels International Holdings Limited, its listed associate.

For the purpose of reference and ease of comparison, supplementary information on the Group's net assets position, compiled on an adjusted basis to reflect more fairly the share of net assets as attributable to the interests held by Regal in Regal Real Estate Investment Trust, is provided in the section headed "Management Discussion and Analysis" below.

BUSINESS OVERVIEW

PROPERTIES

The Group has a 30% joint venture interest in the luxury residential development project at Ap Lei Chau Inland Lot No.129. The project has a total gross floor area of about 913,000 square feet, comprising 9 residential towers with 715 luxury residential apartments and certain commercial areas on the ground floor, which will be complemented with club house and car parking facilities. The development has been named as "Larvotto" and the presale programme is planned to be launched shortly. Construction works for the project are expected to be completed by the end of 2010.

In October 2009, the Group completed the sale to Regal REIT, the listed associate of Regal, of 75% equity interests in the then wholly-owned subsidiaries of the Group that own major portions of the commercial building at No.211 Johnston Road in Wanchai, at a sale consideration based on an agreed property value of HK\$468 million. The Group has also granted to Regal REIT an option exercisable by Regal REIT to acquire from the Group the remaining 25% equity interests in the subject companies based on the terms as stipulated in

the relevant agreements. As part of the transaction, the property has been leased to the Group for the property leasing and hotel operation business for a term to 31st December, 2010. Details of this transaction have been fully disclosed in the joint announcement and the circular of the Company published on 10th and 30th September, 2009, respectively. Part of the building has since been converted into a hotel with 50 hotel rooms, which is managed by the Regal group and operating as the “Regal iClub Hotel”, and the building renamed as “Regal iClub Building”. Since the commencement of business operations in December 2009, the Regal iClub Hotel has been well received. In view of the hotel’s encouraging performance, an application was made for the conversion of the remaining 10 office floors into 49 additional guestrooms and suites and the requisite approval has recently been obtained. The Group will be in discussions with Regal REIT on the plans for the implementation of the new conversion programme.

The joint development project in the Central Business District of Beijing, which is owned through an associate that is in turn 50% owned by each of the Group and the Regal group, is presently encountering some complicated and complex issues. The Group’s management will jointly with the Regal group use their best endeavours to deal with these difficult issues and to protect the interest of the Group’s associate in the development project. Further information on this project is contained in the section headed “Management Discussion and Analysis” below.

CONSTRUCTION AND BUILDING RELATED BUSINESSES

To complement its property development activities, the Group operates a comprehensive range of construction and other building related businesses, encompassing development consultancy comprising architectural, engineering and interior design services, project management, building services, estate management as well as technology-based building management and security system and services. These business services are provided to affiliated as well as third party clients and have operated satisfactorily and profitably during the year under review.

OTHER INVESTMENTS

During the year, the Group participated as one of the cornerstone investors in the initial public offering of China Pacific Insurance (Group) Co., Ltd. The Group also owns within its investment portfolio substantial interests in the convertible bonds issued by certain subsidiaries of Cosmopolitan International Holdings Limited and convertible into new ordinary shares of Cosmopolitan and, in addition, approximately 16.9% of the issued ordinary shares of Cosmopolitan. For the year ended 31st December, 2009, the Group recorded significant fair value gains on its portfolio of financial assets, a large part of which was attributable to the interests held in the shares and convertible bonds of the Cosmopolitan group.

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

For the year ended 31st December, 2009, Regal achieved a consolidated profit attributable to shareholders of HK\$431.1 million, as compared to the consolidated loss of HK\$808.8 million recorded in 2008.

The Group owns an effective controlling shareholding interest of approximately 48.7% in Regal. Further information on the principal business operations and outlook of Regal, including its management discussion and analysis, is contained in Regal's announcement separately released today.

REGAL REAL ESTATE INVESTMENT TRUST

The Regal group presently holds approximately 74.2% of the issued units of Regal REIT, which owns the five Regal Hotels as well as a 75% majority interest in Regal iClub Building in Hong Kong.

For the year ended 31st December, 2009, Regal REIT attained a consolidated profit before distributions to unitholders of HK\$626.8 million, as compared to a consolidated net loss of HK\$2,150.2 million before distributions to unitholders recorded in 2008. Total distributable

income for 2009 amounted to approximately HK\$558.2 million, as compared to HK\$501.9 million in 2008.

Further information on the principal business operations and outlook of Regal REIT, including its management discussion and analysis, was contained in Regal REIT's announcement released on 18th March, 2010.

OUTLOOK

Based on present market projections, the Larvotto luxury residential development project will generate for the Group very substantial cash flow and profit contributions. With a view to re-expanding its property portfolio, the Group is seriously reviewing a number of property projects, most of which are located in China. The Directors anticipate that the Group will be able to regain growth momentum and to secure for its shareholders long term benefits in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses and other investments including, in particular, its interests in Regal. The significant investments and business interests of Regal comprise the hotel operation and management businesses, the investment in Regal REIT, the asset management of Regal REIT, property development and investment, including the interest in the remaining houses in Regalia Bay in Stanley, and other investment businesses. The performance of the Group's property, construction and building related and other investment businesses, Regal's hotel, property and other investment businesses as well as that of Regal REIT during the year under review, the commentary on the local hotel industry and changes in general market conditions and the potential impact on their operating performance and future prospects are contained in the

sections headed “Business Overview” and “Outlook” above and in Regal’s announcement separately released today.

With respect to the joint development project in the Central Business District in Beijing and as previously reported in the interim report for the six months ended 30th June, 2009 of the Company, the associate which is 50% owned by each of the Group and the Regal group was engaged in arbitration proceedings conducted in Beijing, involving claims against the associate by the vendor for the rescission of the contracts entered into between the parties in 2005 for the purchase by the associate of an additional 36% shareholding interest in the joint venture entities that, in turn, own the development project. To the Group’s surprise, the arbitral tribunal in Beijing has issued in late February 2010 an arbitral award in favour of the vendor. The associate presently holds an aggregate of 59% shareholding interest in the joint venture entities, which include the 36% additional shareholding interest acquired from the vendor in 2005, the subject matter of the arbitration proceedings. The associate has sought legal advice on the arbitration award and has lodged an application to the relevant court in Beijing to set aside the arbitral award. The Company has in this regard published an announcement on 15th March, 2010 on possible provision on the investment in this development project. Having considered the latest circumstances and taking into regard other litigations, claims and disputes affecting the development project, a provision of HK\$240.0 million has been made by the associate in respect of its investment in the project. The loss thus attributable to the Group has been reflected in the share of contributions from associates in the consolidated income statement for the year under review.

Based on the consolidated statement of financial position as at 31st December, 2009, the book net asset value of the ordinary shares of the Company was HK\$5.11 per share. Such book net asset value has been significantly affected by the elimination in the books of Regal of its unrealised gain on the disposal of the subsidiaries owning the hotel properties to Regal REIT in 2007 against the interest held by Regal in Regal REIT as well as the sharing by Regal of the fair value loss on the hotel properties held by Regal REIT for the year ended 31st December, 2008. The interest held by Regal in Regal REIT represented one of Regal’s most significant investments but, as at 31st December, 2009, such interest was only stated at a value of HK\$140.0 million. In order to more fairly reflect the underlying net asset value of the Group, management of the Group considers it appropriate to also present, for the purposes

of reference and ease of comparison, supplementary information on the Group's net assets position, compiled on an adjusted basis to restate the Group's interest in Regal based on its adjusted net assets to reflect the share of the underlying adjusted net assets of Regal REIT attributable to Regal. Accordingly, on the basis that Regal's interest in Regal REIT were to be stated based on the published unaudited adjusted net asset value per unit of Regal REIT of HK\$2.913 as at 31st December, 2009, calculated on the basis that the deferred tax liabilities provided by Regal REIT with regard to the revaluation surplus of its hotel properties are added back, the unaudited adjusted net asset value of the ordinary shares of the Company would be HK\$6.83 per share.

	As at 31st December, 2009	
	HK\$'M	HK\$ per ordinary share
Book net assets after minority interests	5,210.7	5.11
Adjustment to restate the Group's interest in Regal on the basis noted above	1,751.0	
Unaudited adjusted net assets after minority interests	6,961.7	6.83

During the year under review, there were net cash flows used in operating activities of HK\$42.7 million (2008 – HK\$17.1 million). Net interest receipt for the year amounted to HK\$0.1 million (2008 – HK\$1.1 million).

As at 31st December, 2009, the Group had cash and bank balances and deposits of HK\$305.1 million and no borrowings (2008 – cash and bank balances and deposits, net of borrowings, of HK\$63.4 million).

As at 31st December, 2009, certain ordinary shares in the listed associate of the Group with a market value of HK\$309.2 million were pledged to secure general banking facilities granted to the Group. As at 31st December, 2008, an investment property of the Group with a carrying value of HK\$358.0 million and certain ordinary shares in the listed associate with a market value of HK\$115.7 million were pledged to secure general banking facilities granted to the Group.

As the Group's banking facilities were all denominated in Hong Kong dollar currency, being the same currency in which the Group's major revenues are derived, and with interest primarily determined with reference to interbank offered rates, no hedging instruments for currency or interest rates purposes have been deployed during the year under review.

Information in relation to the contingent liabilities of the Group as of 31st December, 2009 is disclosed in the annual report of the Company for the year ended 31st December, 2009 (the "2009 Annual Report"), which will be despatched to shareholders on or before 30th April, 2010. During the year under review, the Company continued to adopt similar funding, treasury and remuneration policies as disclosed in the interim report of the Company for the six months ended 30th June, 2009. Detailed information in such aspects is contained in the Company's 2009 Annual Report.

The Group has no immediate plans for material investments or capital assets, other than those as disclosed in the sections headed "Business Overview" and "Outlook" above.

DIVIDENDS

The Directors have resolved to recommend the payment of a final dividend of HK3.3 cents per ordinary share for the year ended 31st December, 2009 (2008 – HK2.0 cents), absorbing an amount of approximately HK\$33.6 million (2008 – HK\$20.4 million), payable to holders of ordinary shares on the Register of Ordinary Shareholders on 9th June, 2010.

Together with the interim dividend of HK1.0 cent (2008 – HK1.8 cents, as adjusted for the 10-into-1 share consolidation implemented in October 2008) per ordinary share paid in October 2009, total dividends per ordinary share for the year ended 31st December, 2009 will amount to HK4.3 cents (2008 – HK3.8 cents, as adjusted).

CLOSURE OF REGISTER

The Register of Ordinary Shareholders will be closed from Friday, 4th June, 2010 to Wednesday, 9th June, 2010, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to qualify for the proposed final dividend, all transfers of ordinary shares and/or subscriptions of the outstanding 2010 warrants of the Company, duly accompanied by the relevant certificates together with, where appropriate, the relevant subscription moneys, must be lodged with the Company's branch registrar in Hong Kong, Tricor Tengis Limited, no later than 4:00 p.m. on Thursday, 3rd June, 2010. The relevant dividend warrants are expected to be despatched on or about 30th June, 2010.

YEAR END RESULTS

Consolidated Income Statement

	Year ended 31st December, 2009	Year ended 31st December, 2008
	HK\$'M	HK\$'M
REVENUE (Notes 2 & 3)	162.6	280.0
Cost of sales	(147.4)	(258.0)
Gross profit	15.2	22.0
Other income and gains (Note 3)	35.9	16.5
Fair value gains/(losses) on investment properties	46.1	(22.0)
Fair value gains/(losses), net, on financial assets at fair value through profit or loss	317.9	(76.9)
Administrative expenses	(35.9)	(31.8)
Other operating expenses, net (Note 4)	(49.8)	(3.5)
OPERATING PROFIT/(LOSS) (Notes 2 & 5)	329.4	(95.7)
Finance costs (Note 6)	(1.5)	(5.0)
Share of profits and losses of associates	109.8	(371.4)
PROFIT/(LOSS) BEFORE TAX	437.7	(472.1)
Income tax (Note 7)	(8.2)	3.3
PROFIT/(LOSS) FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND MINORITY INTERESTS	429.5	(468.8)
Attributable to:		
Equity holders of the parent	429.5	(468.8)
Minority interests	–	–
	429.5	(468.8)
EARNINGS/(LOSS) PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 9)		
Basic and diluted	HK42.1 cents	HK(46.0) cents

Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2009	Year ended 31st December, 2008
	HK\$'M	HK\$'M
PROFIT/(LOSS) FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND MINORITY INTERESTS	429.5	(468.8)
OTHER COMPREHENSIVE INCOME/(LOSS):		
Available-for-sale investments:		
Changes in fair value	–	(0.8)
Reclassification adjustment for losses included in the consolidated income statement	0.7	7.9
	<u>0.7</u>	<u>7.1</u>
Exchange differences on translating foreign operations	–	3.6
Share of other comprehensive income/(loss) of associates	(7.2)	3.6
	<u>(6.5)</u>	<u>14.3</u>
Other comprehensive income/(loss) for the year	(6.5)	14.3
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>423.0</u>	<u>(454.5)</u>
Attributable to:		
Equity holders of the parent	423.0	(454.5)
Minority interests	–	–
	<u>423.0</u>	<u>(454.5)</u>

Consolidated Statement of Financial Position

	31st December, 2009	31st December, 2008
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	1.8	1.9
Investment properties	0.4	358.3
Interests in associates	4,376.2	4,136.8
Available-for-sale investments	–	3.2
Financial assets at fair value through profit or loss	583.9	211.3
Loans receivable	5.5	6.5
	<hr/>	<hr/>
Total non-current assets	4,967.8	4,718.0
	<hr/>	<hr/>
CURRENT ASSETS		
Financial assets at fair value through profit or loss	116.4	121.0
Properties held for sale	6.0	6.0
Inventories	7.2	10.0
Debtors, deposits and prepayments (Note 10)	52.4	79.7
Time deposits	184.0	186.0
Cash and bank balances	121.1	92.0
	<hr/>	<hr/>
	487.1	494.7
Asset of a disposal group classified as held for sale	249.4	249.4
	<hr/>	<hr/>
Total current assets	736.5	744.1
	<hr/>	<hr/>

Consolidated Statement of Financial Position (Cont'd)

	31st December, 2009	31st December, 2008
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors and accruals (Note 11)	(174.0)	(100.9)
Tax payable	(3.6)	(3.7)
Deposits received	(216.9)	(221.3)
	<u>(394.5)</u>	<u>(325.9)</u>
Liability directly associated with the asset of a disposal group classified as held for sale	(98.9)	(98.9)
	<u>(493.4)</u>	<u>(424.8)</u>
NET CURRENT ASSETS	243.1	319.3
	<u>5,210.9</u>	<u>5,037.3</u>
NON-CURRENT LIABILITIES		
Interest bearing bank borrowings	–	(214.6)
Deferred tax liabilities	–	(6.9)
	<u>–</u>	<u>(221.5)</u>
Net assets	5,210.9	4,815.8
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	101.9	101.9
Reserves	5,075.2	4,693.3
Proposed final dividend	33.6	20.4
	<u>5,210.7</u>	<u>4,815.6</u>
Minority interests	0.2	0.2
	<u>5,210.9</u>	<u>4,815.8</u>
Total equity	5,210.9	4,815.8

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, available-for-sale investments and financial assets at fair value through profit or loss, which have been measured at fair value. A disposal group classified as held for sale is stated at the lower of its carrying amount and fair value less costs to sell. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest million except where otherwise indicated.

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 <i>Revenue – Determining whether an entity is acting as a principal or as an agent</i>

HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers</i> (adopted from 1st July, 2009)
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*, which is effective for annual periods beginning on or after 1st July, 2009.

Other than as further explained below, the adoption of these new and revised HKFRSs has had no significant effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements. The principal effects of adopting these new and revised HKFRSs are as follows:

- (a) Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value

hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

(b) *HKFRS 8 Operating Segments*

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14.

(c) *HKAS 1 (Revised) Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development and investment segment comprises the development and sale of properties, the leasing of office and commercial premises and the provision of estate agency services;
- (b) the construction and building related businesses segment engages in construction works and building related businesses, including the provision of development consultancy and project management services, property management and also security systems and products and other software development and distribution;
- (c) the hotel operation and management segment engages in hotel operations and the provision of hotel management services;
- (d) the securities investment segment engages in securities trading and investment businesses; and
- (e) the others segment mainly comprises the provision of financing services.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that certain interest income, finance costs, head office and corporate gains and expenses are excluded from such measurement.

Segment assets exclude time deposits, cash and bank balances, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest bearing bank borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31st December, 2009 and 2008.

Group

	Property development and investment		Construction and building related businesses		Hotel operation and management		Securities investment		Others		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Segment revenue:														
Sales to external customers	12.1	17.1	148.6	263.0	0.2	-	1.7	(0.1)	-	-	-	-	162.6	280.0
Intersegment sales	-	-	1.3	-	-	-	-	-	-	-	(1.3)	-	-	-
Total	<u>12.1</u>	<u>17.1</u>	<u>149.9</u>	<u>263.0</u>	<u>0.2</u>	<u>-</u>	<u>1.7</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>(1.3)</u>	<u>-</u>	<u>162.6</u>	<u>280.0</u>
Segment results	<u>82.9</u>	<u>(9.6)</u>	<u>3.8</u>	<u>6.1</u>	<u>(0.1)</u>	<u>-</u>	<u>268.4</u>	<u>(67.6)</u>	<u>1.5</u>	<u>1.5</u>	<u>-</u>	<u>-</u>	<u>356.5</u>	<u>(69.6)</u>
Interest income and unallocated non-operating and corporate gains													1.1	3.3
Unallocated non-operating and corporate expenses													(28.2)	(29.4)
Operating profit/(loss)													329.4	(95.7)
Finance costs													(1.5)	(5.0)
Share of profits and losses of associates	(115.0)	(11.9)	-	-	224.8	(359.5)	-	-	-	-	-	-	109.8	(371.4)
Profit/(Loss) before tax													437.7	(472.1)
Income tax													(8.2)	3.3
Profit/(Loss) for the year before allocation between equity holders of the parent and minority interests													<u>429.5</u>	<u>(468.8)</u>
Attributable to:														
Equity holders of the parent													429.5	(468.8)
Minority interests													-	-
													<u>429.5</u>	<u>(468.8)</u>

Group

	Property development and investment		Construction and building related businesses		Hotel operation and management		Securities investment		Others		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Segment assets	12.1	366.8	31.1	83.3	0.1	-	700.3	335.5	6.1	7.1	-	-	749.7	792.7
Interests in associates	651.0	643.1	-	-	3,725.2	3,493.7	-	-	-	-	-	-	4,376.2	4,136.8
Asset of a disposal group classified as held for sale	249.4	249.4	-	-	-	-	-	-	-	-	-	-	249.4	249.4
Cash and unallocated assets													329.0	283.2
Total assets													<u>5,704.3</u>	<u>5,462.1</u>
Segment liabilities	(9.8)	(7.0)	(57.1)	(91.7)	(0.1)	-	(99.3)	-	-	-	-	-	(166.3)	(98.7)
Liability directly associated with the asset of a disposal group classified as held for sale	(98.9)	(98.9)	-	-	-	-	-	-	-	-	-	-	(98.9)	(98.9)
Bank borrowings and unallocated liabilities													(228.2)	(448.7)
Total liabilities													<u>(493.4)</u>	<u>(646.3)</u>
Other segment information:														
Depreciation	-	-	0.5	0.5	-	-	-	-	-	-	-	-	-	-
Capital expenditure	10.8	-	0.5	0.3	-	-	-	-	-	-	-	-	-	-
Other non-cash income	-	-	-	-	-	-	-	-	(0.6)	-	-	-	-	-

Geographical Information

(a) Revenue from external customers

	2009	2008
	HK\$'M	HK\$'M
Hong Kong	162.0	279.7
Mainland China	0.6	0.3
	<hr/>	<hr/>
	162.6	280.0
	<hr/> <hr/>	<hr/> <hr/>

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2009	2008
	HK\$'M	HK\$'M
Hong Kong	3,950.8	3,999.1
Mainland China	427.6	497.9
	<hr/>	<hr/>
	4,378.4	4,497.0
	<hr/> <hr/>	<hr/> <hr/>

The non-current assets information above is based on the location of assets and excludes financial instruments.

Information about major customers

Revenue of approximately HK\$80.9 million (2008 – HK\$176.4 million) and HK\$38.0 million (2008 – HK\$80.6 million) was derived from sales to two major customers respectively, primarily in the construction and building related businesses segment.

3. Revenue (which is also the Group's turnover), other income and gains are analysed as follows:

	2009	2008
	HK\$'M	HK\$'M
<u>Revenue</u>		
Rental income:		
Investment properties	10.7	15.6
Properties held for sale	0.4	0.4
Construction and construction-related income	140.1	253.8
Estate management fees	3.1	3.4
Property development consultancy and project management fees	5.4	5.8
Gain/(Loss) from sale of listed investments at fair value through profit or loss, net	0.7	(0.1)
Dividend income from listed investments	1.0	–
Hotel operation	0.2	–
Other operations including estate agency service	1.0	1.1
	162.6	280.0
<u>Other income and gains</u>		
Interest income from:		
Bank balances	0.4	2.8
Loans receivable	1.5	1.7
Others	–	1.0
Dividend income from listed investments	–	1.8
Gain on redemption of available-for-sale investments	–	9.0
Gain on disposal of subsidiaries	34.0	–
Others	–	0.2
	35.9	16.5

4. Other operating expenses, net, include the following major items:

	2009	2008
	HK\$'M	HK\$'M
Loss on redemption of financial assets at fair value through profit or loss	49.1	–
Loss on disposal of financial assets at fair value through profit or loss	–	2.2
	<u> </u>	<u> </u>

5. An analysis of profit/(loss) on sale of investments of the Group is as follows:

	2009	2008
	HK\$'M	HK\$'M
Profit/(Loss) on disposal of listed investments	0.7	(0.1)
Loss on disposal of available-for-sale investments	(0.8)	–
	<u> </u>	<u> </u>

6. Finance costs of the Group are as follows:

	2009	2008
	HK\$'M	HK\$'M
Interest on bank loans wholly repayable within five years	1.3	4.8
Other loan costs	0.2	0.2
	<u> </u>	<u> </u>
Total finance costs	1.5	5.0
	<u> </u>	<u> </u>

7. The income tax charge/(credit) for the year arose as follows:

	2009	2008
	HK\$'M	HK\$'M
Group:		
Current – Hong Kong Charge for the year	0.7	0.8
Deferred tax	7.5	(4.1)
Total tax charge/(credit) for the year	8.2	(3.3)

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2008 – 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the year.

Taxes on the profits of subsidiaries operating overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

The share of tax charge attributable to associates amounting to HK\$7.9 million (2008 – HK\$0.3 million) is included in “Share of profits and losses of associates” in the consolidated income statement.

Deferred tax has been calculated by applying the rate that is expected to apply in the year when the asset is realised or the liability is settled.

8. Dividends:

	2009	2008
	HK\$'M	HK\$'M
Interim – HK1.0 cent (2008 – HK1.8 cents, as adjusted for the 10-into-1 share consolidation) per ordinary share	10.2	18.3
Proposed final – HK3.3 cents (2008 – HK2.0 cents) per ordinary share	33.6	20.4
	<hr/> 43.8 <hr/>	<hr/> 38.7 <hr/>

9. The calculation of basic earnings/(loss) per ordinary share is based on the profit for the year attributable to equity holders of the parent of HK\$429.5 million (2008 – loss of HK\$468.8 million) and on the weighted average of 1,019.4 million (2008 – 1,019.2 million, as adjusted for the effect of the consolidation of ordinary shares of the Company on the basis that every ten then existing issued and unissued ordinary shares of HK\$0.01 each were consolidated into one ordinary share of HK\$0.10 effective from 23rd October, 2008) ordinary shares of the Company in issue during the year.

No adjustment has been made to the basic earnings per ordinary share amount presented for the year ended 31st December, 2009 in respect of a dilution as the exercise prices of the share options of the Company and Regal and the subscription price of the warrants of the Company outstanding during the year are higher than the average market prices of the respective ordinary shares of the Company and Regal and, accordingly, they have no dilutive effect on the basic earnings per ordinary share.

No adjustment had been made to the basic loss per ordinary share amount presented for the year ended 31st December, 2008 in respect of a dilution as the exercise prices of the share options of the Company and Regal and the subscription price of the warrants of the Company outstanding during that year were higher than the average market prices of the respective ordinary shares of the Company and Regal and, accordingly, they had no dilutive effect on the basic loss per ordinary share. In addition, the conversion of the

outstanding convertible preference shares of Regal was anti-dilutive for that year and was not included in the calculation of diluted loss per ordinary share.

10. Included in debtors, deposits and prepayments is an amount of HK\$7.4 million (2008 – HK\$46.1 million) representing the trade debtors of the Group. The aged analysis of such debtors as at the end of the reporting period, based on the invoice date, is as follows:

	2009	2008
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	7.0	45.5
Between 4 to 6 months	0.2	0.6
Between 7 to 12 months	0.2	–
	<u>7.4</u>	<u>46.1</u>

Credit terms

Trade debtors generally have credit terms of 30 to 90 days. The Group seeks to maintain strict control over its outstanding debts and overdue balances are reviewed regularly by senior management. In view of the aforementioned and that the Group's exposures spread over a number of counter-parties and customers, the Group has no significant concentration of credit risk.

11. Included in creditors and accruals is an amount of HK\$3.4 million (2008 – HK\$25.6 million) representing the trade creditors of the Group. The aged analysis of such creditors as at the end of the reporting period, based on the invoice date, is as follows:

	2009	2008
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	3.4	25.6
	<u>3.4</u>	<u>25.6</u>

The trade creditors are non-interest bearing and are normally settled within 90 days.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31st December, 2009.

REVIEW OF RESULTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st December, 2009, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Code of Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31st December, 2009, except that:

- (1) The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.
- (2) The Independent Non-Executive Directors of the Company were not appointed for specific terms, but arrangements have been put in place such that the Independent Non-Executive Directors would retire, and are subject to re-election, either by rotation in accordance with the provisions of the Bye-laws of the Company or on a voluntary basis, at least once every three years.

ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be convened to be held on Wednesday, 9th June, 2010. The Notice of the Annual General Meeting will be published on the websites of the Stock Exchange and the Company and sent to the shareholders of the Company, together with the Company's 2009 Annual Report, in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Donald FAN Tung
(Chief Operating Officer)
Mr. Jimmy LO Chun To
Miss LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

Independent Non-Executive Directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Mr. NG Siu Chan
Hon Abraham SHEK Lai Him, SBS, JP
Mr. WONG Chi Keung

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 22nd March, 2010