

# Welling

威靈控股有限公司  
WELLING HOLDING LIMITED



Annual Report

Stock Code 股份代號 : 0382

2008 年報





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## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. CAI Qiwu (*Chairman*)  
Mr. JIANG Deqing (*Chief Executive Officer*)  
Mr. QU Fei  
Mr. GAO Fazhong  
Ms. YUAN Liqun  
Mr. LI Jianwei  
Mr. ZHENG Weikang

### NON-EXECUTIVE DIRECTOR

Ms. TAN Xuemei

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Wai Dune  
Mr. LAM Ming Yung  
Ms. CHEN Chunhua

### AUDIT COMMITTEE

Mr. CHAN Wai Dune (*Chairman*)  
Mr. LAM Ming Yung  
Ms. CHEN Chunhua

### REMUNERATION COMMITTEE

Ms. CHEN Chunhua (*Chairman*)  
Mr. CHAN Wai Dune  
Mr. LAM Ming Yung  
Mr. CAI Qiwu  
Mr. ZHENG Weikang

## 集團資料

### 執行董事

蔡其武先生 (*主席*)  
姜德清先生 (*首席執行官*)  
瞿飛先生  
郜發忠先生  
袁利群女士  
栗建偉先生  
鄭偉康先生

### 非執行董事

譚雪梅女士

### 獨立非執行董事

陳維端先生  
林明勇先生  
陳春花女士

### 審核委員會

陳維端先生 (*主席*)  
林明勇先生  
陳春花女士

### 薪酬委員會

陳春花女士 (*主席*)  
陳維端先生  
林明勇先生  
蔡其武先生  
鄭偉康先生



## CORPORATE INFORMATION (Continued)

### EXECUTIVE COMMITTEE

Mr. CAI Qiwu  
Mr. JIANG Deqing  
Mr. QU Fei  
Mr. GAO Fazhong  
Ms. YUAN Liqun  
Mr. LI Jianwei  
Mr. ZHENG Weikang

### COMPANY SECRETARY

Ms. TANG Wai Ying, Tracy *CPA FCCA*

### REGISTERED OFFICE

Suite 3904, 39/F, Tower 6  
The Gateway, Harbour City  
9 Canton Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

### LEGAL ADVISERS

Richards Butler  
20th Floor, Alexandra House  
16-20 Chater Road  
Hong Kong

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
22nd Floor Prince's Building  
Central  
Hong Kong

## 集團資料 (續)

### 行政委員會

蔡其武先生  
姜德清先生  
瞿飛先生  
邰發忠先生  
袁利群女士  
栗建偉先生  
鄭偉康先生

### 公司秘書

鄧惠英女士 · *CPA FCCA*

### 註冊辦事處

香港  
九龍  
尖沙咀  
廣東道9號  
海港城港威大廈  
第六座39樓3904室

### 法律顧問

齊伯禮律師行  
香港  
遮打道16-20號  
歷山大廈20樓

### 核數師

羅兵咸永道會計師事務所  
執業會計師  
香港  
中環  
太子大廈二十二樓



## CORPORATE INFORMATION (Continued)

### COMPLIANCE ADVISER

BNP Paribas Capital (Asia Pacific) Limited  
59th to 63rd Floors, Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

### PRINCIPAL BANKERS

Bank of China Ltd.  
Agricultural Bank of China  
Industrial and Commercial Bank of China Ltd.  
Foshan Shunde Rural Credit Union  
China Merchants Bank Co., Ltd.  
Bank of Communications Co., Ltd.

### SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Rooms 1806-07, 18/F., Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

### WEBSITE ADDRESS

<http://www.welling.com.cn>

### STOCK CODE

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## 集團資料 (續)

### 合規顧問

法國巴黎融資(亞太)有限公司  
香港  
中環  
金融街8號  
國際金融中心二期59樓至63樓

### 主要銀行

中國銀行股份有限公司  
中國農業銀行  
中國工商銀行股份有限公司  
佛山市順德區農村信用合作聯社  
招商銀行股份有限公司  
交通銀行股份有限公司

### 股份過戶登記處

香港中央證券登記有限公司  
香港  
灣仔皇后大道東183號  
合和中心18樓1806-07室

### 公司網址

<http://www.welling.com.cn>

### 股份代號

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## CHAIRMAN'S STATEMENT

### Annual Results

The Group's profit attributable to the equity holders of the Company and earnings per share for the year ended 31 December 2008 (the "Year") amounted to approximately HK\$196,877,000 (2007: approximately HK\$224,385,000) and HK1.46 cents (2007: HK1.66 cents), respectively. For the year ended 31 December 2008, the Group recorded a turnover of approximately HK\$5,193,278,000 (2007: approximately HK\$4,644,992,000), representing an increase of approximately 12% over the same period last year.

### Business Review

In 2008, the Group underwent a fundamental change in its scope of business from the manufacturing of electrical household appliances to the upstream business of the manufacture and distribution of motors and electronic and electric components for electrical household appliances, following the completion of a business restructuring exercise which involved a swap of significant assets and businesses between the Company and its substantial shareholder. We reported a steadily improved turnover despite severe economic conditions, as we started our new business in the manufacturing and distribution of components for electrical household appliances.

We reported a year-on-year decrease in our aggregate sales volume in air-conditioning motors as the overall demand for household air-conditioners was weaker due to the economic downturn and a slump in the real estate market. The Group effectively hedged against the risk of fluctuations in the costs of raw materials by resorting to an adjustment strategy that linked the price of products to the costs of raw materials. However, retails turned sluggish in the latter half of 2008 as consumers' confidence was dealt a further blow by the financial crisis. Coupled with a general correction in the prices of raw materials, this resulted in lower turnover from our air-conditioning motors business for the Year.

## 主席報告書

### 全年業績

截至二零零八年十二月三十一日止年度（「本年度」），本公司的股權持有人應佔本集團利潤約港幣196,877,000元（二零零七年：約港幣224,385,000元），及每股盈利為港幣1.46仙（二零零七年：港幣1.66仙）。於截至二零零八年十二月三十一日止年度，本集團錄得營業額為約港幣5,193,278,000元（二零零七年：約港幣4,644,992,000元），同比上升約12%。

### 業務回顧

於二零零八年，本集團在完成本公司與其主要股東之間的重大資產及業務置換重組方案後，經營業務作出了徹底的轉變，由家用電器的製造轉為家用電器電機及電子電器產品配件製造及分銷的 upstream 業務。由於開展了家用電器配件製造及分銷的新業務，本集團在嚴峻的經濟形勢下營業額仍得以保持平穩增長。

家用空調受經濟下滑及房地產市場不景氣的影響，導致整體需求減少，本年度空調電機全年的總銷量較去年同期下降。本集團採用了產品價格與原材料價格聯動調整的策略，對沖了原材料價格波動帶來的風險。但二零零八年下半年，因金融危機影響令消費信心進一步下跌，銷售疲弱，加上原材料價格整體回落，導致空調電機本年度的營業額錄得跌幅。



## CHAIRMAN'S STATEMENT (Continued)

The Group continued to record strong growth in its washing motors business and maintained its leading position in the industry. The aggressive marketing strategies adopted by the Group towards major customers proved successful as increasing orders from major customers contributed to a considerable year-on-year growth in the aggregate sales volume of washing motors. Affected by the global economic downturn, however, there had been a significant drop since the fourth quarter in export sales, which accounted for a relatively high proportion of our washing motors business.

Steady growth was reported in the sales of converter products for microwave ovens in 2008, with increasing customers' demand for shaded pole motors. The electronic and electric components business sustained steady growth as the Group secured major customers in export and domestic sales through intense marketing strategies and extended efforts to support its strategic products such as variable-frequency transformers for microwave ovens and resistors.

The financial turmoil that originated in the United States in September 2008 triggered off a global economic crisis, leading to a sharp turn of the world economy. Since then, the world has been under a severely stringent economic environment rarely seen in the past, as asset prices plummeted and consumers' confidence deteriorated amid volatility in financial markets. China's economic growth experienced a slowdown in the wake of the financial crisis. Similar to companies in all other industries, the Group was compelled to operate against unfavourable factors and an adverse business environment resulting from the economic crisis. Nevertheless, we have implemented a range of effective measures to address the drastic change in our business environment, aiming to steer through the crisis in stability. Our measures have been focused on stringent cost controls, stronger risk control and management, efficiency enhancements through technology upgrades, reductions in raw material consumption, cutbacks in non-essential expenses, as well as means to improve the Group's profitability. The Group reduced its dependence on external supplies by enhancing its capability to manufacture core components of motors through the acquisition of manufacturing plant for washing motors during the Year.

## 主席報告書（續）

本集團的洗滌電機業務仍維持強勁增長，持續處於行業領導地位。本集團對大客戶採取積極的市場策略取得成效，洗滌電機本年度的總銷量較去年有可觀的增長，主要由於大客戶的購貨量持續增加。但洗滌電機業務的出口比例較高，受全球經濟下滑影響，出口銷售自第四季起顯著下降。

二零零八年微波爐用變壓器產品銷售保持平穩增長，單極電機的客戶需求量持續增加。本集團通過深度開發內外銷重點客戶，加大戰略性產品變頻微波爐變壓器及電抗器的支持力度，令電子電器產品的業務保持穩步增長。

二零零八年九月始於美國的金融風暴觸發全球性的經濟危機，令全球經濟急劇轉壞，金融市場動盪使資產價格大幅下跌，消費信心惡化，世界各國經濟面臨前所未有的嚴峻狀況。受金融危機的影響，中國的經濟增速亦放緩。各行業均需面對各種因經濟危機帶來的不利因素，並在艱苦環境下經營，本集團亦未能獨善其身。面對突如其來的經營環境急劇變化，本集團已及時採取一系列積極有效的應對措施，務求令本集團能平穩渡過這次金融危機。措施主要集中於嚴格控制成本、加強風險控制與管理、改良技術提升效能減少原材料損耗及削減非必要開支等，以改善及提高集團的盈利能力。年內，本集團透過收購洗滌電機生產廠房藉以增加自製電機核心配件能力以減少依賴外來供應，此舉除可控制產品質素及供應外亦可同時降低生





## CHAIRMAN'S STATEMENT (Continued)

Aside from facilitating better control over product quality and supply, the acquisition also contributed to lower production costs and improved gross profit margins. With concerted effort from our staff, I am confident that the Group is well-positioned to weather the impact of the financial crisis.

### Prospect

While concentrating its resources in the development of products under the "Welling" brand remains an indispensable task in strengthening the Group's business foundation, we also keep an eye on favourable opportunities for further development and business expansion for the benefit of the shareholders. In late 2008, the Group via its subsidiary entered into a joint venture agreement with Shanxi Linfen Huaxiang Industries Co., Ltd. (山西臨汾華翔實業有限公司). With the joint venture, the Group widened its scope of operations and expanded the range of products offered to its customers as it diversified into new businesses of casting and high precision processing.

The coming year is likely to remain a challenging one. Prospects in the export sector are less than optimistic given dwindled market demand in Europe and America. The impact on the Group should be relatively mild as the majority of its overall turnover is originated from domestic sales. China should continue to enjoy driving economic growth. While such growth will inevitably be slower in tandem with the macro-economic environment, the State policy of boosting domestic consumption and its related economic stimulus measures, such as home appliance subsidies for rural regions, will help to boost the rural living standard and facilitate the development of third/fourth-tier markets to the benefit of the Group's business expansion. With a leading market position established on the back of product quality, the Group is confident that it will overcome any difficulties to capitalise on opportunities for business growth.

## 主席報告書 (續)

產成本提升毛利率。本人有信心本集團在上下努力團結一致的情況下絕對有能力對抗是次金融危機帶來的衝擊。

### 前景

持續集中資源發展威靈品牌的產品固然為鞏固本集團業務基礎的當然任務，但本集團亦不斷尋求有利發展的機會以圖拓展本集團的業務為股東創造更佳利益。於二零零八年末，本集團透過下屬公司與山西臨汾華翔實業有限公司訂立合資企業協議，此舉為本集團開發鑄件及精密加工等新業務，藉此擴大本集團現有業務範疇並同時增大向客戶提供的產品範圍。

展望未來一年，預計仍將會是充滿挑戰的一年。出口業務受歐美市場萎縮的影響，情況不容樂觀，但對整體營業額以內銷部份佔大比重的本集團影響相對較輕。中國仍為經濟增長充滿動力的國家，儘管增長速度受大環境影響下放緩，但國家推動的擴大內需政策及一系列刺激經濟措施，如家電下鄉的補貼活動可帶動農村繁榮提高生活水平，有助開發三四級市場，利好本集團拓展業務。憑藉集團優秀產品於市場建立的領導地位，本集團深信能克服種種困難，並乘機積極抓緊機遇推動業務增長。



## CHAIRMAN'S STATEMENT (Continued)

### Acknowledgement

I would like to take this opportunity to express my sincere gratitude to the shareholders, customers and partners for their support and to the members of the Board, the management team and all the staff for their efforts and contributions to the development of the Group in the past year. With concerted effort from the management and the staff, we will embrace every challenge and roll on from strength to strength.

## 主席報告書（續）

### 致謝

最後，本人謹藉此機會感謝股東們、客戶及合作夥伴的支持，感謝各董事、各管理人員及全體員工為集團的發展於過去一年所作出的努力和貢獻。希望管理層與全體員工繼續共同努力，面迎挑戰，再創佳績。



## MANAGEMENT DISCUSSION AND ANALYSIS

### Restructuring

On 31 March 2008, the Company completed a restructuring exercise involving a significant business and assets swap with the support of Midea Group Co., Ltd (“Midea”), the substantial shareholder of the Company, by disposing of the then original business of the Group, which mainly included the manufacturing and distribution of electrical household appliances, to Midea and acquiring from Midea the entire issued share capital of Welling Holding (BVI) Ltd (“Welling”), an indirect wholly-owned subsidiary of Midea principally engaged in the manufacturing and distribution of motors and electronic and electric components for electrical household appliances. Afterwards, the business of the Group moved to upstream in the electrical household appliances industry and focused on the development of the more promising upstream business of motors and electronic and electric components.

### Business Review

The Group’s profit attributable to the equity holders of the Company and earnings per share for the year ended 31 December 2008 amounted to approximately HK\$196,877,000 (2007: approximately HK\$224,385,000) and HK1.46 cents (2007: HK1.66 cents), respectively. For the year ended 31 December 2008, the Group recorded a turnover of approximately HK\$5,193,278,000 (2007: approximately HK\$4,644,992,000), representing an increase of approximately 12% over the same period last year. The Group’s gross profit margin was approximately 10% (2007: approximately 10%). Net asset value per share of the Group was HK5.7 cents as at 31 December 2008.

## 管理層討論與分析

### 重組

於二零零八年三月三十一日，本公司在一位主要股東美的集團有限公司（「美的」）之支持下，透過向美的出售本集團當時原有業務（主要包括製造及分銷家電），並向美的收購美的之間接全資附屬公司威靈控股（BVI）有限公司（「威靈」）（主要從事製造及分銷家電之電機及電子電器產品）之全部已發行股本，完成了一項重大業務及資產置換重組方案。此後，本集團之業務轉型為家電行業之上游業務，並集中發展更具潛力之電機及電子電器產品之上游業務。

### 業務回顧

截至二零零八年十二月三十一日止年度，本公司的權益擁有人應佔本集團利潤約港幣196,877,000元（二零零七年：約港幣224,385,000元），及每股盈利為港幣1.46仙（二零零七年：港幣1.66仙）。於截至二零零八年十二月三十一日止年度，本集團營業額為約港幣5,193,278,000元（二零零七年：約港幣4,644,992,000元），同比上升約12%，本集團的毛利率為約10%（二零零七年：約10%）。於二零零八年十二月三十一日，本集團之每股資產淨值為港幣5.7仙。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Analysis of Major Business Operation

The financial crisis in 2008 sent the global economy into a downturn and dealt a heavy blow to major international markets. China's economic growth also slowed down in line with the global economy, to an extent affecting day-to-day economic activities. To cope with the global economic crisis triggered by the financial turmoil that originated in the United States, the Group has adopted a series of measures including stringent cost controls, stronger risk control and management, enhancement of production efficiency by way of technology upgrades, reductions in raw material consumption and cutbacks in unessential expenses, which enabled its business to sustain steady growth in such severe market condition.

#### (1) Air-conditioning Motors Business:

The overall demand for household air-conditioners was dragged down as a result of the global economic crisis, with sales of the industry in 2008 decreasing by more than 6% as compared to the figures for the same period last year (Source: [www.chinaOL.com](http://www.chinaOL.com) (產業在線)). The sales in the commercial air-conditioners increased by more than 9%, as the business of commercial air-conditioners remained at a growth stage that partially offset the impact of the global economic crisis (Source: [www.chinaOL.com](http://www.chinaOL.com) (產業在線)). The domestic commercial air-conditioners business enjoyed growing market share as vigorous growth momentum had been maintained with its relatively high performance-price ratio of products and the advantage of its close-to-market services. Furthermore, as PRC has raised the energy efficiency standard for household air-conditioners and stepped up the pace on promoting converter air-conditioners with high energy efficiency, industry players would enhance the research and development, as well as investment efforts in direct current motors, the development of which is expected to gain pace as a segment product of motors for household air-conditioning.

## 管理層討論與分析 (續)

### 主要業務經營情況分析

二零零八年，受金融危機影響，全球經濟下滑，國外主要市場受嚴重打擊，國內增長亦放緩，已逐漸影響實體經濟的正常營運。為渡過始於美國金融風暴所觸發的全球性經濟危機，本集團憑藉嚴格控制成本、強化風險控制與管理、改良技術提升效能減少原材料損耗及削減非必要開支等，在嚴峻形勢下保持了營業規模平穩增長。

#### (1) 空調電機業務：

受全球經濟危機拖累，家用空調市場整體需求呈下滑態勢。二零零八年度家用空調行業銷量同比上年下滑超過6% (資料來自產業在線)。而商用空調由於處於市場增長期，部分抵消經濟危機影響，銷售額錄得超過9%的增長 (資料來自產業在線)；其中本土商用空調企業憑藉較高的產品性價比 (性能價格比率) 加上貼近市場的服務的優勢維持了良好的發展勢頭，市場份額逐步擴大。另中國提升家用空調能效標準及加快推廣高能效變頻空調，將帶動企業加大直流電機的研發和投資力度，直流電機作為家用空調電機的細分產品將贏得較快的發展速度。





## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Group recorded approximately 35,524,000 units of domestic sales and 7,859,000 units of export sales of air-conditioning motors for the year ended 31 December 2008. The aggregate sales volume decreased by approximately 8% as compared to the same period last year. Air-conditioning motors recorded a turnover of approximately HK\$2,703,149,000 for 2008, which represented a decrease of approximately 0.3% as compared to turnover of approximately HK\$2,710,294,000 for the same period in 2007.

The Group increased its market share in motors for household air-conditioning business of the Group by developing its existing customer base in depth. For commercial air-conditioning motors and air-conditioning direct current motors segments, the Group strengthened the marketing promotion and achieved with enhanced growth of sales. In terms of management and operation, reductions in production costs and enhancements in operational efficiency were achieved through higher proportion of self-made key components, streamlined production, optimised motor designs and stringent cost control. The competitive edge of our products was further strengthened as a result.

### (2) Washing Motors Business:

Globally, the major growing areas of the washing machine industry will be in Asia, Latin America, East-Central Africa, and Eastern Europe. In the domestic market, due to the factors including the upgrading of electrical appliances for urban areas and general implementation of "Home Appliances Subsidy Policy for Rural Areas", the domestic sales volume of washing machines in 2008 increased by more than 11% over the same period last year. The global financial crisis had a greater impact on the major market of tumble-type washing machines (i.e. Europe). In December 2008, the export sales volume of tumble-type washing machines decreased by approximately 26% as compared to the same period last year. The export sales volume of washing

## 管理層討論與分析 (續)

於截至二零零八年十二月三十一日止年度，本集團內銷之空調電機數量為約35,524,000台，出口之空調電機數量約為7,859,000台，總銷量較去年同期下降約8%。空調電機於二零零八年之營業額為約港幣2,703,149,000元，比二零零七年同期之營業額為約港幣2,710,294,000元，降幅約0.3%。

本集團家用空調電機業務通過深度開發現有客戶，不斷提高市場佔有率，商用空調電機和空調直流電機加大市場拓展力度並取得較快的銷售增長速度。管理及運營方面通過提升關鍵配件自製比例，推廣精益化生產，優化電機設計，嚴格控制費用等手段，實現了成本降低和運營效率提升，產品競爭力得到提高。

### (2) 洗滌電機業務：

全球洗衣機未來主要增長點在亞洲、拉丁美洲、中東非和東歐。在國內市場，受城鎮電器升級、家電下鄉政策普及等因素帶動，二零零八年洗衣機本土銷量同比增長超過11%；全球性的金融危機對滾筒洗衣機主銷區域歐洲地區影響較大，二零零八年十二月滾筒洗衣機出口同比下降將近26%，但受益於



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

machines for the year increased by about 10%, which was attributable to the worldwide shifting of manufacturing resources for washing machines to the PRC (Source: www.chinalOL.com (產業在線)).

For 2008, the Group recorded approximately 8,412,000 units of domestic sales and approximately 6,177,000 units of export sales for its washing motors. Total sales volume grew approximately 24% as compared to the same period last year. The aggregate turnover for the washing motors business was approximately HK\$1,635,403,000, which represented an increase of approximately 26% as compared to approximately HK\$1,297,495,000 for the same period in 2007.

The Group continued to record strong growth in its washing motors business to maintain its leading position in the industry. The aggressive marketing strategies adopted by the Group towards major customers proved successful as increasing orders were received from major customers. Meanwhile, measures to enhance technical innovation of washing motors, increase the proportion of self-made key components and impose stringent control over product quality improved product competitiveness and contributed to the growth in sales volume. The Group strengthened control over exchange rate exposure given the relatively high proportion of exports for the washing motors business.

In the Year, the Group acquired a manufacturing plant for washing motors business in order to enhance its capability to manufacture key components of washing motors.

### (3) Electronic and Electric Components Business:

In 2008, in order to cope with the economic crisis and to strengthen their position in the industry, microwave oven manufacturers sought to increase their development effort in the third/fourth-tier domestic markets. Domestic sales of microwave ovens increased by more than 15% over the same period last year (Source: China Market Monitor (中怡康)).

## 管理層討論與分析 (續)

全球洗衣機製造資源向中國持續轉移，洗衣機全年出口有近10%的增長(資料來自產業在線)。

二零零八年，本集團內銷之洗滌電機數量約為8,412,000台，出口之洗滌電機數量約為6,177,000台，總銷量較去年同期上升約24%，而洗滌電機整體業務之營業額為約港幣1,635,403,000元，二零零七年同期之營業額為約港幣1,297,495,000元，同比增長約26%。

本集團洗滌電機業務保持強勁增長，繼續鞏固行業領導地位。銷量的提升得益於公司採取深耕大客戶市場策略，大客戶的採購量持續增加。同時，洗滌電機加大技術革新、提升關鍵部件自製比例及嚴控產品品質等措施，產品競爭力得以提升，亦有利於銷量的增長。洗滌電機業務出口比例較高。本集團亦加強了對外匯匯率波動的監控。

本年度內，本集團洗滌電機業務購置了廠房藉以提升洗滌電機關鍵部件的自製能力。

### (3) 電子電器產品業務：

二零零八年，為應對經濟危機，提升行業地位，微波爐企業紛紛加大本土三四級市場的開發力度，微波爐內銷銷量同比增長超過15%(資料來自中怡康)；然而，受全球金

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

However, a negative growth rate of 5.8% was recorded in the export sales volume of microwave ovens (Source: www.chinaOL.com (產業在線)) as the global financial crisis loomed.

The Group recorded approximately 25,970,000 units of domestic sales of and 1,776,000 units of export sales of its electronic and electric components, representing a growth of approximately 14% in total sales volume compared to the same period last year. The turnover of electronic and electric components was approximately HK\$798,202,000, representing an increase of approximately 25% over approximately HK\$637,203,000 recorded in the same period in 2007.

The Group registered stable growth in all business segments by developing a cluster of major customers in export and domestic sales in great depth and increasing efforts to support the businesses with strategic products such as variable-frequency transformer for microwave ovens and resistors. The growth of our converter and resistor businesses outperformed the industry. The development of shaded pole motors followed a positive trend with a satisfactory growth rate. Facing the challenges of highly volatile costs of bulk purchase of raw materials and rising of labour costs, the electronic and electric components business implemented measures to optimise its product structure, improve its production processes and enhance control over costs and product quality. Meanwhile, the Group adopted measures to streamline production, develop key components on an in-house basis, increase domestic production of parts and components and change the mode of export trading, which partially offset the impact of increased costs of raw materials.

## 管理層討論與分析 (續)

融危機影響，微波爐出口數量錄得5.8%的負增長(資料來自產業在線)。

本集團內銷電子電器產品數量約為25,970,000台，出口之電子電器產品數量約為1,776,000台，總銷量較去年同期上升約14%。電子電器產品營業額為約港幣798,202,000元，二零零七年同期之營業額為約港幣637,203,000元，同比增長約25%。

本集團通過深度開發內外銷重點客戶，加大戰略性產品變頻微波爐變壓器、電抗器的支持力度，各項業務保持穩步增長，其中，變壓器、電抗器產品增速超過行業總體水準，單極電機發展勢頭良好，增速理想。電子電器產品業務為應對大宗原材料價格劇烈波動及人工成本不斷上升的挑戰，積極推進產品結構優化，改進製造工藝，提升成本與品質控制能力；同時，通過精益製造、關鍵部件自製，零部件國產化、轉變出口貿易方式等多方面措施成功抵消部分成本上漲的壓力。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Financial Review

#### Liquidity

The Group's liquidity ratio as at the balance sheet date was as follows:

		<b>31 December 2008</b> 二零零八年 十二月三十一日 HK\$'000 港幣千元	31 December 2007 二零零七年 十二月三十一日 HK\$'000 港幣千元 Restated 重列
Current assets	流動資產	<b>2,525,939</b>	4,732,186
Current liabilities	流動負債	<b>2,522,925</b>	5,523,927
Liquidity ratio <sup>(1)</sup>	流動資金比率 <sup>(1)</sup>	<b>1.00</b>	0.86

Note:

- (1) Liquidity ratio represents the total current assets divided by total current liabilities as at the balance sheet date. The Group's liquidity ratios as at 31 December 2007 and 31 December 2008 were 0.86 and 1.00 respectively. The main reason for the improvement in liquidity ratio was the disposal of the Disposed Group (refer to Note 1 to the consolidated financial statements), which was in net current liabilities position as at 31 December 2007.

## 管理層討論與分析 (續)

### 財務回顧

#### 流動資金

下表載列於所示資產負債表日本集團的流動資金比率：

		<b>31 December 2008</b> 二零零八年 十二月三十一日 HK\$'000 港幣千元	31 December 2007 二零零七年 十二月三十一日 HK\$'000 港幣千元 Restated 重列
Current assets	流動資產	<b>2,525,939</b>	4,732,186
Current liabilities	流動負債	<b>2,522,925</b>	5,523,927
Liquidity ratio <sup>(1)</sup>	流動資金比率 <sup>(1)</sup>	<b>1.00</b>	0.86

附註：

- (1) 流動資金比率相等於本集團於所示資產負債表日的總流動資產除以總流動負債。本集團於二零零七年十二月三十一日及二零零八年十二月三十一日的流動資金比率分別為0.86及1.00。流動資金比率改善主要由於本公司出售了截至二零零七年十二月三十一日錄得流動負債淨額的已出售集團所致（請參閱綜合財務報表附註1）。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Capital Structure and Pledge of Assets

The Group's gearing ratio as at the balance sheet date was as follows:

		31 December 2008 二零零八年 十二月三十一日 HK\$'000 港幣千元	31 December 2007 二零零七年 十二月三十一日 HK\$'000 港幣千元 Restated 重列
Total borrowings	借款總額	671,608	801,164
Less: cash and cash equivalents	減：現金及現金等價物	(217,124)	(497,042)
Net borrowings	借款淨額	454,484	304,122
Total equity	權益總額	770,642	273,256
Gearing ratio <sup>(1)</sup>	資本負債比率 <sup>(1)</sup>	0.59	1.11

Note:

(1) Subsequent to the completion of the Transaction (refer to Note 1 to the consolidated financial statements) on 31 March 2008 by the Company, the gearing ratio of the Group as at 31 December 2008 was substantially improved.

As at 31 December 2008, short-term borrowings were secured by the Group's property, plant and equipment with net book value of HK\$133,229,000 (2007: HK\$229,990,000) and leasehold land and land use rights with net book value of HK\$85,965,000 (2007: HK\$87,859,000).

### Contingent Liabilities

As at 31 December 2008, the Group did not have any material contingent liabilities.

### Capital Expenditure

During the Year, the Group had invested an amount of approximately HK\$354,468,000 (2007: HK\$292,678,000) as addition to the property, plant and equipment and leasehold

## 管理層討論與分析 (續)

### 資本結構及資產抵押

下表載列於所示資產負債表日本集團的資本負債比率：

	31 December 2008 二零零八年 十二月三十一日 HK\$'000 港幣千元	31 December 2007 二零零七年 十二月三十一日 HK\$'000 港幣千元 Restated 重列
Total borrowings	671,608	801,164
Less: cash and cash equivalents	(217,124)	(497,042)
Net borrowings	454,484	304,122
Total equity	770,642	273,256
Gearing ratio <sup>(1)</sup>	0.59	1.11

附註：

(1) 鑒於本公司於二零零八年三月三十一日完成該項交易(請參閱綜合財務報表附註1)，因此本集團於二零零八年十二月三十一日的資本負債比率得以大幅改善。

於二零零八年十二月三十一日，短期借款以本集團賬面淨值港幣133,229,000元(二零零七年：港幣229,990,000元)之物業、廠房及設備以及賬面淨值港幣85,965,000元(二零零七年：港幣87,859,000元)之租賃土地及土地使用權作為抵押。

### 或然負債

於二零零八年十二月三十一日，本集團並無任何重大之或然負債。

### 資本開支

本年度內，本集團投資約港幣354,468,000元(二零零七年：港幣292,678,000元)，作添置物業、廠房及



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

land and land use rights, which included the acquisition of leasehold land and a manufacturing plant for washing motor business.

### Derivative Financial Instruments

The Group has entered into various copper and aluminium future contracts and foreign exchange future contracts amounting to approximately HK\$30,635,000 (Note 20 to the consolidated financial statements) outstanding as at 31 December 2008 (2007: Nil).

### Human Resources

As at 31 December 2008, the Group employed approximately 8,439 full time employees in Hong Kong and the PRC. The Group currently provides the staff with competitive remuneration packages (including salary, bonus and benefits), insurance (including pension, medical insurance, unemployment insurance and insurance for labour injury) and housing fund. The Group also puts significant efforts in the development, management and planning of human resources. A good management system for human resources will enhance employees' contribution to the Group and enable the Group to enjoy an advantage of having strategic human resources.

The Group has adopted a share option scheme to motivate employees to strive for future development and expansion of the Group. In addition, the Group also provides other benefits, including meal subsidies, housing subsidies, cooperative medical services, assistance fund, group activities, etc.

### Exposure to the Fluctuations in Exchange Rate

Approximately 30% of the Group's turnover was derived from export trading settled in Euros and US dollars. Similarly, the Group also imported raw materials in which the suppliers were paid in Euros and US dollars. Foreign exchange risks associated with these currencies were partially offset as a result. Moreover, the Group has made arrangements to purchase currency forward contracts to hedge foreign exchange exposure for certain export trading.

## 管理層討論與分析 (續)

設備以及租賃土地及土地使用權之用，其中包括收購租賃土地及洗滌電機業務製造廠房。

### 衍生金融工具

於二零零八年十二月三十一日，本集團訂立若干銅及鋁期貨合約及外匯遠期合約，未到期之金額約為港幣30,635,000元(綜合財務報表附註20)(二零零七年：無)。

### 人力資源

於二零零八年十二月三十一日，本集團於香港及國內共聘用約8,439名全職僱員。本集團目前為職工提供具競爭力的薪酬(含崗位工資、獎金及福利)、保險(含養老保險、醫療保險、失業保險和工傷保險)及住房公積金。本公司亦充分重視人力資源開發、管理及發展規劃，以期通過完善的人力資源管理，提高僱員對本集團的貢獻，使本集團具備戰略性的人力資源優勢。

本集團採用購股權計劃，用以鼓勵員工為本集團之未來發展及擴展出力。另外集團為員工提供其他福利，包括膳食補助、住房補貼、員工合作醫療、扶助基金、團隊活動等等。

### 匯率波動風險

本集團營業額中約佔三成為外銷之出口貿易，交易以歐元及美元結算，而同時亦有部分進口原材料以歐元及美元向供應商付款，彼此能作抵銷部分匯兌風險，加上本集團已作適當安排部分出口



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The money market was volatile during the year, and the Group incurred more foreign exchange loss as a result. The Group has strengthened control over risk of the fluctuations in exchange rate, and reviewed from time to time the sufficiency and appropriateness of the financial instruments which were used to hedge significant foreign currency risks.

### Business Prospects

Export sales of products fell due to the global economic turmoil and the recession of major markets such as Europe and America, while sales at home were also weakened in line with slower domestic economic growth. As a result, the production/sales growth rate of the electrical household appliances industry as a whole may lose further ground. Manufacturers of components for electrical household appliances are facing more intense competition in the market, pressurised by the changing balance in supply-demand and downstream electrical household appliances manufacturers emerging from business consolidations with stronger business performance. In the coming years, the Group will further enhance its operational standard and overall profitability by improving the quality of its products, consolidating the “Welling” brand advantage, accelerating the pace of product structure optimisation and expanding its business scale. We will also develop relevant new products and continue to implement strategies of cost reduction. The Group will focus on the business of motors for electrical household appliances, strengthen risk management and consolidate its market share and leading position in the industry, with aspirations to become one of the world’s best suppliers for parts and components of electrical household appliances. Furthermore, China’s policy of increasing domestic demand and the campaign on home appliances for rural areas has accelerated the development of rural markets and third/fourth-tier markets. The Group will seize every opportunity to foster growth of its domestic sales.

The household air-conditioner market has currently entered into a mature phase while the commercial air-conditioner market is in a phase of growth. The Group will continue to advance research and development as well as process

## 管理層討論與分析 (續)

之交易購買遠期貨幣合約對沖匯兌風險。由於年內貨幣市場波動不定，本集團的匯兌虧損相對增大。本集團已加強了對外匯匯率波動的監控，並不時檢討所使用以對沖重大外幣風險之金融工具是否足夠及適當。

### 業務展望

由於全球經濟波動不定，歐美等主要市場萎縮，產品出口銷售下降，而國內經濟增長放緩導致銷售需求疲弱，整體家電行業的產銷增速可能進一步下降。家電配件行業受供需關係轉變、下游家電廠家品牌整合及業績增長壓力，將面臨更為激烈的市場競爭。未來幾年，本集團將全面提升產品品質、繼續鞏固威靈品牌優勢、加快優化產品結構和擴大業務規模，積極拓展相關新產品領域，持續推進降成本策略，進一步提高經營水準和整體盈利能力。本集團將持續專注於家電電機業務，強化風險管理，鞏固行業市場份額和標桿地位，堅持成為全球最優秀的家電零部件供應商的宗旨。此外，國家擴大內需政策及家電下鄉的活動，促使加快開發農村市場及三四級市場，本集團會抓住機遇，促進內銷業務增長。

現時家用空調已步入成熟期，商用空調則處於市場增長期，本集團將持續推進空調電機的研發創新和工藝革新，確保主營產品家用空調電機全球市場佔有率



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

improvement of air-conditioning motors, so as to solidify its leading global market shares for its major product, namely motors for household air-conditioning. Meanwhile, the Group will improve product structures, increase investments in new segments such as commercial air-conditioning motors, air-conditioning direct current motors and refrigerator compressor motors businesses, aiming to grow these categories into its major products in the next few years.

Our washing motors business will continue to expand its induction motor business to enhance economies of scale within the range under cost control. Meanwhile, the Group will increase its investment in the universal motors for tumble-type washing machines to step up with the development of high-end universal motors and the marketing of small universal motors for food processing. The Group will also advance the research and development of strategic products and step up with the marketing of new products such as three-phase converter motors and agitator motors, targeting to enlarge our market share in Europe and extend our presence to the American market.

In respect of its electronic and electric component business, the Group will focus on increasing its sales efforts in shaded pole motors, resistors and electronic ballasts while assuring its global leading position in microwave oven converters, aiming at growth in both the business scale and the profitability of the Group.

In the coming years, the Group will consolidate and expand its business in components for major electrical household appliances, as well as increase investment in the development of related products such as pump motors through industrial upgrades, business restructuring, acquisitions and technical cooperation. Meanwhile, the Group will also actively foster the casting and high precision process business through the entering into of a joint venture agreement with Shanxi Linfen Huaxiang Industries Co., Ltd. in late 2008. With stringent risks control, the Group will continue to engage in technological innovation and development of new businesses, in order to achieve sustainable and healthy development.

## 管理層討論與分析 (續)

第一，同時將加大對新興領域如商用空調電機、直流空調電機、冰箱壓縮機電機等資源投入，改善產品結構，務求將商用空調電機、冰箱壓縮機電機及空調直流電機培育及發展成為未來幾年的支柱產品之一。

洗衣機電機業務須在控制成本基礎上繼續擴大波輪電機業務規模，鞏固規模優勢；同時加大滾筒洗衣機配套之串激電機的投入，加快高端串激電機產品的開發和食品加工小型串激電機的市場推廣。本集團還將推進戰略產品的研發攻關，加快三廂變頻電機、攪拌式電機等新產品推廣，重點拓寬歐洲市場、拓展美洲市場。

電子電器產品業務將在確保微波爐變壓器行業全球領先地位的同時，重點加大罩極電機、電抗器和鎮流器的銷售力度，實現本集團規模與盈利的同步持續增長。

未來幾年，本集團將通過產業升級、重組、併購和技術合作，整合、延伸主要家電配件產業，加大相關產品如水泵電機的開發，同時積極培養鑄件及精密加工行業，該業務透過於二零零八年底與山西臨汾華翔實業有限公司訂立合營企業協議而得以展開。在嚴控風險的前提下，不斷進行科技創新與新業務培養，以實現企業持續健康發展。



## CORPORATE GOVERNANCE REPORT

The Company has always endeavoured to achieve a high standard of corporate governance so as to enhance the transparency and accountability to the shareholders of the Company. The board of directors of the Company (the "Board") believes that good corporate governance will contribute to maximize the corporate value of the Company to its shareholders.

The Company has adopted the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance practices.

The Company has fully complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2008.

### Model Code for Securities Transactions by Directors

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 the code of conduct of the Company for Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2008.

### The Board

The Board is responsible for laying down the Group's future development direction, overall strategies and policies, the evaluation of the performance of the Group and the management and approval of matters that are of material and substantial in nature. Senior management of the Company was delegated with the authority and responsibility by the Board for the day-to-day management, administration and operations of the Group. Senior management of each division is responsible for different businesses and functions of the Group in accordance with its particular area of expertise. The Board has also

## 企業管治報告

本公司一直致力達致高水平之企業管治，藉此提高本公司透明度及對股東之問責性。本公司之董事會（「董事會」）相信，良好企業管治將有助本公司為其股東帶來最高之企業價值。

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「企業管治守則」），作為本公司之企業管治常規守則。

本公司已於截至二零零八年十二月三十一日止年度內一直全面遵守企業管治守則所載之所有守則條文。

### 董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易之標準守則（「標準守則」），作為本公司董事進行證券交易之操守守則。經向董事作出特定查詢後，全體董事確認，彼等已於截至二零零八年十二月三十一日止年度內一直遵守標準守則所載之規定準則。

### 董事會

董事會負責確立本集團之未來發展方向、整體戰略及政策，評估本集團之業績表現，以及管理及批准性質重大之事宜。董事會授權本公司之高級管理人員，負責主管本集團之日常管理、行政及營運。各分部之高級管理人員按其專業範疇負責本集團之不同業務及職能。



## CORPORATE GOVERNANCE REPORT (Continued)

delegated various responsibilities to the Board committees. Details of these Board committees are set out below in this report.

During the year ended 31 December 2008, the Board held six meetings, Directors participated these meetings either in person or through electronic means of communication. The attendance records of each Director at the Board meetings held during the year ended 31 December 2008 are as follows:

## 企業管治報告 (續)

董事會亦指派各董事委員會承擔特定責任。該等董事委員會之詳情載於本報告下文。

截至二零零八年十二月三十一日止年度，董事會已舉行六次會議，董事可親身或以電子通訊方式參與該等會議。各董事於截至二零零八年十二月三十一日止年度出席董事會會議之記錄如下：

Directors	董事	Number of meetings attended/held during the tenure of the respective Directors 各董事於在任期間 出席／舉行會議次數
<b>Executive Directors</b>	<b>執行董事</b>	
Mr. Jiang Deqing (appointed on 31 August 2008)	姜德清先生 (於二零零八年八月三十一日獲委任)	3/3
Mr. Qu Fei (appointed on 31 March 2008)	瞿飛先生 (於二零零八年三月三十一日獲委任)	4/4
Mr. Gao Fazhong (appointed on 31 March 2008)	郜發忠先生 (於二零零八年三月三十一日獲委任)	4/4
Ms. Yuan Liqun	袁利群女士	5/6
Mr. Li Jianwei	栗建偉先生	5/6
Mr. Zheng Weikang (appointed on 31 March 2008)	鄭偉康先生 (於二零零八年三月三十一日獲委任)	4/4
Mr. Wu Zhiqiang (appointed on 31 March 2008 and resigned on 31 August 2008)	吳志強先生 (於二零零八年三月三十一日獲委任， 並於二零零八年八月三十一日辭任)	2/3
Mr. Fang Hongbo (resigned on 31 March 2008)	方洪波先生 (於二零零八年三月三十一日辭任)	2/2
Mr. Zhang Quan (resigned on 31 March 2008)	張權先生 (於二零零八年三月三十一日辭任)	2/2
Mr. Li Donglai (resigned on 31 March 2008)	李東來先生 (於二零零八年三月三十一日辭任)	2/2

## CORPORATE GOVERNANCE REPORT (Continued)

## 企業管治報告 (續)

Directors	董事	Number of meetings attended/held during the tenure of the respective Directors 各董事於在任期間出席／舉行會議次數
<b>Non-executive Directors</b>		
Mr. Cai Qiwu (appointed on 31 March 2008)	蔡其武先生 (於二零零八年三月三十一日獲委任)	4/4
Ms. Tan Xuemei (appointed on 17 December 2008)	譚雪梅女士 (於二零零八年十二月十七日獲委任)	1/1
Mr. Zhang Xinhua (resigned on 17 December 2008)	張新華先生 (於二零零八年十二月十七日辭任)	3/6
<b>Independent non-executive Directors</b>		
Mr. Chan Wai Dune	陳維端先生	6/6
Mr. Lam Ming Yung	林明勇先生	6/6
Ms. Chen Chunhua	陳春花女士	5/6

For each of the Board meetings held during for the year ended 31 December 2008, each Director had been consulted beforehand and served with prior notice to enable him/her to include matters in the agenda of the forthcoming Board meeting.

The Board will hold four regular meetings every year. The Company generally gives at least 14 days notice in advance for regular Board meetings and gives reasonable notice for all other Board meetings in order to give all Directors opportunity to attend the meetings. During the year ended 31 December 2008, the Company had complied with the said notice requirements for Board meetings by giving all Directors adequate time to plan their schedules to attend.

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are complied with applicable rules and regulations and corporate governance practices.

The Company Secretary is responsible for taking minutes of Board meetings which shall record in sufficient detail the matters considered by the Board, decisions reached, concerns raised and divergent views expressed at the

於截至二零零八年十二月三十一日止年度舉行之每次董事會會議，各董事均於會前獲得諮詢並獲發會前通告，使其可於應屆董事會會議議程加入討論事項。

董事會每年舉行四次定期會議。本公司一般最少於十四日前預先發出董事會定期會議通告，並就所有其他董事會會議發出合理通告，讓全體董事均有機會出席有關會議。截至二零零八年十二月三十一日止年度，本公司已遵守上述董事會會議通告規定，讓全體董事有充裕時間撥冗出席。

全體董事均可獲公司秘書之意見及服務，公司秘書乃負責確保董事會程序符合適用規則、規例及企業管治常規。

公司秘書負責記錄董事會會議之會議紀錄，其須充分詳細記錄董事會所考慮之事項、所達致之決定及會上所表達之關注及分歧。於截至二零零八年十二月



## CORPORATE GOVERNANCE REPORT (Continued)

meetings. For each of the Board meetings held during the year ended 31 December 2008, draft and final versions of the minutes of Board meetings were sent to all Directors within reasonable time (generally within 14 days for both cases) after the Board meeting had been held for their comments and records. All Board minutes are available for inspection by all Directors.

The Company's corporate governance guidelines give all Directors the rights, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense, and in such circumstances, the Board shall resolve to provide separate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

The provisions of the articles of association of the Company (the "Articles") have set out a list of matters that should not be dealt with by way of circulation of written resolution by Directors and such list includes the circumstances where a Director has a conflict of interest in a matter to be considered by the Board which the Board considered to be material.

For the year ended 31 December 2008, appropriate insurance cover in respect of legal action against the Directors was arranged.

### Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer of the Company are performed by separate individuals so as to enhance the division of responsibilities between them and to ensure a balance of power and authority. The Chairman is responsible for taking the lead of the Board in determining the strategic direction of the Group, ensuring that all Directors are properly briefed on business contemplated at Board meetings and receive timely, adequate, complete and reliable information. The Chief Executive Officer of the Company with the support of other executive Directors is responsible for strategic planning of different business functions and day-to-day management and operations of the Group.

## 企業管治報告 (續)

三十一日止年度舉行之每次董事會會議，董事會會議紀錄之草稿及定稿已於董事會會議舉行後合理時間內(兩者一般為十四日內)送交所有董事，以供彼等提出意見及存檔。所有董事會會議紀錄均可隨時供全體董事查閱。

本公司之企業管治指引賦予全體董事權利，可按合理要求，並在適當情況下，尋求獨立專業意見，費用由本公司支付，在該等情況下，董事會須決定向董事提供獨立專業意見，以協助有關董事履行職責。

本公司之組織章程細則(「組織章程」)條文已載有不應以董事傳閱書面決議案之方式處理之事項列表，而該列表包括當董事於董事會將予考慮之事項中存有董事會認為重大之利益衝突之情況。

截至二零零八年十二月三十一日止年度，已就針對董事採取之法律行動安排適當之保險保障。

### 主席及首席執行官

本公司之主席及首席執行官由不同人士擔任，以加強彼等之責任分工及確保權力均衡。主席負責領導董事會釐定本集團之戰略方向，確保全體董事獲恰當知會於董事會會議擬進行之事宜，並確保全體董事及時獲得充足、全面及可靠之資料。本公司之首席執行官在其他執行董事之支持下，負責為不同業務職能制定戰略，並負責本集團之日常管理及營運。



## CORPORATE GOVERNANCE REPORT (Continued)

Mr. Fang Hongbo had acted as the Chairman of the Board up to the date of completion of restructuring of the Group on 31 March 2008 ("Completion"). Since then, Mr. Cai Qiwu has taken up the role of the Chairman of the Board.

Mr. Zhang Quan had acted as the Chief Executive Officer of the Company up to the date of Completion, and then Mr. Wu Zhiqiang was appointed in place of Mr. Zhang as the Chief Executive Officer of the Company from 31 March 2008 and up to the date of his resignation on 31 August 2008. Since then, Mr. Jiang Deqing has taken up the role of the Chief Executive Officer of the Company.

### Board Composition

The Board currently comprises eleven Directors, including seven executive Directors, one non-executive Director and three independent non-executive Directors in order to maintain a balanced composition with a strong independent element on the Board.

From 1 January 2008 to 31 March 2008, the Board comprised five executive Directors, Mr. Fang Hongbo (Chairman), Mr. Zhang Quan, Mr. Li Donglai, Ms. Yuan Liqun and Mr. Li Jianwei, a non-executive Director, Mr. Zhang Xinhua, and three independent non-executive Directors, Mr. Chan Wai Dune, Mr. Lam Ming Yung and Ms. Chen Chunhua.

With effect from the date of Completion, the composition of the Board has been changed to comprise six executive Directors, Mr. Wu Zhiqiang, Mr. Qu Fei, Mr. Gao Fazhong, Ms. Yuan Liqun, Mr. Li Jianwei and Mr. Zheng Weikang, two non-executive Directors, Mr. Cai Qiwu (Chairman) and Mr. Zhang Xinhua and three independent non-executive Directors, Mr. Chan Wai Dune, Mr. Lam Ming Yung and Ms. Chen Chunhua.

On 31 August 2008, Mr. Wu Zhiqiang resigned as an executive Director and the Chief Executive Officer of the Company and Mr. Jiang Deqing was appointed in his replacement as an executive Director and the Chief Executive Officer of the Company.

## 企業管治報告 (續)

在本集團於二零零八年三月三十一日重組完成(「完成」)日期前，方洪波先生一直出任董事會主席。此後，由蔡其武先生擔任董事會主席之職務。

張權先生在完成日期前一直出任本公司之首席執行官，其後，吳志強先生(代替張先生)獲委任為本公司之首席執行官，任期由二零零八年三月三十一日起至其於二零零八年八月三十一日辭任日期止。此後，由姜德清先生擔任本公司之首席執行官一職。

### 董事會之組成

董事會現時由十一名董事組成，包括七名執行董事、一名非執行董事及三名獨立非執行董事，以維持董事會之均衡組合及充足獨立元素。

由二零零八年一月一日至二零零八年三月三十一日，董事會由五名執行董事包括方洪波先生(主席)、張權先生、李東來先生、袁利群女士及栗建偉先生；一名非執行董事張新華先生；以及三名獨立非執行董事包括陳維端先生、林明勇先生及陳春花女士所組成。

自完成日期起，董事會改為由六名執行董事包括吳志強先生、瞿飛先生、邰發忠先生、袁利群女士、栗建偉先生及鄭偉康先生；兩名非執行董事包括蔡其武先生(主席)及張新華先生；以及三名獨立非執行董事包括陳維端先生、林明勇先生及陳春花女士所組成。

於二零零八年八月三十一日，吳志強先生辭任本公司之執行董事及首席執行官，而姜德清先生(代替吳先生)獲委任為本公司之執行董事及首席執行官。



## CORPORATE GOVERNANCE REPORT (Continued)

On 17 December 2008, Mr. Zhang Xinhua resigned as a non-executive Director of the Company and Ms. Tan Xuemei was appointed in his replacement as a non-executive Director of the Company.

On 1 January 2009, Mr. Cai Qiwu was re-designated as an executive Director and the Chairman of the Company.

The biographies of each of the current Directors are set out in pages 36 to 40 in this annual report, which demonstrate a diversity of skills, expertise, experience and qualifications appropriate for the requirements of the business of the Company.

The Directors, including the Chairman and the Chief Executive Officer, have no financial, business, family or other material or relevant relationships with each other.

The Company has received annual confirmation of independence from each of the three independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive Directors are independent within the definitions of the Listing Rules.

### Appointments, Re-election and Removal of Directors

The Articles require that (i) every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and (ii) the managing Director of the Company (if any) shall whilst holding office as such be subject to retirement by rotation at least once every three years and shall be taken into account in determining the number of Directors to retire by rotation in each year.

The Articles provide that at every annual general meeting of the Company, and notwithstanding any contractual or other terms on which a Director may be appointed or engaged, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by

## 企業管治報告 (續)

於二零零八年十二月十七日，張新華先生辭任本公司之非執行董事，而譚雪梅女士(代替張先生)獲委任為本公司之非執行董事。

於二零零九年一月一日，蔡其武先生調任為本公司之執行董事及主席。

現任董事之個人履歷載於本年報第36頁至40頁，其中顯示出符合本公司業務要求之多元化技能、專業知識、經驗及資歷。

各董事(包括主席及首席執行官)相互間概無財務、業務、家庭或其他重大或相關之關係。

本公司已收到三名獨立非執行董事各自根據上市規則第3.13條而發出之年度獨立性確認書。董事會已評估彼等之獨立性，結論為全體獨立非執行董事按上市規則界定均屬獨立人士。

### 委任、重選及罷免董事

組織章程規定(i)每名董事(包括按特定任期獲委任之董事)須最少每三年輪席退任一次；及(ii)本公司董事總經理(倘有)在任期間須最少每三年輪席退任一次及須計入釐定每年輪席退任之董事人數內。

組織章程規定於本公司每屆股東週年大會上，不論董事獲委任或聘任之任何合約條款或其他條款，當時三分之一之董事(或倘董事人數並非三之倍數，則以最接近但不少於三分之一之人數為準)須輪席退任，惟不論當中所載內容，每

## CORPORATE GOVERNANCE REPORT (Continued)

rotation, provided that, notwithstanding anything therein, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Board is of the view that such mechanism helps to ensure orderly succession to the appointments to the Board and that changes to its composition can be managed without undue disruption.

During the year ended 31 December 2008, the Company had entered into letters of appointment with Mr. Chan Wai Dune, Mr. Lam Ming Yung and Ms. Chen Chunhua, each an independent non-executive Director and Mr. Cai Qiwu and Mr. Zhang Xinhua, each a non-executive Director, for a term commencing on 28 May 2008 and ending on the date of the Company's next annual general meeting, as their respective then existing letters of appointment expired on 27 May 2008. On 17 December 2008, the Company entered into a letter of appointment with Ms. Tan Xuemei for a term commencing on the date of her appointment as non-executive Director and ending on the date of the Company's next annual general meeting. Such letters of appointment shall be terminable by either party upon one month's written notice to the other party or the payment to other party of a sum equal to the relevant Director's monthly remuneration. On 1 January 2009, the letter of appointment entered into between the Company and Mr. Cai Qiwu was terminated upon the re-designation of Mr. Cai as executive Director and the Chairman.

The Company has not established a nomination committee. The Board as a whole is responsible for appointment of new Directors. According to the Articles, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board, subject to re-election by the shareholders at the next annual general meeting. Consideration would be taken, among other things, to the nominee's qualifications, experience and ability relevant to the requirements of the Company's business. It is believed that the Board collectively is able to identify and select suitable candidates to be appointed to the Board and ensure the Board has a balanced composition of skills and experience appropriate for the requirements of the business of the Company.

## 企業管治報告 (續)

名董事(包括按特定任期獲委任之董事)須最少每三年輪席退任一次。董事會認為有關機制有助確保董事會之委任作有秩序之更替，從而可管理其組成變更，避免不適當干擾。

於截至二零零八年十二月三十一日止年度內，本公司與陳維端先生、林明勇先生及陳春花女士(各人均為獨立非執行董事)以及蔡其武先生及張新華先生(各人均為非執行董事)訂立委任書，任期由二零零八年五月二十八日開始至本公司下屆股東週年大會日期止，因彼等各自當時之委任書已於二零零八年五月二十七日屆滿。於二零零八年十二月十七日，本公司與譚雪梅女士訂立委任書，任期由其獲委任為非執行董事日期開始至本公司下屆股東週年大會日期止。該等委任書可由任何一方向另一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。於二零零九年一月一日，本公司與蔡其武先生訂立之委任書於蔡先生調任為執行董事及主席後終止。

本公司並無成立提名委員會。董事會集體負責委任新董事。根據組織章程，董事會有權不時及隨時委任任何人士出任董事，以填補臨時空缺或作為新增董事會成員，惟有關董事須於下屆股東週年大會上經由股東重選。委任董事之考慮因素包括候選人在有關本公司業務之資歷、經驗及能力。本公司相信，董事會全體成員均有能力物色及挑選適合人選加盟董事會，並確保董事會因應本公司業務之要求由具備適當技能及經驗之人士組成。



## CORPORATE GOVERNANCE REPORT (Continued)

The Board has examined and gave advice on the employment terms of senior management for the year ended 31 December 2008. The Board has also reviewed and assessed the independence of independent non-executive Directors.

### Responsibilities of Directors

To ensure that every newly appointed Director has a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities as a Director of the Company, each of the newly appointed Director is given a comprehensive orientation package containing the information with regard to the duties and responsibilities of Directors under the Listing Rules, related ordinances and relevant regulatory requirements and the business and governance policies of the Company. Updates will also be given to all Directors when necessary to keep them abreast of the latest changes and development in legal, regulatory and corporate governance requirements to facilitate the discharge of their responsibilities.

The non-executive Directors are active in participating in Board meetings to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. They will take lead where potential conflicts of interests of other Directors arise. They serve as members of various Board committees and will scrutinize the performance of the Group in achieving agreed corporate goals and objectives and monitor the reporting of performance.

### Supply of and Access to Information

In respect of regular Board meetings, an agenda and accompanying Board papers are sent in full to all Directors at least three days before the date of a Board or Board committee meeting.

Management has an obligation to supply the Board and the Board committees with adequate information in a timely manner to enable members of the Board and the Board committees to make informed decisions. Where any Director requires more information than is volunteered by

## 企業管治報告 (續)

截至二零零八年十二月三十一日止年度，董事會已審閱高級管理人員之聘用條款，並就此提出意見。董事會亦已檢討及評估獨立非執行董事之獨立性。

### 董事之責任

為確保每名新任董事對本集團之運作及業務均有恰當了解，並確保彼已完全知悉作為本公司董事之責任，每名新任董事均獲提供一套全面迎新資料，內載董事根據上市規則、相關條例及相關監管規定之職責，以及本公司之業務及管治政策。另外，在需要讓董事知道法律、監管及企業管治規定之最新變動及發展時，亦會知會全體董事，以協助彼等履行責任。

非執行董事於董事會會議中擔當積極主動之角色，就戰略、政策、業績表現、問責性、資源、主要委任及操守準則等事宜作出獨立判斷。倘其他董事出現潛在利益衝突時，彼等將作出領導。彼等為不同董事委員會成員，負責監督本集團之業績表現以達致協定之企業目的及目標，同時亦監察業績表現之報告。

### 提供及使用資料

就董事會定期會議而言，議程及隨附之董事會會議文件會於董事會或董事委員會會議日期最少三日前送交全體董事。

管理層有責任向董事會及其委員會適時提供充足資料，以使董事會及其委員會成員能夠作出知情決定。倘任何董事所需之資料較管理層自願提供者為多，每名董事均可使用個別及獨立途徑接觸高



## CORPORATE GOVERNANCE REPORT (Continued)

management, each Director may contact senior management through individual and independent channel to make further enquires if necessary and such enquiries will be responded to by management within a reasonable time with sufficient details. Furthermore, Board papers and minutes are available for inspection by Directors and Board committee members.

### Board Committees

The Board has established three Board committees with defined scope of duties in written form. These Board committees are the Audit Committee, the Remuneration Committee and the Executive Committee.

The written terms of reference of each of the Audit Committee, the Remuneration Committee and the Executive Committee are available on the Company's website <http://www.welling.com.cn>.

### Remuneration Committee

The Company has established its remuneration committee (the "Remuneration Committee") in September 2005. Majority of the members of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee currently comprises three independent non-executive Directors, Ms. Chen Chunhua (chairman), Mr. Chan Wai Dune and Mr. Lam Ming Yung and two executive Directors, Mr. Cai Qiwu and Mr. Zheng Weikang.

The primary duties of the Remuneration Committee include the followings:

- (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and

## 企業管治報告 (續)

級管理人員，以於有必要時作進一步查詢，而管理層將於合理時間內詳盡回應有關查詢。另外，董事會會議文件及會議紀錄可供董事及董事委員會成員隨時查閱。

### 董事委員會

董事會已成立三個訂有書面特定職權範圍之董事委員會。該等董事委員會為審核委員會、薪酬委員會及行政委員會。

審核委員會、薪酬委員會及行政委員會各自之職權範圍刊載於本公司網站 <http://www.welling.com.cn>。

### 薪酬委員會

本公司於二零零五年九月成立薪酬委員會（「薪酬委員會」）。薪酬委員會大部分成員為獨立非執行董事。

薪酬委員會現時由三名獨立非執行董事包括陳春花女士(主席)、陳維端先生及林明勇先生以及兩名執行董事蔡其武先生及鄭偉康先生所組成。

薪酬委員會之主要職務包括：

- (i) 就本公司董事及高級管理人員之整體薪酬政策及架構並就制訂此等薪酬政策設立正規而具透明度之程序，向董事會提出推薦意見；及



## CORPORATE GOVERNANCE REPORT (Continued)

## 企業管治報告 (續)

- (ii) to determine the remuneration packages of all executive Directors and senior management and make recommendations to the Board the remuneration of non-executive Directors.

- (ii) 釐定全體執行董事及高級管理人員之薪酬待遇，並就非執行董事之薪酬向董事會提出推薦意見。

The Remuneration Committee held two meetings during the year ended 31 December 2008, members participated these meetings either in person or through electronic means of communication. The attendance record of each member at the Remuneration Committee meetings is set out as follows:

截至二零零八年十二月三十一日止年度，薪酬委員會已舉行兩次會議，委員會成員可親身或以電子通訊方式參與該等會議。各委員會成員出席薪酬委員會會議之記錄如下：

Members of the Remuneration Committee	薪酬委員會成員	Number of meetings attended/held during the tenure of the respective committee members 各委員會成員於在任期間出席／舉行會議次數
Ms. Chen Chunhua ( <i>Chairman</i> )	陳春花女士 (主席)	1/2
Mr. Chan Wai Dune	陳維端先生	2/2
Mr. Lam Ming Yung	林明勇先生	2/2
Mr. Cai Qiwu (appointed as member on 31 August 2008)	蔡其武先生 (於二零零八年八月三十一日獲委任為成員)	1/1
Mr. Zheng Weikang (appointed as member on 31 March 2008)	鄭偉康先生 (於二零零八年三月三十一日獲委任為成員)	2/2
Mr. Wu Zhiqiang (appointed as member on 31 March 2008 and ceased to be member on 31 August 2008)	吳志強先生 (於二零零八年三月三十一日獲委任為成員，並於二零零八年八月三十一日不再為成員)	1/1
Mr. Fang Hongbo (ceased to be member on 31 March 2008)	方洪波先生 (於二零零八年三月三十一日不再為成員)	N/A 不適用
Mr. Li Jianwei (ceased to be member on 31 March 2008)	栗建偉先生 (於二零零八年三月三十一日不再為成員)	N/A 不適用

During the year ended 31 December 2008, the Remuneration Committee had performed the following works:

截至二零零八年十二月三十一日止年度，薪酬委員會已進行下列工作：

- (i) reviewed and approved the remuneration packages of executive Directors and senior management after consultations with the Chairman; and

- (i) 經諮詢主席後，審閱及批准執行董事及高級管理人員之薪酬待遇；及



## CORPORATE GOVERNANCE REPORT (Continued)

- (ii) reviewed and made recommendations to the Board on the remuneration and terms of appointment of non-executive Directors.

The Company's remuneration policy for the Directors and senior management are set on the basis that the remuneration level of the Directors and senior management will be linked with their responsibilities and their contributions to the achievement of corporate performance target of the Company as resolved by the Board from time to time. For the purpose of determining the level of remuneration of Directors and senior management, appraisal of the work performance of Directors and senior management had been conducted during the Year. Such work performance of Directors and senior management was judged by the extent to which the Company's budget target was met and the financial performance of the Company in terms of sales revenue and net profits as disclosed in the consolidated financial statements was achieved. No Director is involved in deciding his/her own remuneration.

Details of the Directors' emoluments for the year ended 31 December 2008 are set out in Note 25(c) to the consolidated financial statements.

The Remuneration Committee is provided with sufficient resources, including the advice of professional firms, to discharge its duties, if necessary.

### Audit Committee

The Company has established its audit committee (the "Audit Committee") in August 1999. All members of the Audit Committee are independent non-executive Directors, one of whom has possessed professional qualifications and accounting and financial management related expertise.

The Audit Committee currently comprises all three independent non-executive Directors, Mr. Chan Wai Dune (chairman), Mr. Lam Ming Yung and Ms. Chen Chunhua.

The Audit Committee is responsible for, among others, monitoring the integrity of the financial statements of the Group, reviewing the effectiveness of the systems of

## 企業管治報告 (續)

- (ii) 審閱非執行董事之薪酬及委任條款，並向董事會提出推薦意見。

本公司對董事及高級管理人員之薪酬政策乃實行薪酬與績效掛鈎，即董事及高級管理人員之薪酬水平應根據彼等之職責及對於完成董事會不時制定之公司績效目標所作之貢獻而釐定。為釐定董事及高級管理人員之薪酬水平，於本年度內已對董事及高級管理人員之工作表現進行評估。董事及高級管理人員之有關工作表現乃透過本公司預算目標之完成程度，以及本公司按綜合財務報表所披露之銷售收益及純利釐定之財務表現而作出判斷。董事不得參與釐定其本身之薪酬。

截至二零零八年十二月三十一日止年度，董事之酬金詳情載於綜合財務報表附註25(c)。

薪酬委員會在有需要時會獲提供足夠資源(包括專家意見)以履行職責。

### 審核委員會

本公司於一九九九年八月成立審核委員會(「審核委員會」)。審核委員會所有成員均為獨立非執行董事，其中一名具有專業資格及會計與財務管理相關專業知識。

審核委員會現時由全體三名獨立非執行董事包括陳維端先生(主席)、林明勇先生及陳春花女士所組成。

審核委員會負責(其中包括)監察本集團財務報表之完整性；檢討本集團內部監控及風險管理制度之成效；檢討本集



## CORPORATE GOVERNANCE REPORT (Continued)

internal controls and risk management of the Group, reviewing the effectiveness of the Group's internal audit function in the context of the Group's overall risk management system, reviewing the external auditor's independence and objectivity and the effectiveness of the audit process and advising on the appointment of external auditor.

The Audit Committee held four meetings during the year ended 31 December 2008, members participated these meetings either in person or through electronic means of communication. The attendance record of each member at the Audit Committee meetings is set out as follows:

Members of Audit Committee	審核委員會成員	Number of meetings attended/held during the tenure of the respective committee members 各委員會成員於在任期間出席／舉行會議次數
Mr. Chan Wai Dune ( <i>Chairman</i> )	陳維端先生 (主席)	4/4
Mr. Lam Ming Yung	林明勇先生	4/4
Ms. Chen Chunhua	陳春花女士	3/4

Minutes of Audit Committee meetings are kept by the Company Secretary who also serves as secretary of the Audit Committee. Draft and final versions of the minutes of Audit Committee meetings are sent to all members of the Committee for their comments and records respectively, in both cases generally within 14 days after the meeting.

During the year ended 31 December 2008, the Audit Committee had performed the following works:

- (i) reviewed the Company's 2007 annual report and 2008 interim report;
- (ii) reviewed and advised on the terms of engagement and other matters relating to the external auditor;
- (iii) reviewed the effectiveness of the system of internal controls and risk management of the Group;

## 企業管治報告 (續)

團內部審核功能對於整體風險管理系統之成效；檢討外聘核數師是否獨立客觀及核數程序之成效；以及就委任外聘核數師提出意見。

截至二零零八年十二月三十一日止年度，審核委員會已舉行四次會議，委員會成員可親身或以電子通訊方式參與該等會議。各委員會成員出席審核委員會會議之記錄如下：

公司秘書（同時擔任審核委員會之秘書）負責保存審核委員會之會議紀錄。審核委員會會議紀錄之草稿及定稿一般於會議舉行後十四日內送交委員會全體成員，草稿供成員表達意見，定稿作紀錄之用。

截至二零零八年十二月三十一日止年度，審核委員會已進行下列工作：

- (i) 審閱本公司之二零零七年年報及二零零八年中報報告；
- (ii) 檢討有關外聘核數師之聘用條款及其他事項，並就此提出意見；
- (iii) 檢討本集團內部監控及風險管理系統之成效；



## CORPORATE GOVERNANCE REPORT (Continued)

- (iv) reviewed the Group's connected and continuing connected transactions entered during the Year;
- (v) reviewed and monitored the external auditor's independence and the non-audit services provided by the external auditor; and
- (vi) advised on significant events of the Company and highlighted the related risks to the management.

The Audit Committee is provided with sufficient resources to discharge its duties.

The Audit Committee has reviewed the Group's 2008 consolidated financial statements, including the accounting principles and policies adopted by the Group, and recommended to the Board for approval of the consolidated financial statements for the year ended 31 December 2008. The annual report of the Company for the year ended 31 December 2008 has been reviewed by the Audit Committee.

The Board agreed with the Audit Committee's proposal for the re-appointment of Messrs. PricewaterhouseCoopers as the Company's external auditor for the year 2009. The recommendation will be put forward for shareholders' approval at the forthcoming annual general meeting of the Company.

## 企業管治報告 (續)

- (iv) 檢討本集團於本年度所訂立之關連交易及持續關連交易；
- (v) 檢討及監察外聘核數師之獨立性及其所提供之非核數服務；及
- (vi) 就本公司之重大事項提出意見，並向管理層指出有關風險。

審核委員會獲提供足夠資源以履行職責。

審核委員會已審閱本集團之二零零八年綜合財務報表，包括本集團採用之會計原則及政策，並向董事會建議，以批准截至二零零八年十二月三十一日止年度之綜合財務報表。審核委員會已審閱本公司截至二零零八年十二月三十一日止年度之年報。

董事會同意審核委員會建議重新委任羅兵咸永道會計師事務所為本公司於二零零九年之外聘核數師。該建議將於本公司之應屆股東週年大會上提呈供股東批准。



## CORPORATE GOVERNANCE REPORT (Continued)

During the year ended 31 December 2008, the remuneration paid to the Company's external Hong Kong auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

## 企業管治報告 (續)

截至二零零八年十二月三十一日止年度，向本公司外聘香港核數師羅兵咸永道會計師事務所支付之酬金載列如下：

		Fee paid/payable 已付／應付費用 HK\$'000 港幣千元
Audit services	核數服務	2,762
Interim review and review of continuing connected transactions	中期審閱及審閱持續 關連交易	1,295
Non-audit services in respect of tax advice	與稅務建議有關之 非核數服務	223
Total	合計	4,280

### Executive Committee

The Executive Committee comprises all executive Directors of the Board from time to time. Under its term of reference, the Executive Committee shall be responsible for determination on the matters relating to the Group's day-to-day operations and administration.

### 行政委員會

行政委員會由董事會不時之所有執行董事組成。根據其職權範圍，行政委員會負責釐定有關本集團日常運作及行政之事宜。

### Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledged their responsibility for the preparation of the financial statements of the Company which give a true and fair view of the state of affairs of the Group on a going concern basis in accordance with Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance.

### 董事及核數師就財務報表所承擔之責任

董事知悉彼等之責任，為根據香港財務報告準則及香港公司條例，按持續經營之基準，編製本公司之財務報表，以真實及公平地反映本集團之財政狀況。

The statements of the Directors and the auditor of the Company about their reporting responsibilities on the financial statements of the Company are set out in the Independent Auditor's Report on pages 59 to 61 of this annual report.

董事及本公司核數師就本公司財務報表所作之申報責任聲明載於本年報第59頁至61頁之獨立核數師報告內。

## CORPORATE GOVERNANCE REPORT (Continued)

### Internal Controls

The Board is responsible for maintaining a sound and effective system of internal controls in the Company and reviewing its effectiveness through the Audit Committee. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement, fraud or loss and to manage, but not to eliminate, risks of failure in achieving the Company's objective.

The internal control system, which includes a defined management structure with specified limits of authority, is designed to (a) help the achievement of business objectives, and safeguard the Company's assets; (b) ensure proper maintenance of accounting records; and (c) ensure compliance with relevant legislation and regulations.

Management and internal audit department regularly review the Group's internal control system which covers financial, operational and compliance controls as well as risk management functions to ensure that it remains efficient and effective.

The Company has a full set of Internal Control System Manual ("Manual") which was approved by the Board. This Manual contains a comprehensive overview and description of the objectives, content, methods and duties of the internal control system, and facilitates the ongoing examination and evaluation of the Company's compliance with existing rules and regulations and of the effectiveness of internal controls. During the year ended 31 December 2008 and up to the date of this annual report, the Company consistently applied the full set of Manual which covers the control of high-risk areas of operations, suppliers, sales, finance and personnel management. The Board has, through the Audit Committee, carried out ongoing examination and monitoring of the Group's internal control system.

During the Year, in order to enhance and further improve the internal control system of the Group, the Company has engaged independent professional consultant to conduct the internal control review on process of each of different

## 企業管治報告 (續)

### 內部監控

董事會負責確保本公司之內部監控系統完善且行之有效，並透過審核委員會檢討系統之成效。內部監控系統旨在提供合理（但非絕對）保證，避免出現重大錯誤陳述、欺詐或損失，以及管理（但非消除）未能達致本公司目標之風險。

內部監控系統包括一套設有特定權限之界定管理架構，旨在(a)協助達致業務目標，保障本公司資產；(b)確保妥善存置會計記錄；及(c)確保遵照相關法例及法規。

管理層及內部審核部定期檢討本集團之內部監控系統，包括財務、業務、合規監控及風險管理功能，以確保其維持高效率及高效能。

本公司備有整套經由董事會批准之內部監控系統手冊（「手冊」）。此手冊載有內部監控系統各項目標、內容、方法及職責之綜合概覽及描述，有助持續審查及評估本公司是否符合現行規則及法規，以及內部監控系統之成效。於截至二零零八年十二月三十一日止年度及截至本年報日期，本公司貫徹應用整套手冊，涵蓋業務、供應商、銷售、財務及人事管理等高風險範疇之監控。董事會已透過審核委員會持續審查及監察本集團之內部監控系統。

於本年度，為提升及進一步改進本集團之內部監控系統，本公司聘請獨立專業顧問對本集團各個不同分部之業務過程進行內部監控審核，而並無發現重大缺



## CORPORATE GOVERNANCE REPORT (Continued)

divisions of the Group and no significant weaknesses were noted. After taking into account the recommendations from independent professional consultant to the Board, management has formulated or amended a series of internal control measures to enhance control over various business processes and effectively prevent any business risk arising from operations.

The Board has reviewed and is satisfied with the effectiveness of the Group's internal control system and believes that, such system is sufficient in providing reasonable assurances that the Group's assets are safeguarded against loss from unauthorized use or disposition, transactions are properly authorized and proper accounting records are maintained.

### Communication with Shareholders

The Board believes that general meeting can provide an open forum for communication between the Board and the shareholders of the Company. Sufficient notice for general meetings will be given to the Shareholders pursuant to the Articles and the requirements of the Listing Rules. Shareholders are encouraged to attend the general meetings of the Company. The Chairman of the Board and other Directors being members of Audit Committee or Remuneration Committee are available at annual general meeting to answer questions raised by shareholders. Members of the independent board committee are available to answer questions at general meeting to approve connected transaction which is subject to independent shareholders' approval. To facilitate enforcement of shareholders' rights, substantially different issues at general meetings are dealt with under separate resolutions.

Annual and interim reports and any significant events of the Company fall to be disclosed in accordance with the disclosure requirements under the Listing Rules and other applicable regulatory requirements will be published in a timely manner through the Company's website so as to safeguard the shareholders' rights of information.

## 企業管治報告 (續)

陷。經考慮獨立專業顧問對董事會作出之推薦意見後，管理層制訂或修改連串內部監控措施，以提升不同業務過程之監控，並有效預防任何營運所致之業務風險。

董事會已審閱並滿意本集團內部監控系統之效能，且董事會相信，該系統足以提供合理保證，確保本集團資產免受因未經授權挪用或處置而出現之損失、交易經適當授權，且維持適當會計記錄。

### 與股東之溝通

董事會相信，股東大會為董事會與本公司股東提供一個開放溝通場所。本公司將根據組織章程及上市規則之規定向股東給予充分股東大會通告。本公司鼓勵股東出席股東大會。董事會主席及其他身為審核委員會或薪酬委員會之董事可於股東週年大會上解答股東提問。獨立董事委員會成員可於批准須獲獨立股東批准之關連交易之股東大會上解答相關提問。本公司將於股東大會上分別以個別決議案處理內容迥異之議題，以促進股東行使其權利。

本公司網站將適時刊載年報、中期報告及本公司須根據上市規則之披露規定及其他適用監管規定披露之任何重大事件，以保障股東之知情權。





## CORPORATE GOVERNANCE REPORT (Continued)

The Company's website at [www.welling.com.cn](http://www.welling.com.cn) provides timely and updated information on investor relations, corporate governance and other latest news of the Company to enable shareholders and investors to have timely access to information about the Group.

## 企業管治報告（續）

本公司網站[www.welling.com.cn](http://www.welling.com.cn)會適時登載有關投資者關係、企業管治及本公司其他最新訊息之更新資料，以確保股東及投資者可及時得知有關本集團之資訊。



## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

**Mr. CAI Qiwu**, aged 45, was appointed as a non-executive Director and the Chairman of the Company on 31 March 2008 and re-designated as executive Director and the Chairman on 1 January 2009. Mr. Cai is a member of the Remuneration Committee and the Executive Committee of the Company. He joined the Midea Group in 1992 and has held various senior management positions in the Midea Group. He has considerable experience in strategic management, risk management and research and development activities. Mr. Cai is the chief executive officer of Midea Mechanical and Electronic Device Group, an operational department within Midea Group Co., Ltd. ("Midea"). He was a director of GD Midea Holding Co., Ltd. ("GD Midea") (*resigned on 7 March 2009*), a company controlled by Midea and the shares of which are listed on the Shenzhen Stock Exchange. He is also a director of certain subsidiaries of the Company. Mr. Cai holds a Master of Technology Mechanical Manufacturing Degree from the Huazhong University of Science and Technology.

**Mr. JIANG Deqing**, aged 39, was appointed as an executive Director and the Chief Executive Officer of the Company on 31 August 2008. Mr. Jiang is a member of the Executive Committee of the Company. He joined the Group in May 1995. He has been the General Manager of washing motor division of the Group since January 2005 and responsible for overall management of washing motor division. He has held various senior management positions in the Group and has over 13 years of experience in the washing motor industry and years of managerial experience. Mr. Jiang serves as a vice-chairman in certain subsidiaries of the Company. Mr. Jiang holds a Bachelor Degree in Business Administration (Industrial Trade) from Chongqing University.

**Mr. QU Fei**, aged 35, was appointed as an executive Director and the Chief Operating Officer of the Company on 31 March 2008. Mr. Qu is a member of the Executive Committee of the Company. He joined the Midea Group in 1998. He has held various senior management positions in the Group and has considerable experience in operations and strategic management, information technology, and

## 董事及高級管理人員履歷

### 執行董事

**蔡其武先生**，45歲，於二零零八年三月三十一日獲委任為本公司之非執行董事及主席，並於二零零九年一月一日調職為執行董事及主席。蔡先生為本公司薪酬委員會及行政委員會委員。彼於一九九二年加盟美的集團，先後擔任美的集團多個高級管理職位。彼對戰略管理、風險管理及研發活動擁有豐富經驗。蔡先生現時為美的機電裝備集團（美的集團有限公司（「美的」）之營業部門之一）之首席執行官。彼曾任廣東美的電器股份有限公司（「廣東美的」）之董事（已於二零零九年三月七日辭任），廣東美的為一間由美的控制之公司，其股份於深圳證券交易所上市。彼亦為本公司多間附屬公司之董事。蔡先生持有由華中理工大學頒發的工學碩士學位。

**姜德清先生**，39歲，於二零零八年八月三十一日獲委任為本公司之執行董事及首席執行官。姜先生為本公司行政委員會委員。彼於一九九五年五月加盟本集團，自二零零五年一月起出任本集團洗滌電機事業部之總經理，負責洗滌電機事業部之整體管理工作。彼於本集團內先後擔任多個高級管理職位，於洗滌電機行業擁有超過十三年的經驗以及多年的管理經驗。姜先生亦為本公司多間附屬公司之副董事長。姜先生持有由重慶大學工商管理學院頒發的工業外貿學士學位。

**瞿飛先生**，35歲，於二零零八年三月三十一日獲委任為本公司之執行董事及首席營運總監。瞿先生為本公司行政委員會委員。彼於一九九八年加盟美的集團，先後擔任多個高級管理職位，對營運及戰略管理、資訊科技及採購活動擁

## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT (Continued)

purchasing activities. Mr. Qu is also a director of certain subsidiaries of the Company. Mr. Qu holds a Bachelor Degree in Economics from Zhongnan University of Finance and Economics.

**Mr. GAO Fazhong**, aged 40, was appointed as an executive Director and the Chief Financial Officer of the Company on 31 March 2008. Mr. Gao is a member of the Executive Committee of the Company. He joined the Midea Group in 1994. He has held various senior management positions in the Midea Group and has considerable experience in financial management. Mr. Gao is also a director of certain subsidiaries of the Company. Mr. Gao holds a Bachelor Degree in Economics from the Beijing Technology and Business University. He is an accountant accredited by the PRC Ministry of Finance.

**Ms. YUAN Liqun**, aged 39, was appointed as a non-executive Director of the Company on 17 November 2004 and re-designated as an executive Director of the Company on 4 January 2007. Ms. Yuan is a member of the Executive Committee of the Company. She joined the Midea Group in 1992. She has held various senior management positions in the Midea Group and has considerable experience in finance, audit and overall management. Ms. Yuan is a director and vice-president of Midea and the chief financial officer of Midea Group. She was appointed as a director of GD Midea, a company controlled by Midea and the shares of which are listed on the Shenzhen Stock Exchange, on 31 March 2009. She previously was a supervisor of GD Midea (*resigned on 23 February 2009*). She is also a director of certain subsidiaries of the Company. Ms. Yuan holds a Master of International Management Degree from The Australian National University.

**Mr. LI Jianwei**, aged 42, was appointed as a non-executive Director of the Company on 17 November 2004 and re-designated as an executive Director of the Company on 14 June 2005. Mr. Li is a member of the Executive Committee of the Company. He joined the Midea Group in 1994 and has held various senior management positions in the Midea Group. Mr. Li has considerable experience in strategic development activities. Mr. Li is a director and vice president of Midea and the chief strategic development

## 董事及高級管理人員履歷 (續)

有豐富經驗。瞿先生亦為本公司多間附屬公司之董事。瞿先生持有由中南財經大學頒發的經濟學學士學位。

**郜發忠先生**，40歲，於二零零八年三月三十一日獲委任為本公司之執行董事及首席財務官。郜先生為本公司行政委員會委員。彼於一九九四年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務管理擁有豐富經驗。郜先生亦為本公司多間附屬公司之董事。郜先生持有由北京工商大學頒發的經濟學學士學位，並為中國財政部註冊會計師。

**袁利群女士**，39歲，於二零零四年十一月十七日獲委任為本公司之非執行董事，其後於二零零七年一月四日調任為執行董事。袁女士為本公司行政委員會委員。彼於一九九二年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務審計及整體管理擁有豐富經驗。袁女士現時為美的之董事兼副總裁，以及美的集團之財務總監。彼於二零零九年三月三十一日獲委任為廣東美的之董事，廣東美的為一間由美的控制之公司，其股份於深圳證券交易所上市。彼之前曾任廣東美的之監事長（已於二零零九年二月二十三日辭任）。彼亦為本公司多間附屬公司之董事。袁女士持有由澳洲國立大學頒發的國際管理學碩士學位。

**栗建偉先生**，42歲，於二零零四年十一月十七日獲委任為本公司之非執行董事，其後於二零零五年六月十四日調任為執行董事。栗先生為本公司行政委員會委員。彼於一九九四年加盟美的集團，先後於美的集團擔任多個高級管理職位。栗先生對戰略開發活動擁有豐富經驗。栗先生現時為美的之董事兼副總裁，以及美的集團之戰略發展部總監。



## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT (Continued)

officer of Midea Group. He is also a director of GD Midea, a company controlled by Midea and the shares of which are listed on the Shenzhen Stock Exchange. He is also a director of certain subsidiaries of the Company. Mr. Li holds a Master of Business Administration Degree from Fudan University.

**Mr. ZHENG Weikang**, aged 40, was appointed as an executive Director and the Chief Director of the International Offices of the Company on 31 March 2008. Mr. Zheng is a member of the Remuneration Committee and the Executive Committee of the Company. He joined the Midea Group in 1986. He has held various senior management positions in the Midea Group and has considerable experience in financial and overall management. Mr. Zheng is currently a director of Midea International Corp. Co., Ltd and certain non-listed subsidiaries of the Midea Group. He is also a director of certain subsidiaries of the Company. Mr. Zheng holds a Master of International Management Degree from The Australian National University.

### Non-Executive Director

**Ms. TAN Xuemei**, aged 40, was appointed as a non-executive Director of the Company on 17 December 2008. Ms. Tan is the deputy general manager of Guangzhou Baiyun Agriculture Industry & Commerce Corporation. Ms. Tan has over 20 years of experience in corporate accounting and financial management. Ms. Tan graduated from the University of Broadcasting Television of Guangdong with professional qualification in accountancy.

### Independent Non-Executive Directors

**Mr. CHAN Wai Dune**, aged 56, was appointed as an independent non-executive Director of the Company on 30 December 1998. Mr. Chan is the chairman of the Audit Committee and a member of Remuneration Committee of the Company. He has over 28 years of experience in the financial sector, particularly in the areas of audit and taxation. Mr. Chan is a certified public accountant and a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. Mr.

## 董事及高級管理人員履歷 (續)

彼亦為廣東美的之董事，廣東美的為一間由美的控制之公司，其股份於深圳證券交易所上市。彼亦為本公司多間附屬公司之董事。栗先生持有由復旦大學頒發的工商管理學碩士學位。

**鄭偉康先生**，40歲，於二零零八年三月三十一日獲委任為本公司之執行董事及國際辦事處總監。鄭先生為本公司薪酬委員會及行政委員會委員。彼於一九八六年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務及整體管理擁有豐富經驗。鄭先生現時為美的國際控股有限公司及美的集團其他非上市附屬公司董事。彼亦為本公司多間附屬公司之董事。鄭先生持有由澳洲國立大學頒發的國際管理學碩士學位。

### 非執行董事

**譚雪梅女士**，40歲，於二零零八年十二月十七日獲委任為本公司之非執行董事。譚女士為廣州市國營白雲農工商聯合公司之副總經理。譚女士在企業會計及財務管理方面擁有逾二十年的經驗。譚女士畢業於廣東廣播電視大學並取得會計學之專業資格。

### 獨立非執行董事

**陳維端先生**，56歲，於一九九八年十二月三十日獲委任為本公司之獨立非執行董事。陳先生為本公司審核委員會主席及薪酬委員會委員。彼於財務領域尤以核數及稅務方面累積超過二十八年經驗。陳先生為執業會計師及香港會計師公會、英國特許公認會計師公會及香港稅務學會的資深會員。陳先生曾任香港特別行政區第一屆政府推選委員會委員。陳先生現任中國人民政治協商會議



## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT (Continued)

Chan was a member of the Selection Committee for the establishment of the First Government of the HKSAR. Mr. Chan is currently a member of the Chinese People's Political Consultative Conference of 11th Guangzhou Municipal Committee and a member of the Executive Council of China Overseas Friendship Association. Mr. Chan is the managing director of CCIF CPA Limited. In addition, Mr. Chan is also an independent non-executive director of a number of companies which are listed on the Stock Exchange of Hong Kong, including Chaoyue Group Limited, Jinheng Automotive Safety Technology Holdings Limited, Minmetals Resources Limited, Sam Woo Holdings Limited and Heng Xin China Holdings Limited. Mr. Chan was an independent non-executive director of Chuang's China Investments Limited, Chuang's Consortium International Limited and Hunan Nonferrous Metals Corporation Limited (*retired on 28 August 2008, 28 August 2008 and 6 March 2009 respectively*), which are companies listed on the Stock Exchange of Hong Kong.

**Mr. LAM Ming Yung**, aged 45, was appointed as an independent non-executive Director of the Company on 1 December 1999. Mr. Lam is a member of the Audit Committee and Remuneration Committee of the Company. He graduated from the School of Law of Shanghai Eastern Chinese College of Politics and Jurisprudence with a Bachelor of Law Degree. Mr. Lam started practicing law in 1987 in the province of Fujian in the PRC, and moved to Hong Kong in mid-1993. He was registered as a foreign lawyer with The Law Society of Hong Kong in July 1995, and is now practicing as Chief PRC Consultant, Corporate Finance, and Foreign Legal Consultant (PRC), in the Hong Kong office of Sidley Austin LLP. Mr. Lam is also currently an independent non-executive director of China Agrotech Holdings Limited (listed on the Stock Exchange of Hong Kong) and China Lifestyle Food & Beverages Group Limited (listed on the Stock Exchange of Singapore) and a non-executive director of China Mining Resources Group Limited (listed on the Stock Exchange of Hong Kong).

**Ms. CHEN Chunhua**, aged 45, was appointed as an independent non-executive Director of the Company on 22 December 2004. Ms. Chan is the chairman of the Remuneration Committee and a member of the Audit

## 董事及高級管理人員履歷 (續)

第十一屆廣州市政協委員會委員及中華海外聯誼會理事會成員。陳先生現為陳葉馮會計師事務所有限公司之董事總經理。此外，陳先生亦為多家於香港聯合交易所上市的公司的獨立非執行董事，包括超越集團有限公司、錦恆汽車安全技術控股有限公司、五礦資源有限公司、三和集團有限公司及恒芯中國控股有限公司。陳先生曾於香港聯合交易所上市的莊士中國投資有限公司、莊士機構國際有限公司及湖南有色金屬股份有限公司任獨立非執行董事 (*已分別於二零零八年八月二十八日、二零零八年八月二十八日及二零零九年三月六日退任*)。

**林明勇先生**，45歲，於一九九九年十二月一日獲委任為本公司之獨立非執行董事。林先生為本公司審核委員會及薪酬委員會委員。彼於一九八六年畢業於華東政法學院，取得法律學士學位。林先生於一九八七年開始在中國福建省執業，並於一九九三年中遷往香港。林先生於一九九五年七月向香港法律學會註冊為海外律師，現時於盛德律師事務所香港辦事處執業為中國企業融資部首席顧問及境外法律顧問 (中國)。林先生亦為於香港聯合交易所上市之浩倫農業科技集團有限公司及於新加坡證券交易所上市之中國休閒食品集團之獨立非執行董事，以及於香港聯合交易所上市之中國礦業資源集團有限公司之非執行董事。

**陳春花女士**，45歲，於二零零四年十二月二十二日獲委任為本公司之獨立非執行董事。陳女士為本公司薪酬委員會主席及審核委員會委員。彼持有由南京大



## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT (Continued)

Committee of the Company. Ms. Chen holds a Postdoctorate Degree in Enterprise Management from Nanjing University. She was a professor, tutor of doctoral candidates and Vice Dean of the Faculty of Economic and Trade in the School of Economics and Commerce of South China University of Technology. She was a visiting professor for the Asia-Pacific EMBA Program of The National University of Singapore and is a part-time professor of Nanjing University. Ms. Chen's research speciality was enterprise management, particularly enterprise organisation and operational management. Ms. Chen was a president and a director of Shandong Liuhe Company Limited and has considerable experience in enterprise operational management. Ms. Chen is presently an independent director of China Merchants Fund Management Co. Ltd.

### Senior Management

**Mr. ZHOU Xiangyang**, aged 36, joined the Group in July 1996. Mr. Zhou is the general manager of the air-conditioning motors division of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and overall management of business of the Group. Mr. Zhou holds a Bachelor Degree in Mechanical Engineering from Harbin Institute of Technology.

**Mr. ZHANG Jun**, aged 38, joined the Group in March 1995. Mr. Zhang is the general manager of electronic and electric component division of the Group. He has held various senior management positions in the Group and has considerable experience in the business operation management of the Group. Mr. Zhang holds a Master of Mechanical Engineering Degree from Shanghai Jiao Tong University.

## 董事及高級管理人員履歷 (續)

學頒發的工商管理博士後學位。陳女士曾任華南理工大學經濟與貿易學院教授、博士生導師及經濟與貿易學院副院長。彼曾擔任新加坡國立大學管理學院亞太高層企業主管碩士課程客席教授，現為南京大學兼職教授。陳女士的研究領域為企業管理，且特別擅長企業組織及經營管理。陳女士曾任山東六和集團有限公司總裁及董事，並對企業經營管理擁有豐富經驗。陳女士現時為招商基金管理有限公司的獨立董事。

### 高級管理人員

**周向陽先生**，36歲，於一九九六年七月加盟本集團。周先生現時擔任威靈空調電機事業部總經理。彼於本集團先後擔任多個高級管理職位，對本集團業務的銷售、推廣及整體管理擁有豐富經驗。周先生持有由哈爾濱工業大學頒發的電機及控制電器專業工學學士學位。

**張軍先生**，38歲，於一九九五年三月加盟本集團。張先生現時擔任威靈電子電器產品事業部總經理。彼於本集團先後擔任多個高級管理職位，對本集團業務的營運管理擁有豐富經驗。張先生持有由上海交通大學頒發的工程機械專業碩士學位。

## REPORT OF THE DIRECTORS

The Directors herein present their report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2008.

### Change of Company Name

Pursuant to a special resolution passed at an extraordinary general meeting of the Company held on 18 March 2008 and approved by the Registrar of Companies in Hong Kong, the name of the Company was changed from “Hualing Holdings Limited” to “Welling Holding Limited” and the change of the Chinese name of the Company from “華凌集團有限公司” to “威靈控股有限公司” with effect from 15 April 2008.

### Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 10 to the consolidated financial statements.

An analysis of the Group's performance for the Year by business and geographical segments is set out in Note 5 to the consolidated financial statements.

### Results and Appropriations

The results of the Group for the Year are set out in the consolidated income statement on pages 66 to 67.

The Directors do not recommend the payment of a final dividend for the Year (2007: Nil).

### Reserves

Details of movements in reserves of the Company and the Group during the Year are set out in Note 17 to the consolidated financial statements.

## 董事會報告

董事謹此呈報本公司及本集團截至二零零八年十二月三十一日止年度之報告及經審核綜合財務報表。

### 更改公司名稱

根據本公司於二零零八年三月十八日舉行之股東特別大會上通過之特別決議案，及經香港公司註冊處批准後，本公司之英文名稱由「Hualing Holdings Limited」更改為「Welling Holding Limited」，中文名稱則由「華凌集團有限公司」更改為「威靈控股有限公司」，自二零零八年四月十五日起生效。

### 主要業務及營運地區之分析

本公司之主要業務為投資控股，而附屬公司之主要業務則載於綜合財務報表附註10。

本集團於本年度按業務及地區分部之業績表現分析載於綜合財務報表附註5。

### 業績及分派

本集團於本年度之業績載於第66頁至67頁之綜合收益表內。

董事不建議派發本年度之末期股息（二零零七年：無）。

### 儲備

本公司及本集團於本年度之儲備變動詳情載於綜合財務報表附註17。



## REPORT OF THE DIRECTORS (Continued)

### Property, Plant and Equipment

Details of movements in property, plant and equipment of the Company and the Group during the Year are set out in Note 7 to the consolidated financial statements.

### Principal Properties

Details of the principal properties held for investment purposes during the Year are set out in Note 8 to the consolidated financial statements.

### Share Capital

Details of the movements in share capital of the Company during the Year are set out in Note 16(a) to the consolidated financial statements.

### Distributable Reserves

As at 31 December 2008, the Company had distributable reserves amounting to HK\$106,094,000 (2007: Nil).

### Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, is set out on page 224. This summary does not form part of the audited consolidated financial statements.

### Purchase, Sale or Redemption of Securities

The Company has not redeemed any of its shares during the Year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Year.

## 董事會報告 (續)

### 物業、廠房及設備

本公司及本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註7。

### 主要物業

於本年度持作投資用途之主要物業詳情載於綜合財務報表附註8。

### 股本

本公司於本年度之股本變動詳情載於綜合財務報表附註16(a)。

### 可供分派之儲備

於二零零八年十二月三十一日，本公司可供分派之儲備為港幣106,094,000元（二零零七年：無）。

### 五年財務摘要

本集團於過往五個財政年度經適當重列及重新歸類之業績、資產及負債摘要載於第224頁。本摘要並不構成經審核綜合財務報表之一部分。

### 購買、出售或贖回證券

本公司於本年度並無贖回本身之股份。本公司或其任何附屬公司於本年度亦無購買或出售任何本公司之股份。



## REPORT OF THE DIRECTORS (Continued)

### Share Option Scheme

The Company adopted a share option scheme on 27 June 2003 (the "Share Option Scheme") as approved by shareholders of the Company at an extraordinary general meeting for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's business. Details of the Share Option Scheme are disclosed in Note 16(b) to the consolidated financial statements.

### Directors

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

#### Executive Directors

Mr. CAI Qiwu (appointed as non-executive Chairman on 31 March 2008 and re-designated as executive Chairman on 1 January 2009)

Mr. JIANG Deqing (appointed on 31 August 2008)

Mr. QU Fei (appointed on 31 March 2008)

Mr. GAO Fazhong (appointed on 31 March 2008)

Ms. YUAN Liquan

Mr. LI Jianwei

Mr. ZHENG Weikang (appointed on 31 March 2008)

Mr. WU Zhiqiang (appointed on 31 March 2008 and resigned on 31 August 2008)

Mr. FANG Hongbo (resigned on 31 March 2008)

Mr. ZHANG Quan (resigned on 31 March 2008)

Mr. LI Donglai (resigned on 31 March 2008)

## 董事會報告 (續)

### 購股權計劃

本公司於二零零三年六月二十七日採納經由本公司股東於股東特別大會上批准之購股權計劃(「購股權計劃」)，旨在向為本集團業務之成功作出貢獻之合資格參與者提供獎勵及獎賞。購股權計劃之詳情於綜合財務報表附註16(b)披露。

### 董事

於本年度及截至本年報日期在任之董事如下：

#### 執行董事

蔡其武先生(於二零零八年三月三十一日獲委任為非執行主席，並於二零零九年一月一日調任為執行主席)

姜德清先生(於二零零八年八月三十一日獲委任)

瞿飛先生(於二零零八年三月三十一日獲委任)

郜發忠先生(於二零零八年三月三十一日獲委任)

袁利群女士

栗建偉先生

鄭偉康先生(於二零零八年三月三十一日獲委任)

吳志強先生(於二零零八年三月三十一日獲委任，並於二零零八年八月三十一日辭任)

方洪波先生(於二零零八年三月三十一日辭任)

張權先生(於二零零八年三月三十一日辭任)

李東來先生(於二零零八年三月三十一日辭任)



## REPORT OF THE DIRECTORS (Continued)

### Non-executive Directors

Ms. TAN Xuemei (appointed on 17 December 2008)

Mr. ZHANG Xinhua (resigned on 17 December 2008)

### Independent non-executive Directors

Mr. CHAN Wai Dune

Mr. LAM Ming Yung

Ms. CHEN Chunhua

In accordance with Article 87 of the Company, Mr. Jiang Deqing and Ms. Tan Xuemei will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Article 91 of the Company, Mr. Gao Fazhong, Mr. Li Jianwei and Mr. Lam Ming Yung will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

### Directors' Service Contracts

On 22 April 2008, the Company entered into the letters of appointment with Mr. Chan Wai Dune, Mr. Lam Ming Yung and Ms. Chen Chunhua, each an independent non-executive Director, and Mr. Cai Qiwu and Mr. Zhang Xinhua, each a non-executive Director, for a term commencing on 28 May 2008 and ending on the date of the Company's next annual general meeting, as their respective letters of appointment expired on 27 May 2008.

## 董事會報告 (續)

### 非執行董事

譚雪梅女士 (於二零零八年十二月十七日獲委任)

張新華先生 (於二零零八年十二月十七日辭任)

### 獨立非執行董事

陳維端先生

林明勇先生

陳春花女士

根據本公司之組織章程第87條，姜德清先生及譚雪梅女士將於應屆股東週年大會退任，並符合資格且願意於應屆股東週年大會膺選連任。

根據本公司之組織章程第91條，鄧發忠先生、栗建偉先生及林明勇先生將於應屆股東週年大會退任，並符合資格且願意於應屆股東週年大會膺選連任。

### 董事服務合約

於二零零八年四月二十二日，本公司與陳維端先生、林明勇先生及陳春花女士 (各人均為獨立非執行董事) 以及蔡其武先生及張新華先生 (各人均為非執行董事) 訂立委任書，任期由二零零八年五月二十八日開始至本公司下屆股東週年大會日期止，因彼等各自之委任書已於二零零八年五月二十七日屆滿。

## REPORT OF THE DIRECTORS (Continued)

On 17 December 2008, the Company entered into a letter of appointment with Ms. Tan Xuemei for a term commencing on her appointment as a non-executive Director on 17 December 2008 and ending on the date of the Company's next annual general meeting.

The above-mentioned letters of appointment provide that the remuneration of the Directors shall be determined in accordance with the remuneration policy as approved by the Board from time to time. Such letters of appointment are terminable by either party upon one month's written notice to the other party or the payment to the other party of a sum equal to the relevant Director's monthly remuneration. These letters of appointment are exempt from the shareholders' approval requirement under Rule 13.68 of the Listing Rules.

On 1 January 2009, the letter of appointment entered into between the Company and Mr. Cai Qiwu was terminated upon the re-designation of Mr. Cai as executive Chairman of the Company became effective.

Save as disclosed herein, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without the payment of compensation, other than statutory compensation.

### Independence of Independent Non-Executive Directors

The Company had received from each of the independent non-executive Directors an annual confirmation of his/her independence and considered that each of the independent non-executive Directors to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

## 董事會報告 (續)

於二零零八年十二月十七日，本公司與譚雪梅女士訂立委任書，任期由其於二零零八年十二月十七日獲委任為非執行董事開始至本公司下屆股東週年大會日期止。

上述委任書列明董事之薪酬將根據董事會不時批准之薪酬政策釐定。該等委任書可由任何一方向另一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。根據上市規則第13.68條，該等委任書獲豁免遵守股東批准規定。

於二零零九年一月一日，本公司與蔡其武先生訂立之委任書於蔡先生調任為本公司執行主席生效後終止。

除本報告所披露者外，所有擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂有本公司不可於一年內免付補償（法定補償除外）而終止之服務合約。

### 獨立非執行董事之獨立性

根據上市規則第3.13條所載之指引，本公司已收訖各獨立非執行董事就其獨立性而作出之年度確認書，並認為各獨立非執行董事均屬獨立人士。



## REPORT OF THE DIRECTORS (Continued)

### Emolument Policy

The emolument policy of the employees of the Group is set by the Group's Human Resources Department based on the merit, qualifications and competence of employees.

The emoluments of all executive Directors of the Company are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance of the relevant Directors and comparable market statistics. No Director will be involved in deciding his/her own remuneration.

The Company has adopted the Share Option Scheme for the purpose of providing incentives to the Directors and eligible employees.

### Pension Schemes

Details of the pension schemes operated by the Group are set out in Note 25 to the consolidated financial statements.

### Directors' Interests in Contracts

Save as disclosed in Note 35 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

### Biographical Details of Directors and Senior Management

Brief biographical details of Directors and senior management are set out on pages 36 to 40.

## 董事會報告 (續)

### 薪酬政策

本集團僱員之薪酬政策由本集團人力資源部門根據僱員之功績、資歷及能力而訂立。

本公司所有執行董事之薪酬由薪酬委員會經考慮本集團之經營業績、有關董事之個人表現及市場比較數據而決定。董事不得參與釐定其本身之薪酬。

本公司已採納購股權計劃，旨在向董事及合資格僱員提供獎勵。

### 退休金計劃

本集團營辦之退休金計劃詳情載於綜合財務報表附註25。

### 董事之合約權益

除綜合財務報表附註35所披露者外，於本年度結束時或本年度任何時間內，本公司、其同系附屬公司或其控股公司概無訂立任何與本集團業務有重大關係而本公司董事直接或間接在其中擁有重大權益之合約。

### 董事及高級管理人員之個人履歷

董事及高級管理人員之個人簡歷載於第36頁至40頁。





## REPORT OF THE DIRECTORS (Continued)

### Directors' and Chief Executive's Interests in Equity or Debt Securities

As at 31 December 2008, the interests and short positions of each Director and chief executive of the Company as at 31 December 2008 in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the laws of Hong Kong), as recorded in the register required to be kept under Section 352 of the SFO or which have to be notified to the Company and The Stock Exchange of Hong Kong Limited ("HKSE") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

### Interests in share options of the Company (long positions)

Name	Options held at 1 January 2008	Options granted during the Year	Options exercised during the Year	Options held at 31 December 2008	Exercise price HK\$	Grant date	Exercisable from	Exercisable until	
	於二零零八年一月一日持有之購股權	於本年度授出之購股權	於本年度行使之購股權	於二零零八年十二月三十一日持有之購股權					
<b>Directors:</b>	<b>董事:</b>								
Chan Wai Dune	陳維端	2,000,000	—	—	2,000,000	0.78	30/7/2007	30/7/2007	29/7/2017
Lam Ming Yung	林明勇	2,000,000	—	—	2,000,000	0.78	30/7/2007	30/7/2007	29/7/2017
Chen Chunhua	陳春花	2,000,000	—	—	2,000,000	0.78	30/7/2007	30/7/2007	29/7/2017

Share options were granted to Directors under the Share Option Scheme. The consideration for each of the grants of options as mentioned-above was HK\$1. Details of Share Options Scheme are disclosed in Note 16(b) to the consolidated financial statements.

## 董事會報告 (續)

### 董事及最高行政人員於股本證券或債務證券之權益

於二零零八年十二月三十一日，董事及本公司最高行政人員於二零零八年十二月三十一日在本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第352條須登記於該條所述登記冊之權益及淡倉，或根據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香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

### 於本公司之購股權權益 (好倉)

本公司根據購股權計劃向董事授出購股權。授出上述購股權予每名董事之代價為港幣1元。購股權計劃之詳情於綜合財務報表附註16(b)披露。



## REPORT OF THE DIRECTORS (Continued)

Other than those interests disclosed above, as at 31 December 2008, no Directors and chief executives of the Company (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company and its associated corporations (within the meaning of the SFO).

Saved as disclosed herein, at no time during the Year was the Company, its subsidiaries, its associated companies, its fellow subsidiaries or its holding company, a party to any arrangement to enable the Directors and chief executives of the Company to hold any interests or short positions in the shares in, or debentures of, the Company or its associated corporations.

### Directors' Interest in Competing Businesses

Mr. Fang Hongbo, an executive Director who resigned on 31 March 2008, is a director of GD Midea Holding Co., Ltd. ("GD Midea") and certain subsidiaries of GD Midea. GD Midea and its subsidiaries ("GD Midea Group") are principally engaged in the manufacture and sale of household electrical appliances including refrigerators and air-conditioners, which may have competed with the business of the Group during the period from 1 January 2008 to 31 March 2008. Midea Group (excluding the Group) is principally engaged in the manufacture and sale of electrical household appliances including refrigerators and air-conditioners, which may also have competed with the business of the Group during the period from 1 January 2008 to 31 March 2008.

Mr. Li Jianwei, an executive Director, is currently a director of GD Midea. He is also a director and vice president of Midea. Ms. Yuan Liqun, an executive Director, is currently a director of GD Midea. She is also a director and vice president of Midea. Both the Midea Group and GD Midea Group are principally engaged in businesses which may have competed with the business of the Group during the period from 1 January 2008 to 31 March 2008.

## 董事會報告 (續)

除上文所披露之權益外，於二零零八年十二月三十一日，董事及本公司最高行政人員（包括彼等之配偶及十八歲以下子女）並無擁有、獲授予或行使任何可認購本公司及其相聯法團（定義見證券及期貨條例）之股份之權利。

除本報告所披露者外，於本年度任何時間內，本公司、其附屬公司、其聯營公司、其同系附屬公司或其控股公司概無參與任何安排，致使董事及本公司最高行政人員於本公司或其相聯法團之任何股份或債券中持有任何權益或淡倉。

### 董事於競爭業務之權益

執行董事方洪波先生於二零零八年三月三十一日辭任，彼為廣東美的的電器股份有限公司（「廣東美的」）及廣東美的的之若干附屬公司之董事。廣東美的的及其附屬公司（「廣東美的的集團」）主要從事製造及銷售冰箱及空調等家用電器，而這可能於二零零八年一月一日至二零零八年三月三十一日期間與本集團之業務構成競爭。美的的集團（不包括本集團）主要從事製造及銷售冰箱及空調等家用電器，這亦可能於二零零八年一月一日至二零零八年三月三十一日期間與本集團之業務構成競爭。

執行董事栗建偉先生現時為廣東美的的之董事。彼亦為美的的之董事兼副總裁。執行董事袁利群女士現時為廣東美的的之董事。彼亦為美的的之董事兼副總裁。美的的集團及廣東美的的集團之主要業務均可能於二零零八年一月一日至二零零八年三月三十一日期間與本集團之業務構成競爭。



## REPORT OF THE DIRECTORS (Continued)

Mr. Zhang Quan, an executive Director who resigned on 31 March 2008, is a director of GD Midea which may have competed with the business of the Group during the period from 1 January 2008 to 31 March 2008.

Mr. Li Dong Lai, an executive Director who resigned on 31 March 2008, is a general manager of international household air-conditioning division of GD Midea which may have competed with the business of the Group during the period from 1 January 2008 to 31 March 2008.

As at 31 December 2008, save as disclosed above, none of the Directors was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

The Audit Committee, which consists of all independent non-executive Directors, meets regularly to assist the Board in reviewing the financial performance and internal control systems of the Group. The Group is therefore capable of carrying on its businesses independently of, and at arm's length from, the businesses in which the Directors have declared interests.

## 董事會報告 (續)

執行董事張權先生於二零零八年三月三十一日辭任，彼為廣東美的之董事，廣東美的之業務可能於二零零八年一月一日至二零零八年三月三十一日期間與本集團之業務構成競爭。

執行董事李東來先生於二零零八年三月三十一日辭任，彼為廣東美的轄下國際家用空調部之總經理，廣東美的之業務可能於二零零八年一月一日至二零零八年三月三十一日期間與本集團之業務構成競爭。

截至二零零八年十二月三十一日止年度，除上文所披露者外，概無董事於本集團業務以外之任何業務中擁有與本集團業務直接或間接構成或可能構成競爭之權益。

審核委員會由所有獨立非執行董事組成，並定期會晤以協助董事會審閱本集團之財務表現及內部監控系統。因此，本集團能公平經營其業務，並獨立於董事聲明擁有權益之競爭業務。



## REPORT OF THE DIRECTORS (Continued)

### Substantial Shareholders' Interests

As at 31 December 2008, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

## 董事會報告 (續)

### 主要股東權益

根據證券及期貨條例第336條須存置之登記冊顯示，於二零零八年十二月三十一日，下列人士（董事或本公司最高行政人員除外）於本公司之股份及相關股份中擁有權益或淡倉：

Name of shareholder 股東姓名／名稱		Number of shares held 持有股份數目	Approximate percentage of shareholding 持股概約百分比
Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") (formerly known as Welling Electric Holding (Cayman Islands) Limited) (Note 1) 美的控股(開曼群島)有限公司(「美的(開曼群島)」) (前稱為威靈電機控股(開曼群島)有限公司)(附註1)	Long position 好倉	10,106,023,897	74.97%
Midea Investment Holding (BVI) Limited ("Midea Holding") (Note 2) 美的控股(BVI)有限公司(「美的控股」)(附註2)	Long position 好倉	10,106,023,897	74.97%
Midea Group Co., Ltd. ("Midea") (Note 3) 美的集團有限公司(「美的」)(附註3)	Long position 好倉	10,106,023,897	74.97%
Foshan Shunde Tiantuo Investment Co., Ltd. ("Shunde Tiantuo") (Note 4) 佛山市順德區天拓投資有限公司(「順德天拓」)(附註4)	Long position 好倉	10,106,023,897	74.97%
Mr. He Xiangjian (Note 5) 何享健先生(附註5)	Long position 好倉	10,106,023,897	74.97%
Ms. Liang Fengchai (Note 6) 梁鳳釵女士(附註6)	Long position 好倉	10,106,023,897	74.97%



## REPORT OF THE DIRECTORS (Continued)

### Notes:

1. These 10,106,023,897 shares of the Company were registered in the name of and beneficially owned by Midea (Cayman Islands).
2. Midea Holding was deemed to be interested in the 10,106,023,897 shares of the Company which Midea (Cayman Islands) was interested in by virtue of its holding 100% equity interest in Midea (Cayman Islands).
3. Midea was deemed to be interested in the 10,106,023,897 shares of the Company which Midea (Cayman Islands) was interested in by virtue of its holding 100% equity interest in Midea Holding.
4. The registered capital of Midea is owned as to 75% by Shunde Tiantuo. Accordingly, Shunde Tiantuo was deemed to be interested in the 10,106,023,897 shares of the Company which Midea was deemed to be interested in by virtue of its holding 75% equity interest in Midea.
5. The registered capital of Shunde Tiantuo is owned as to 90% by Mr. He Xiangjian. Accordingly, Mr. He Xiangjian was deemed to be interested in the 10,106,023,897 shares of the Company which Shunde Tiantuo was deemed to be interested in by virtue of his holding 90% equity interest in Shunde Tiantuo.
6. Ms. Liang Fengchai is the spouse of Mr. He Xiangjian and is therefore deemed to be interested in the 10,106,023,897 shares of the Company which Mr. He Xiangjian was deemed to be interested in.

### Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

## 董事會報告 (續)

### 附註：

1. 美的(開曼群島)以其名義登記並實益擁有該等10,106,023,897股本公司股份。
2. 美的控股藉持有美的(開曼群島)100%股權而被視為於美的(開曼群島)擁有權益之10,106,023,897股本公司股份中擁有權益。
3. 美的藉持有美的控股100%股權而被視為於美的(開曼群島)擁有權益之10,106,023,897股本公司股份中擁有權益。
4. 順德天拓擁有美的註冊資本之75%。因此，順德天拓藉持有美的75%股權而被視為於美的被視為擁有權益之10,106,023,897股本公司股份中擁有權益。
5. 何享健先生擁有順德天拓註冊資本之90%。因此，何享健先生藉持有順德天拓90%股權而被視為於順德天拓被視為擁有權益之10,106,023,897股本公司股份中擁有權益。
6. 梁鳳釵女士為何享健先生之配偶，因此，被視為於何享健先生被視為擁有權益之10,106,023,897股本公司股份中擁有權益。

### 管理合約

於本年度，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或訂有任何合約。



## REPORT OF THE DIRECTORS (Continued)

### Major Customers and Suppliers

Sales to the Group's five largest customers together accounted for 47% of the Group's total sales during the Year. The five largest customers are set out below:

1. 11% from Foshan Shunde Midea Microwave Electrical Appliances Manufacturing Co., Ltd., which and the Group are under common significant influence of Midea.
2. 9% from Guangdong Midea Refrigeration Appliances Co., Ltd., of which certain Directors of the Company are directors and it is controlled by Midea.
3. 5% from Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd., of which certain Directors of the Company are directors and it is controlled by Midea.
4. The remaining two largest customers accounted for 22% of the total sales during the Year and none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the said major customers.

Purchases from the Group's five largest suppliers together accounted for 32% of the Group's total purchase during the Year. The five largest suppliers are set out below:

1. 18% from Foshan Midea Domestic Electric Co., Ltd. ("Midea Domestic"), of which a Director of the Company is director. Midea Domestic is controlled by a substantial shareholder of Midea.
2. The remaining four largest suppliers accounted for 14% of the total purchases during the Year and none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the said major suppliers.

## 董事會報告 (續)

### 主要客戶及供應商

本集團五大客戶之銷售額共佔本集團於本年度之銷售總額47%。五大客戶載列如下：

1. 11%來自佛山市順德區美的微波電器製造有限公司，其與本集團共同受美的的重大影響。
2. 9%來自廣東美的製冷設備有限公司，本公司若干董事為該公司董事及受美的的控制。
3. 5%來自廣東美的集團蕪湖製冷設備有限公司，本公司若干董事為該公司董事及受美的的控制。
4. 其餘兩大客戶佔本年度之銷售總額22%，且概無董事、其聯繫人士或任何股東（根據董事所知擁有本公司之股本5%以上者）在該等主要客戶中擁有權益。

本集團五大供應商之採購額共佔本集團於本年度內之採購總額32%。五大供應商載列如下：

1. 18%來自佛山市美的家用電器有限公司（「美的家電」），本公司一名董事為該公司董事。美的家電由美的之主要股東控制。
2. 其餘四大供應商佔本年度之採購總額14%，且概無董事、其聯繫人士或任何股東（根據董事所知擁有本公司之股本5%以上者）在該等主要供應商中擁有權益。

## REPORT OF THE DIRECTORS (Continued)

### Connected Transactions and Continuing Connected Transactions

During the Year, the Group had the following connected transactions and continuing connected transactions:

#### Connected Transactions

- (1) On 31 March 2008, the Company completed the restructuring exercise involving a significant business and assets swap with Welling Electric Holding (Cayman Islands) Limited (now known as Midea Holding (Cayman Islands) Limited) ("Vendor").

Vendor was a company indirectly controlled by Midea, a substantial shareholder of the Company, and hence a connected person of the Company under the Listing Rules.

Details of the transaction are disclosed in Note 1 to the consolidated financial statements.

- (2) On 3 November 2008, the Company through its indirect wholly-owned subsidiary, Foshan Welling Washer Motor Manufacturing Co., Ltd, entered into the assets acquisition agreement with Foshan Huiao Investment Co., Ltd. ("Foshan Huiao") for the acquisition of the assets comprising primarily the parcel of land situated at No. 21 Gang Qian Road, Industrial Zone, Beijiao Neighborhood Committee, Beijiao Town, Shunde, Foshan, Guangdong, the PRC and the factory premises erected thereon with a total gross floor area and a total site area of approximately 58,632.81 sq. m. and 81,068.3 sq.m. respectively at a cash consideration of HK\$70,002,000 (equivalent to approximately RMB61,630,000) for the set up of a new manufacturing plant for production of washing motors.

Foshan Huiao was a company indirectly controlled by Mr. He Xiangjian, the controlling shareholder (as defined in the Listing Rules) of the Company, and hence a connected person of the Company under the Listing Rules.

## 董事會報告 (續)

### 關連交易及持續關連交易

於本年度，本集團進行了以下關連交易及持續關連交易：

#### 關連交易

- (1) 於二零零八年三月三十一日，本公司完成重組，當中涉及與威靈電機控股(開曼群島)有限公司(現稱為美的控股(開曼群島)有限公司) (「賣方」)進行重大業務及資產交換。

本公司之主要股東美的的間接控制賣方，因此，根據上市規則，賣方為本公司之關連人士。

有關交易之詳情於綜合財務報表附註1披露。

- (2) 於二零零八年十一月三日，本公司透過其間接全資附屬公司佛山市威靈洗滌電機製造有限公司與佛山市滙奧投資有限公司(「佛山滙奧」)訂立一份資產收購協議，藉此收購主要包括一幅位於中國廣東省佛山市順德區北滘鎮北滘居委會工業園港前路21號的土地連其上興建之廠房的資產，總建築面積及總地盤面積分別約為58,632.81平方米及81,068.3平方米，現金代價為港幣70,002,000元(相等於約人民幣61,630,000元)，該等資產用作興建一座生產洗滌電機之新製造廠房。

本公司控股股東(定義見上市規則)何享健先生間接控制佛山滙奧，因此，根據上市規則，佛山滙奧為本公司之關連人士。



## REPORT OF THE DIRECTORS (Continued)

The above transaction was approved by the independent shareholders of the Company at an extraordinary general meeting held on 9 December 2008.

### Continuing Connected Transactions

#### *Discontinued*

On 14 June 2007, the Company entered into the framework agreement with Midea Group Co., Ltd. ("Midea", a substantial shareholder of the Company and hence a connected person of the Company) ("Midea Framework Agreement I") which set out the basis upon which members of the Group would sell to members of Midea Group refrigerators, air-conditioners and semi-finished products and materials and members of the Group would purchase from members of Midea Group household appliances, semi-finished products, materials and spare parts and refrigerators and air-conditioners.

On 14 June 2007, the Company entered into the framework agreement with Hefei Hualing Co., Ltd. ("Hefei Hualing", a then non-wholly owned subsidiary of the Company owned as to 50.05% by the Group and as to 49.95% by Midea and hence a connected person of the Company) ("Hefei Framework Agreement") which set out the basis upon which members of the Group would purchase refrigerators from Hefei Hualing and sell refrigerators, semi-finished products and spare parts to Hefei Hualing.

On 30 October 2007, the Company and Midea entered into a new framework agreement ("New Midea Framework Agreement") to revise the annual caps for the sale of air-conditioners from the Group to Midea Group as set out in the Midea Framework Agreement I for the three years ending on 31 December 2009.

The Midea Framework Agreement I and the Hefei Framework Agreement and the continuing connected transactions contemplated thereunder were approved by independent shareholders of the Company at an extraordinary general meeting held on 30 July 2007.

## 董事會報告 (續)

本公司獨立股東已於二零零八年十二月九日舉行之股東特別大會上批准上述交易。

### 持續關連交易

#### *已終止進行*

於二零零七年六月十四日，本公司與美的集團有限公司（「美的」，為本公司之主要股東，故為本公司關連人士）訂立一份框架協議（「美的框架協議一」），當中載列以下事項之基準：本集團成員公司會向美的集團成員公司銷售冰箱、空調、半製成品及材料，以及本集團成員公司會向美的集團成員公司採購家電、半製成品、材料及零件、冰箱及空調。

於二零零七年六月十四日，本公司與合肥華凌股份有限公司（「合肥華凌」，當時為本公司之非全資附屬公司，本集團及美的分別擁有其50.05%及49.95%權益，故為本公司關連人士）訂立一份框架協議（「合肥框架協議」），當中載列以下事項之基準：本集團成員公司會向合肥華凌採購冰箱，並會向合肥華凌銷售冰箱、半製成品及零件。

於二零零七年十月三十日，本公司與美的訂立新框架協議（「新美的框架協議」），以更新美的框架協議一所載截至二零零九年十二月三十一日止三個年度，本集團向美的集團銷售空調之年度上限。

本公司獨立股東已於二零零七年七月三十日舉行之股東特別大會上，批准美的框架協議一及合肥框架協議及其項下擬進行之持續關連交易。



## REPORT OF THE DIRECTORS (Continued)

The New Midea Framework Agreement was approved by independent shareholders of the Company at an extraordinary general meeting held on 26 November 2007.

Sale of finished goods by members of the Group to Midea Group and Hefei Hualing from 1 January 2008 to 31 March 2008 under the Midea Framework Agreement I, the New Midea Framework Agreement and the Hefei Framework Agreement amounted to HK\$498,745,000, which was within the annual caps as set out in the relevant announcements of the Company.

Purchase of finished goods, semi-finished goods, materials and spare parts by members of the Group from Midea Group and Hefei Hualing from 1 January 2008 to 31 March 2008 under the Midea Framework Agreement I, the New Midea Framework Agreement and the Hefei Framework Agreement amounted to HK\$276,991,000, which was within the annual caps as set out in the relevant announcements of the Company.

The continuing connected transactions under the Midea Framework Agreement I, the New Midea Framework Agreement and the Hefei Framework Agreement have been discontinued with effect from 31 March 2008 upon completion of the restructuring of the Group.

### *Continuing*

On 22 February 2008, the Company entered into the framework agreement with Midea ("Midea Framework Agreement II") which set out the basis upon which members of the Group would sell products to certain members of Midea Group as well as purchase raw materials through Midea Group during the period from 31 March 2008 to 31 December 2010.

The Midea Framework Agreement II and the continuing connected transactions contemplated thereunder were approved by independent shareholders of the Company at an extraordinary general meeting held on 18 March 2008.

## 董事會報告 (續)

本公司獨立股東已於二零零七年十一月二十六日舉行之股東特別大會上，批准新美的框架協議。

二零零八年一月一日至二零零八年三月三十一日期間，本集團成員公司根據美的的框架協議一、新美的框架協議及合肥框架協議向美的集團及合肥華凌銷售製成品之銷售額為港幣498,745,000元，此金額屬於本公司有關公佈所載之年度上限之內。

二零零八年一月一日至二零零八年三月三十一日期間，本集團成員公司根據美的的框架協議一、新美的框架協議及合肥框架協議向美的集團及合肥華凌採購製成品、半製成品、物料及零件之採購額為港幣276,991,000元，此金額屬於本公司有關公佈所載之年度上限之內。

本集團完成重組後，已於二零零八年三月三十一日終止進行美的的框架協議一、新美的的框架協議及合肥框架協議項下之持續關連交易。

### *持續進行*

於二零零八年二月二十二日，本公司與美的訂立框架協議（「美的的框架協議二」），當中載列以下事項之基準：於二零零八年三月三十一日至二零一零年十二月三十一日期間，本集團成員公司會向美的集團若干成員公司銷售產品，同時透過美的集團購買原材料。

本公司獨立股東已於二零零八年三月十八日舉行之股東特別大會上，批准美的的框架協議二及其項下擬進行之持續關連交易。



## REPORT OF THE DIRECTORS (Continued)

Sale of motors and spare parts by members of the Group to Midea Group for the year ended 31 December 2008 amounted to HK\$2,096,609,000 (equivalent to approximately RMB1,862,208,000), which is within the 2008 annual cap of RMB2,170,000,000 (equivalent to approximately HK\$2,443,143,000) as set out in the Company's announcement dated 22 February 2008.

Purchase of semi-finished products, materials and spare parts by members of the Group from Midea Group for the year ended 31 December 2008 amounted to HK\$852,988,000 (equivalent to approximately RMB757,623,000), which is within the 2008 annual cap of RMB1,500,000,000 (equivalent to approximately HK\$1,688,809,000) as set out in the Company's announcement dated 22 February 2008.

Details of the significant related party transactions entered into by certain members of the Group during the year ended 31 December 2008 pursuant to the above-mentioned agreements, which constituted connected transactions under Chapter 14A of the Listing Rules, are disclosed in Note 35 to the consolidated financial statements.

The independent non-executive Directors have reviewed the continuing connected transactions of the Group during the Year and confirmed that the continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms and in accordance with the pricing policy of the Company;
- (3) in accordance with the relevant agreements governing the transactions; and
- (4) have not exceeded the relevant maximum amount capped in accordance with the annual caps as set out in the relevant published announcements.

## 董事會報告 (續)

截至二零零八年十二月三十一日止年度，本集團成員公司向美的集團銷售電機及零件之銷售額為港幣2,096,609,000元（相等於約人民幣1,862,208,000元），此金額屬於本公司在二零零八年二月二十二日刊發之公佈所載之二零零八年年度上限人民幣2,170,000,000元（相等於約港幣2,443,143,000元）之內。

截至二零零八年十二月三十一日止年度，本集團成員公司向美的集團採購半製成品、物料及零件之採購額為港幣852,988,000元（相等於約人民幣757,623,000元），此金額屬於本公司在二零零八年二月二十二日刊發之公佈所載之二零零八年年度上限人民幣1,500,000,000元（相等於約港幣1,688,809,000元）之內。

本集團若干成員公司根據上述協議於截至二零零八年十二月三十一日止年度進行之重大關聯方交易（該等交易根據上市規則第14A章構成關連交易）詳情，於綜合財務報表附註35披露。

獨立非執行董事已審閱本集團於本年度之持續關連交易，並確認該等持續關連交易：

- (1) 於本集團日常及正常業務過程中訂立；
- (2) 乃按一般商業條款及本公司之定價政策進行；
- (3) 按照規管該等交易之相關協議進行；及
- (4) 有關最高上限並無超過相關已刊發公佈所載之年度上限。



## REPORT OF THE DIRECTORS (Continued)

In accordance with paragraph 14A.38 of the Listing Rules, the Board of Directors engaged the auditor of the Company and perform certain factual finding procedures on the above continuing connected transactions on a sample basis in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their factual findings on the agreed procedures to the Board of Directors and confirmed that for the year ended 31 December 2008, the continuing connected transactions of the Group :

- (1) have been approved by the Board;
- (2) are in accordance with the pricing policy of the Company;
- (3) have been entered into in accordance with the relevant agreements governing the transactions; and
- (4) have not exceeded the relevant annual caps.

The Company confirms that it has complied with the disclosure requirements with respect to the transactions referred to above in accordance with Chapter 14A of the Listing Rules.

### Non-Competition Deed

On 22 February 2008, Midea entered into a non-competition deed in favour of the Company (“Non-Competition Deed”) to undertake that Midea and other members of Midea Group (except the Group) will not engage in any business of the manufacturing and distribution of motors and electronic and electric components for all electrical household appliances and any business activities carried on or proposed to be carried on by the Group which would directly or indirectly compete with the business of the Group.

## 董事會報告 (續)

根據上市規則第14A.38段，董事會委聘本公司核數師，根據香港會計師公會頒佈之香港相關服務準則4400「就財務資料進行既定程序之委聘」，以抽樣方式對上述持續關連交易進行若干資料搜集程序。核數師向董事會匯報按既定程序進行之資料搜集結果，並確認於截至二零零八年十二月三十一日止年度，本集團之持續關連交易：

- (1) 已獲董事會批准；
- (2) 乃按本公司之定價政策進行；
- (3) 已根據規管該等交易之有關協議進行；及
- (4) 並無超過有關年度上限。

本公司確認已就上文所述之交易遵守上市規則第14A章之披露規定。

### 不競爭契據

於二零零八年二月二十二日，美的以本公司為受益人訂立不競爭契據（「不競爭契據」），藉此承諾，美的及美的集團之其他成員公司（本集團除外）將不會從事一切家電電機及電子電器產品之製造及分銷業務，以及任何可能直接或間接與本集團業務或擬進行之業務構成競爭之任何業務活動。



## REPORT OF THE DIRECTORS (Continued)

In compliance with the requirement of the Non-Competition Deed, Midea has submitted to the Company the annual declaration confirming that Midea and its associates (as defined in the Listing Rules) have complied with all the provisions of the Non-Competition Deed throughout the year ended 31 December 2008 ("Declaration"). The independent non-executive Directors have reviewed the Declaration and are satisfied with the compliance by Midea and its associates with the provisions of the Non-competition Deed and the enforcement of the Non-competition Deed during the year ended 31 December 2008.

### Compliance with the Model Code for Securities Transactions by Directors and the Code on Corporate Governance Practices

Please refer to the Corporate Governance Report set out on pages 19 to 35 for the compliance with the Model Code for Securities Transactions by Directors and the Code on Corporate Governance Practices.

### Sufficiency of Public Float

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

### Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Group is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board  
**CAI Qiwu**  
Chairman

Hong Kong, 6 April 2009

## 董事會報告 (續)

為符合不競爭契據之規定，美的已向本公司提呈年度聲明，確認美的及其聯繫人士(定義見上市規則)已於截至二零零八年十二月三十一日止年度內一直遵守不競爭契據之所有規定(「有關聲明」)。獨立非執行董事已審閱有關聲明，並信納美的及其聯繫人士已於截至二零零八年十二月三十一日止年度內一直遵守不競爭契據之規定，及履行不競爭契據。

### 遵守董事進行證券交易的標準守則及企業管治常規守則

有關遵守董事進行證券交易的標準守則及企業管治常規守則，請參閱載於第19頁至35頁之企業管治報告。

### 足夠公眾持股量

根據可供本公司公開查閱且其董事亦知悉之資料，董事確認本公司於本年度內一直維持上市規則所規定之足夠公眾持股量。

### 核數師

羅兵咸永道會計師事務所已審核綜合財務報表，該核數師任滿告退，並符合資格且願意膺聘連任。一項續聘羅兵咸永道會計師事務所為本集團核數師之決議案將於應屆股東週年大會上提呈。

代表董事會  
**蔡其武**  
主席

香港，二零零九年四月六日





## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

PRICEWATERHOUSECOOPERS 

羅兵咸永道會計師事務所

**PricewaterhouseCoopers**  
22nd Floor, Prince's Building  
Central, Hong Kong  
Telephone (852) 2289 8888  
Facsimile (852) 2810 9888  
www.pwchk.com

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WELLING HOLDING LIMITED

*(Incorporated in Hong Kong with limited liability)*

We have audited the consolidated financial statements of Welling Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 62 to 223, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

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

### 獨立核數師報告 致威靈控股有限公司股東

*(於香港註冊成立之有限公司)*

本核數師(以下簡稱「我們」)已審核列載於第62至223頁威靈控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合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附註解釋。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當會計政策;以及按情況作出合理的會計估計。



## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照香港《公司條例》第141條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。



## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 6 April 2009

#### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，二零零九年四月六日



## CONSOLIDATED BALANCE SHEET

### 綜合資產負債表

As at 31 December 2008

於二零零八年十二月三十一日

As at 31 December

於十二月三十一日

			2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列 (Note 2.1) (附註2.1)
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Leasehold land and land use rights	租賃土地及土地使用權	6	127,436	193,012
Property, plant and equipment	物業、廠房及設備	7	571,345	744,105
Investment properties	投資物業	8	—	106,800
Intangible assets	無形資產	9	22,410	21,080
Deferred income tax assets	遞延所得稅資產	21	7,887	—
Prepayment for investments in associates	預付聯營公司投資款項	12	82,463	—
Prepayment for property, plant and equipment	預付物業、廠房及設備款項	12	22,392	—
			<b>833,933</b>	1,064,997
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	11	243,888	872,946
Trade and other receivables	貿易及其他應收款	12	929,579	1,820,749
Due from related companies	應收關聯公司款項	35(d)	1,074,328	1,265,430
Pledged bank deposits	已抵押銀行存款	14	61,020	276,019
Cash and cash equivalents	現金及現金等價物	15	217,124	497,042
			<b>2,525,939</b>	4,732,186
<b>Total assets</b>	<b>總資產</b>		<b>3,359,872</b>	5,797,183
<b>EQUITY</b>	<b>權益</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司股權持有人應佔股本及儲備</b>			
Share capital	股本	16	1,347,931	1,347,931
Other reserves	其他儲備	17	227,921	(152,003)
Accumulated losses	累計虧損		(805,210)	(978,602)
			<b>770,642</b>	217,326
<b>Minority interests</b>	<b>少數股東權益</b>		—	55,930
<b>Total equity</b>	<b>權益總額</b>		<b>770,642</b>	273,256



# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

As at 31 December 2008

於二零零八年十二月三十一日



		As at 31 December 於十二月三十一日	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列 (Note 2.1) (附註2.1)
LIABILITIES	負債	Note 附註	
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借款	18	60,000
Deferred income tax liabilities	遞延所得稅負債	21	6,305
			<b>66,305</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款	19	1,705,350
Due to related companies	應付關聯公司款項	35(d)	174,032
Derivative financial instruments	衍生金融工具	20	30,635
Current income tax liabilities	即期所得稅負債		1,300
Borrowings	借款	18	611,608
Provision for warranty	產品保養撥備	22	—
			<b>2,522,925</b>
<b>Total liabilities</b>	<b>總負債</b>		<b>2,589,230</b>
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>3,359,872</b>
<b>Net current assets/(liabilities)</b>	<b>流動資產／(負債)淨額</b>		<b>3,014</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>836,947</b>

**Cai Qiwu**  
蔡其武  
Director  
董事

**Gao Fazhong**  
郜發忠  
Director  
董事

The notes on pages 71 to 223 are an integral part of these financial statements.

於第71至223頁之附註為此財務報表之一部分。



## BALANCE SHEET

### 資產負債表

As at 31 December 2008

於二零零八年十二月三十一日

		As at 31 December 於十二月三十一日	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		Note 附註	
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	7	87
Investments in subsidiaries	附屬公司投資	10	4,517,215
			4,517,302
<b>Current assets</b>	<b>流動資產</b>		
Prepayments and other receivables	預付款及其他應收款	12	1,346
Dividend receivable	應收股息		350,000
Cash and cash equivalents	現金及現金等價物	15	2,149
			353,495
<b>Total assets</b>	<b>總資產</b>		4,870,797
<b>EQUITY</b>	<b>權益</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司股權持有人應佔股本及儲備</b>		
Share capital	股本	16	1,347,931
Other reserves	其他儲備	17	3,414,179
Retained profit/(accumulated losses)	保留利潤/(累計虧損)		106,094
			(1,116,676)
<b>Total equity</b>	<b>權益總額</b>		4,868,204
			(48,670)

# BALANCE SHEET

## 資產負債表

As at 31 December 2008

於二零零八年十二月三十一日



		As at 31 December	
		於十二月三十一日	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	Note		
	附註		
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Accruals and other payables	預提費用及其他應付款 19	2,593	51,685
<b>Total liabilities</b>	<b>總負債</b>	<b>2,593</b>	51,685
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>	<b>4,870,797</b>	3,015
<b>Net current assets/(liabilities)</b>	<b>流動資產／(負債)淨額</b>	<b>350,902</b>	(48,795)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>4,868,204</b>	(48,670)

**Cai Qiwu**

蔡其武

Director

董事

**Gao Fazhong**

郜發忠

Director

董事

The notes on pages 71 to 223 are an integral part of these financial statements.

於第71至223頁之附註為此財務報表之一部分。



## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

Year ended  
31 December  
截至十二月三十一日  
止年度

		Note	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列 (Note 2.1) (附註2.1)
		附註		
<b>Continuing operations:</b>	<b>持續經營業務：</b>			
Revenue	收益	5	5,193,278	4,644,992
Cost of goods sold	銷售貨品成本		(4,655,951)	(4,159,411)
<b>Gross profit</b>	<b>毛利</b>		<b>537,327</b>	485,581
Other (losses)/gains — net	其他(虧損)/收益 — 淨額	23	(80,362)	6,287
Selling and marketing costs	銷售及市場推廣成本		(91,383)	(85,938)
Administrative expenses	行政開支		(144,299)	(179,986)
<b>Operating profit</b>	<b>經營利潤</b>		<b>221,283</b>	225,944
Finance income	融資收入	26	8,240	35,725
Finance costs	融資成本	26	(37,109)	(29,560)
Finance (costs)/income — net	融資(成本)/收入 — 淨額	26	(28,869)	6,165
<b>Profit before income tax</b>	<b>扣除所得稅前利潤</b>		<b>192,414</b>	232,109
Income tax expense	所得稅開支	27	(28,810)	(24,841)
<b>Profit for the year from continuing operations</b>	<b>持續經營業務之年度利潤</b>		<b>163,604</b>	207,268
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>			
Profit for the year from discontinued operations	已終止經營業務之年度利潤	34	32,575	21,703
<b>Profit for the year</b>	<b>年度利潤</b>		<b>196,179</b>	228,971



# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度



		Year ended 31 December 截至十二月三十一日 止年度	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列 (Note 2.1) (附註2.1)
		Note 附註	
<b>Attributable to:</b>	<b>以下人士應佔：</b>		
Equity holders of the Company	本公司股權持有人		224,385
Minority interests	少數股東權益		4,586
			<b>196,877 (698)</b>
			<b>196,179</b>
			228,971
<b>Earnings per share for profit from continuing operations attributable to the equity holders of the Company, expressed in HK cents per share</b>	<b>本公司股權持有人應佔持續經營業務利潤之每股盈利，以每股港仙列示</b>		
— basic and diluted	— 基本及攤薄	29	
			<b>1.21</b>
			1.54
<b>Earnings per share for profit attributable to the equity holders of the Company, expressed in HK cents per share</b>	<b>本公司股權持有人應佔利潤之每股盈利，以每股港仙列示</b>		
— basic and diluted	— 基本及攤薄	29	
			<b>1.46</b>
			1.66
<b>Dividends</b>	<b>股息</b>	30	
			<b>—</b>
			—

The notes on pages 71 to 223 are an integral part of these financial statements.

於第71至223頁之附註為此財務報表之一部分。



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 綜合權益變動表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Note 附註	Attributable to equity holders of the Company 本公司股權持有人應佔				Minority interests 少數股東 權益	Total 合計
			Share capital 股本 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元			
<b>Balance at 1 January 2007, as restated</b>	於二零零七年 一月一日之結餘 (重列)	2.1	1,344,041	(174,535)	(1,190,028)	61,734	41,212	
Profit for the year	年度利潤		—	—	224,385	4,586	228,971	
Transfer to statutory reserves	轉撥至法定儲備		—	12,959	(12,959)	—	—	
Dividends paid to minority shareholders	向少數股東支付之股 息		—	—	—	(2,124)	(2,124)	
Disposal of subsidiaries	出售附屬公司	34(b)	—	(3,321)	—	(8,266)	(11,587)	
Translation difference	匯兌差異		—	8,647	—	—	8,647	
Employee share option scheme	僱員購股權計劃							
— proceeds from shares issued	— 發行股份所得款項	16(a)	3,890	794	—	—	4,684	
— value of services provided	— 所提供服務之價值	16(b)	—	3,453	—	—	3,453	
<b>Balance at 31 December 2007, as restated</b>	於二零零七年 十二月三十一日 之結餘 (重列)	2.1	1,347,931	(152,003)	(978,602)	55,930	273,256	
<b>Balance at 1 January 2008, as restated</b>	於二零零八年 一月一日之結餘 (重列)	2.1	1,347,931	(152,003)	(978,602)	55,930	273,256	
Profit/(loss) for the year	年度利潤 / (虧損)		—	—	196,877	(698)	196,179	
Transfer to statutory reserves	轉撥至法定儲備		—	23,485	(23,485)	—	—	
Translation difference	匯兌差異		—	225	—	—	225	
Disposal of the Disposed Group	出售已出售集團							
— Disposal of subsidiaries	— 出售附屬公司	34(a)	—	(48,137)	—	(55,232)	(103,369)	
— Deemed contribution arising from the Transaction	— 該項交易產生之 視作貢獻	34(a)	—	404,351	—	—	404,351	
<b>Balance at 31 December 2008</b>	於二零零八年 十二月三十一日 之結餘		1,347,931	227,921	(805,210)	—	770,642	

The notes on pages 71 to 223 are an integral part of these financial statements.

於第71至223頁之附註為此財務報表之一部分。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度



		Year ended 31 December 截至十二月三十一日 止年度	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
		Note 附註	
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Cash generated from operations	經營產生之現金	31(a)	137,696
Interest paid	已付利息		(50,881)
Interest received	已收利息		10,390
Income tax paid	已付所得稅		(34,116)
			267,325
			(55,602)
			45,988
			(27,122)
Net cash generated from operating activities	經營活動產生之現金淨額		63,089
			230,589
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Purchases of property, plant and equipment	購置物業、廠房及設備		(211,529)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	31(b)	21,708
Increase in construction-in-progress	在建工程增加		(89,867)
Payment for leasehold land and land use rights	租賃土地及土地使用權付款		(30,680)
Net cash (outflow)/inflow for disposal of subsidiaries	出售附屬公司之現金(流出)/流入淨額	34	(245,096)
Increase in prepayment for property, plant and equipment	預付物業、廠房及設備款項增加		(22,392)
Increase in prepayment for investments in associates	預付聯營公司投資款項增加		(82,463)
Increase in other non-current assets	其他非流動資產增加		(73)
Receipts of government grants	收取政府補貼	23	1,413
			(152,906)
			36,409
			(49,962)
			(89,810)
			22,623
			—
			—
			—
			4,235
Net cash used in investing activities	投資活動所用之現金淨額		(658,979)
			(229,411)



## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日 止年度	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
	Note 附註		
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Proceeds from issuance of ordinary shares	發行普通股所得款項	—	4,684
Dividend paid to minority shareholders	向少數股東支付之股息	—	(2,124)
Proceeds from borrowings	借款所得款項	704,225	870,203
Repayment of borrowings	償還借款	(431,811)	(1,538,640)
Decrease in due to related companies	應付關聯公司款項減少	—	(230,250)
Decrease in due from related companies	應收關聯公司款項減少	—	1,018,464
Decrease in pledged bank deposits	已抵押銀行存款減少	43,558	55,256
Net cash generated from financing activities	融資活動產生之現金淨額	315,972	177,593
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等價物(減少)/增加淨額</b>	<b>(279,918)</b>	178,771
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	497,042	318,271
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等價物</b>	<b>217,124</b>	497,042

The notes on pages 71 to 223 are an integral part of these financial statements.

於第71至223頁之附註為此財務報表之一部分。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 1 General Information

Welling Holding Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The address of its registered office is at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

On 23 November 2007, the Company and Welling Electric Holding (Cayman Islands) Limited (now known as Midea Holding (Cayman Islands) Limited) (the “Vendor”), a wholly-owned subsidiary of Midea Group Co. Ltd. (“Midea”), the Company’s ultimate holding company, entered into a sale and purchase agreement (the “Agreement”), pursuant to which the Company conditionally agreed to: (a) acquire from the Vendor the entire issued share capital of Welling Holding (BVI) Limited (the “Welling”); (b) dispose of the Company’s entire interest in each of China Refrigeration Industry Co., Ltd., Hualing Technology Limited, Hualing (Far East) Limited, and Hualing (Guangzhou) Electrical Appliances Co., Ltd., (collectively the “Disposed Companies”) to the Vendor; (c) assign the Company’s right to certain net receivables due from the Disposed Companies and their subsidiaries to the Vendor; and (d) issue the consideration shares to the Vendor (collectively the “Transaction”).

On 25 February 2008, the Company dispatched a circular related to the Transaction. Pursuant to an ordinary resolution passed at an Extraordinary General Meeting of the Company held on 18 March 2008, the Transaction was approved by the independent shareholders.

#### 1 一般資料

威靈控股有限公司(「本公司」)為於香港註冊成立之有限責任公司，註冊辦事處地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。

本公司股份於香港聯合交易所有限公司主板上市。

於二零零七年十一月二十三日，本公司與其最終控股公司美的集團有限公司(「美的」)之全資附屬公司威靈電機控股(開曼群島)有限公司(現稱為美的控股(開曼群島)有限公司)(「賣方」)簽訂買賣協議(「該協議」)，據此，本公司有條件地同意：(a)向賣方收購威靈控股(BVI)有限公司(「威靈」)之全部已發行股本；(b)向賣方出售本公司於中國雪櫃實業有限公司、華凌科技有限公司、華凌(遠東)有限公司及華凌(廣州)電器有限公司(統稱「已出售公司」)之全部權益；(c)向賣方轉讓本公司應收已出售公司及其附屬公司若干應收款淨額之權利；及(d)向賣方發行代價股份(統稱「該項交易」)。

於二零零八年二月二十五日，本公司已寄發一份有關該項交易之通函。根據本公司於二零零八年三月十八日舉行之股東特別大會通過之普通決議案，該項交易已獲獨立股東批准。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 1 General information (Continued)

Upon completion (the “Completion”) of the Transaction on 31 March 2008, the Company: (i) disposed of the Disposed Companies and their respective subsidiaries (together, the “Disposed Group”); (ii) acquired Welling and its subsidiaries (together, the “Welling Group”); (iii) allotted and issued approximately 8,753,323,000 consideration shares to the Vendor; and (iv) assigned the Company’s right to net receivables due from the Disposed Companies and their subsidiaries amounted to approximately HK\$876,124,000 to the Vendor. Thereafter, the Company and its subsidiaries (the “Group”) has become a manufacturer and distributor of air-conditioning motors, washing motors and electronic and electric components in the People’s Republic of China (“PRC”) and overseas.

The principal activities of the Disposed Group were the manufacturing, distribution and sale of household electrical appliances, which include air-conditioners, refrigerators and mini-refrigerators.

Given that the Company and the Vendor are both indirect subsidiaries of Midea and under common control of Midea before and after the Transaction, the Company applied the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“HKAG 5”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) in preparing these financial statements of the Group.

Pursuant to a special resolution passed at an Extraordinary General Meeting of the Company held on 18 March 2008 and as approved by the Registrar of Companies in Hong Kong, the English name of the Company was changed from “Hualing Holdings Limited” to “Welling Holding Limited”, and the Chinese name of the Company was changed from “華凌集團有限公司” to “威靈控股有限公司” with effect from 15 April 2008.

#### 1 一般資料（續）

該項交易於二零零八年三月三十一日完成（「完成」）後，本公司：(i)出售已出售公司及其各自之附屬公司（統稱「已出售集團」）；(ii)收購威靈及其附屬公司（統稱「威靈集團」）；(iii)向賣方配發及發行約8,753,323,000股代價股份；及(iv)向賣方轉讓本公司應收已出售公司及其附屬公司應收款淨額約港幣876,124,000元之權利。此後，本公司及其附屬公司（「本集團」）轉型為在中華人民共和國（「中國」）及海外從事空調電機、洗滌電機及電子電器產品之製造商及分銷商。

已出售集團之主要業務包括製造、分銷及銷售家電，包括空調、冰箱及小型冰箱。

由於本公司及賣方均為美的之間接附屬公司，於該項交易前後均受美的的共同控制，本公司於編製本集團之財務報表時已應用香港會計師公會（「香港會計師公會」）頒佈之香港會計指引第5號「共同控制合併之合併會計法」（「香港會計指引第5號」）規定之合併會計原則。

根據本公司於二零零八年三月十八日舉行之股東特別大會通過之特別決議案及經香港公司註冊處批准，本公司之英文名稱由「Hualing Holdings Limited」改為「Welling Holding Limited」，而本公司之中文名稱則由「華凌集團有限公司」改為「威靈控股有限公司」，自二零零八年四月十五日起生效。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 1 General information (Continued)

The Group's consolidated financial statements for the year ended 31 December 2008 are presented in Hong Kong dollars ("HK\$"), which is different from the presentation currency of the Group's interim condensed consolidated financial statements for the period ended 30 June 2008 of Renminbi as the directors consider this presentation provides more useful and relevant financial information for its current and potential investors.

#### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

##### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") under the historical cost convention, as modified by the revaluation of investment properties and derivatives financial instruments.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

#### 1 一般資料（續）

本集團截至二零零八年十二月三十一日止年度之綜合財務報表以港幣（「港幣」）呈列，有別於本集團截至二零零八年六月三十日止期間之簡明綜合中期財務報表以人民幣呈列，此乃由於董事認為，以此方式呈列可為其現有投資者及準投資者提供更為實用及相關之財務資料。

#### 2 主要會計政策概要

編製該等綜合財務報表所應用之主要會計政策載列如下。除另有註明外，該等會計政策於所有呈列之年度中均已貫徹應用。

##### 2.1 編製基準

本集團之綜合財務報表按歷史成本法根據香港財務報告準則（「香港財務報告準則」）編製，並就重估投資物業及衍生金融工具作出修訂。

編製符合香港財務報告準則之綜合財務報表需要使用若干關鍵會計估計。管理層在運用本集團會計政策過程中亦須行使判斷。涉及很大程度之判斷或複雜性之範圍，或對綜合財務報表有重大影響之假設及估計之範圍乃於附註4披露。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

The directors, having considered the current operation and business plan and capital/investment commitment (Note 33) of the Group as well as the available banking facilities, are of the opinion that the Group will have sufficient working capital to enable it to operate as a going concern. Therefore, the consolidated financial statements are prepared on going concern basis. For further details on the Group's management on liquidity risk, please refer to Note 3.1(c).

These consolidated financial statements have also been prepared using the principles of merger accounting, as prescribed in HKAG 5. These consolidated financial statements include the financial position, results and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the year, or since their respective dates of incorporation/establishment. For companies acquired from (or disposed of to) a third party during the year, they would be included in (or excluded from) the consolidated financial statements of the Group from the date of that acquisition (or disposal). Comparative figures as at 31 December 2007 and for the year ended 31 December 2007 have been presented on the same basis.

There is no gain or loss from the Transaction because the resulting differences are regarded as distribution to the equity holders of the Company and debited to the equity of the Group. As a result, the accumulated losses of the Disposed Group of approximately HK\$1,216,807,000 up to 31 March 2008 are not affected by any disposal gain or loss, and are included in the accumulated losses attributable to equity holders of the Company as at 31 December 2008. The deemed distribution arising from the Transaction of approximately HK\$3,219,525,000 (Note 17(d)) was debited to the equity of the Group.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

經考慮本集團之現有營運及業務計劃及資本／投資承擔（附註33），以及可供運用之銀行融資後，董事認為本集團將有足夠營運資金使其可持續經營，故綜合財務報表已按持續經營基準編製。有關本集團管理流動資金風險之其他詳情，請參閱附註3.1(c)。

本綜合財務報表亦已採用香港會計指引第5號所規定之合併會計原則編製。本綜合財務報表包括組成本集團之各公司之財務狀況、業績及現金流量，猶如目前集團架構已於年內一直存在或自彼等各自之註冊成立／成立日期起一直存在。年內向第三方收購（或出售）之公司，將由收購（或出售）日期起計入（或剔出）本集團之綜合財務報表。於二零零七年十二月三十一日及截至二零零七年十二月三十一日止年度之比較數字已按相同基準呈列。

該項交易並無產生損益，因為最終差異被視為給予本公司股權持有人之分派，並在本集團權益中扣除。因此，已出售集團截至二零零八年三月三十一日之累計虧損約港幣1,216,807,000元，不受任何出售之損益影響，並已計入於二零零八年十二月三十一日本公司股權持有人應佔累計虧損內。該項交易產生之視作分派約港幣3,219,525,000元（附註17(d)）於本集團權益中扣除。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

These consolidated financial statements also include the assets, liabilities and results of operation of the Disposed Group which were under common control of Midea before and after the Transaction. The Company disposed of the Disposed Group after the Completion of the Transaction. In accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” issued by the HKICPA, the results and cash flows of the operations of the Disposed Group have been presented as discontinued operations. The comparative figures in the consolidated income statement and consolidated cash flow statement were restated to reflect the disposal of Disposed Group accordingly (Note 34).

The following are reconciliations of the effects arising from the common control combination and the disposal of the Disposed Group on the consolidated balance sheet as at 31 December 2007, consolidated income statement and consolidated cash flow statement for the year ended 31 December 2007.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

本綜合財務報表亦包括該項交易前後受美的共同控制之已出售集團之資產、負債及經營業績。本公司於該項交易完成後出售已出售集團。根據香港會計師公會頒佈之香港財務報告準則第5號「持作銷售之非流動資產及已終止經營業務」，已出售集團業務之業績及現金流量已列作已終止經營業務。於綜合收益表及綜合現金流量表之比較數字已據此重列以反映出售已出售集團（附註34）。

以下為共同控制合併及出售已出售集團對於二零零七年十二月三十一日之綜合資產負債表、截至二零零七年十二月三十一日止年度之綜合收益表及綜合現金流量表之影響之對賬。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(a) The consolidated balance sheet as at 31 December 2007:

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(a) 於二零零七年十二月三十一日之綜合資產負債表：

		Amount previously reported (Audited) 以往報告 上之金額 (經審核) HK\$'000 港幣千元 (i)	Merger of the Welling Group 與威靈集 團合併 HK\$'000 港幣千元 (ii)	Elimination of the intercompany balance 公司間 結餘對銷 HK\$'000 港幣千元 (iii)	Restated (Audited) 重列 (經審核) HK\$'000 港幣千元
Total current assets	總流動資產	1,802,254	2,973,800	(43,868)	4,732,186
Total assets	總資產	2,370,637	3,470,414	(43,868)	5,797,183
Total current liabilities	總流動負債	2,718,864	2,848,931	(43,868)	5,523,927
Total liabilities	總負債	2,718,864	2,848,931	(43,868)	5,523,927
Total equity	權益總額	(348,227)	621,483	—	273,256

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(b) The consolidated income statement for the year ended 31 December 2007:

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(b) 截至二零零七年十二月三十一日止年度之綜合收益表：

		Amount previously reported (Audited) 以往報告 上之金額 (經審核) HK\$'000 港幣千元 (i)	Merger of the Welling Group 與威靈集 團合併 HK\$'000 港幣千元 (ii)	Disposal of the Disposed Group 出售 已出售集團 HK\$'000 港幣千元 (iv)	Restated (Audited) 重列 (經審核) HK\$'000 港幣千元
<b>Continuing operations:</b>	<b>持續經營業務：</b>				
Revenues	收益	3,589,686	4,644,992	(3,589,686)	4,644,992
(Loss)/profit for the year from continuing operations	持續經營業務之年度 (虧損)/利潤	(55,001)	274,125	(11,856)	207,268
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>				
Profit from discontinued operations (Note 34)	已終止經營業務 之利潤(附註34)	—	9,847	11,856	21,703
(Loss)/profit for the year	年度(虧損)/利潤	(55,001)	283,972	—	228,971



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

- (c) The consolidated cash flow statement for the year ended 31 December 2007:

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

- (c) 截至二零零七年十二月三十一日止年度之綜合現金流量表：

	<b>Amount previously reported (Audited)</b>	<b>Merger of the Welling Group</b>	<b>Restated (Audited)</b>
	以往報告 上之金額 (經審核) HK\$'000 港幣千元 (i)	與威靈集 團合併 HK\$'000 港幣千元 (ii)	重列 (經審核) HK\$'000 港幣千元
Net cash generated from operating activities	167,985	62,604	230,589
Net cash used in investing activities	(128,551)	(100,860)	(229,411)
Net cash (used in)/ generated from financing activities	(36,360)	213,953	177,593

- (i) The amount originally stated by the Group are the same as those published in the Group's audited financial statements as at 31 December 2007, representing information of the Disposed Group and the Company.

- (ii) 本集團所列之原數額與其於二零零七年十二月三十一日之經審核財務報表（即已出售集團及本公司之資料）所公佈之數額相同。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(c) (Continued)

- (ii) The financial information of the Welling Group as at 31 December 2007 and for the year ended 31 December 2007 are included using the principles of merger accounting as prescribed in HKAG 5 as stated above.

On 30 April 2007, the Welling Group disposed of all of its equity interest in Jiangsu Qingjiang Motor Manufacturing Co., Ltd. (previously known as Huaian Welling-Qingjiang Motor Manufacturing Co., Ltd.) and its subsidiary (collectively as "Qingjiang") to Midea and Midea International Corporation Company Ltd., a direct wholly-owned subsidiary of Midea. The main business of Qingjiang was manufacturing and distributing industrial motors. The operating loss of Qingjiang for the four months ended 30 April 2007 was approximately HK\$2,239,000 and the disposal gain was approximately HK\$12,086,000. The total amount HK\$9,847,000 has been included in the profit from discontinued operations of the Group for the year ended 31 December 2007.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

(c) (續)

- (ii) 威靈集團於二零零七年十二月三十一日及截至二零零七年十二月三十一日止年度之財務資料，乃採用上述香港會計指引第5號所規定之合併會計原則處理。

於二零零七年四月三十日，威靈集團向美的及美的之直接全資附屬公司美的國際控股有限公司出售其於江蘇清江電機製造有限公司(前稱為淮安威靈清江電機製造有限公司)及其附屬公司(統稱「清江」)之全部股權。清江之主要業務為製造及分銷工業電機。清江截至二零零七年四月三十日止四個月之經營虧損約港幣2,239,000元，出售收益約港幣12,086,000元。總額港幣9,847,000元已計入本集團截至二零零七年十二月三十一日止年度之已終止經營業務之利潤內。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(c) (Continued)

(ii) (Continued)

The financial statements of the Welling Group originally stated in Renminbi ("RMB") is retranslated into HK\$ with the following exchange rates:

- assets and liabilities are translated at the closing rate as at 31 December 2007 of HK\$1=RMB0.9360;
- income and expenses are translated at average exchange rate for the year ended 31 December 2007 of HK\$1=RMB0.9710 (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- movements of equity are translated at the rate prevailing on the transaction dates.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(c) （續）

(ii) （續）

威靈集團原以人民幣（「人民幣」）列值之財務報表，現以下列匯率重新換算為港幣列值：

- 資產與負債按二零零七年十二月三十一日之收市匯率港幣1元兌人民幣0.9360元換算；
- 收入及開支按截至二零零七年十二月三十一日止年度之平均匯率港幣1元兌人民幣0.9710元換算（除非該平均匯率並非合理反映按交易日期之通行匯率計算之累計結果，在此情況下，則按交易日期之匯率換算收入及開支）；及
- 權益變動按交易日期之通行匯率換算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(c) (Continued)

- (iii) The intercompany receivable and payable balances between the Disposed Group and the Welling Group entities are eliminated.
- (iv) The audited revenue and profit related to the operating result of the Disposed Group for the year ended 31 December 2007 are presented under “profit from discontinued operations” as required by HKFRS 5 as mentioned above.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(c) （續）

- (iii) 已出售集團及威靈集團公司間應收款及應付款之結餘已予對銷。
- (iv) 已出售集團截至二零零七年十二月三十一日止年度與經營業績相關之經審核收益及利潤，已遵照上述香港財務報告準則第5號規定列作「已終止經營業務之利潤」。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(i) *Standards, amendment and interpretations effective in 2008*

- HKAS 39, 'Financial instruments: Recognition and measurement', amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The related amendment to HKFRS 7, 'Financial instruments: Disclosures', introduces disclosure requirements with respect to financial assets reclassified out of the held-for-trading and available-for-sale categories. The amendment is effective prospectively from 1 July 2008. This amendment does not have any impact on the Group's financial statements, as the Group has not reclassified any financial assets.

(ii) *Standards, amendments and interpretations effective in 2008 but not relevant to the Group*

- HK(IFRIC) — Int 11, 'HKFRS 2 — Group and treasury share transactions'
- HK(IFRIC) — Int 12, 'Service concession arrangement'
- HK(IFRIC) — Int 14, 'HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction'

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(i) *於二零零八年生效之準則、修訂及詮釋*

- 香港會計準則第39號「金融工具：確認及計量」，對金融資產重新分類之修訂容許若干金融資產如符合註明之條件，可從「持有作買賣用途」及「可供出售」類別中重新分類。香港財務報告準則第7號「金融工具：披露」之相關修訂引入了有關從「持有作買賣用途」及「可供出售」類別中重新分類金融資產之披露規定。此項修訂自二零零八年七月一日起生效。此項修訂對本集團之財務報表並無任何影響，因為本集團並無重新分類任何金融資產。

(ii) *於二零零八年生效但與本集團無關之準則、修訂及詮釋*

- 香港（國際財務報告詮釋委員會）— 詮釋第11號「香港財務報告準則第2號 — 集團及庫存股份交易」
- 香港（國際財務報告詮釋委員會）— 詮釋第12號「服務特許權安排」
- 香港（國際財務報告詮釋委員會）— 詮釋第14號「香港會計準則第19號 — 界定福利資產限額、最低資金要求及兩者相互關係」





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:

- HKAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the consolidated income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group will apply HKAS 1 (Revised) from 1 January 2009. It is likely that both the consolidated income statement and statement of comprehensive income will be presented as performance statements.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋*

以下準則、現有準則之修訂及詮釋已公佈及必須在二零零九年一月一日或之後開始之本集團會計期間或往後期間採納，但本集團並未提早採納：

- 香港會計準則第1號（經修訂）「財務報表之呈列」（由二零零九年一月一日起生效）。此項經修訂準則將禁止在權益變動表中呈列收入及開支項目（即「非擁有人之權益變動」），並規定「非擁有人之權益變動」必須與擁有人之權益變動分開呈列。所有非擁有人之權益變動將須要在業績報表中呈列，但實體可選擇在一份業績報表（全面收入報表）中，或在兩份報表（綜合收益表及全面收入報表）中呈列。如實體重列或重新分類比較數字，除了按現時規定呈列當期及比較期間完結時之資產負債表外，還須呈列比較期間開始時之重列資產負債表。本集團將會由二零零九年一月一日起採用香港會計準則第1號（經修訂）。綜合收益表及全面收入報表很可能會作為業績報表呈列。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKAS 23 (Revised), 'Borrowing costs' (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Revised) from 1 January 2009 but it is not expected to have a material impact on the Group's financial statements.

#### 2 主要會計政策概要(續)

##### 2.1 編製基準(續)

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋(續)*

- 香港會計準則第23號(經修訂)「借款成本」(由二零零九年一月一日起生效)。此項修訂規定實體須將收購、建造或生產合資格資產(即需要一段長時間方可使用或銷售之資產)之直接應佔借款成本資本化,作為該資產之一部分成本。即時將有關借款成本支銷之選擇權將予刪除。本集團將由二零零九年一月一日起採用香港會計準則第23號(經修訂),但預期對本集團之財務報表並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKAS 27 (Revised), 'Consolidated and separate financial statements' (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計準則第27號（經修訂）「綜合及獨立財務報表」（由二零零九年七月一日起生效）。此項經修訂準則規定，如控制權沒有改變，則全部附有非控制性權益之交易之影響必須在權益中呈報，而此等交易將不再導致商譽或盈虧。此項準則亦列明失去控制權時之會計處理方法。任何在實體內之剩餘權益按公平值重新計量，並在損益中確認盈虧。本集團將會由二零一零年一月一日起對附有非控制性權益之交易採用香港會計準則第27號（經修訂）。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKAS 32 (Amendment), 'Financial instruments: Presentation', and HKAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The Group will apply the HKAS 32 (Amendment) and HKAS 1 (Amendment) from 1 January 2009, but it is not expected to have any impact on the Group's financial statements.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計準則第32號（修訂本）「金融工具：呈列」及香港會計準則第1號（修訂本）「財務報表之呈列」－「可認沽金融工具及清盤時產生之責任」（由二零零九年一月一日起生效）。此項經修訂準則規定，如金融工具有某些特徵並符合具體條件，實體必須將可認沽金融工具以及只會於清盤時導致某實體產生責任而必須向另一方按比例提供其資產淨值之工具或工具組成部分分類為權益。本集團將由二零零九年一月一日起採用香港會計準則第32號（修訂本）及香港會計準則第1號（修訂本），但預期對本集團之財務報表並無任何影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKFRS 1 (Amendment), 'First time adoption of HKFRS' and HKAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009). The amended standard allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from HKAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The Company will apply HKAS 27 (Amendment) prospectively from 1 January 2009 in its separate financial statements. This amendment is not relevant to the Group.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港財務報告準則第1號（修訂本）「首次採納香港財務報告準則」及香港會計準則第27號「綜合及獨立財務報表」（由二零零九年一月一日起生效）。此項經修訂準則容許首次採納者在獨立財務報表中計量附屬公司、共同控制實體及聯營公司之初始投資成本時，遵循過往會計處理方式採用公平值或賬面值入賬。此項修訂亦刪去了香港會計準則第27號對成本法之定義，而替換為規定在投資者之獨立財務報表中之股息列示為收入。本公司將由二零零九年一月一日起於獨立財務報表採用香港會計準則第27號（修訂本）。此項修訂與本集團無關。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009). The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply HKFRS 2 (Amendment) from 1 January 2009, but it is not expected to have a material impact on the Group's financial statements.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港財務報告準則第2號（修訂本）「以股份支付支出」（由二零零九年一月一日起生效）。此項經修訂準則處理歸屬條件及註銷，闡明了歸屬條件僅指服務條件及表現條件。以股份支付支出之其他特徵不是歸屬條件。因此，此等特徵將需要包括在與僱員及其他提供類似服務人士之交易於授出日期之公平值內，亦即此等特徵將不影響授出日期後預期將歸屬之獎勵數目或估值。所有由實體或其他各方作出之註銷，必須按相同會計處理法入賬。本集團將由二零零九年一月一日起採用香港財務報告準則第2號（修訂本），但預期對本集團之財務報表並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009. HKFRS 8 replaces HKAS 14, 'Segment reporting', and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009, but it is not expected to have any impact on the Group's financial statements, as the Group has already been using principles, which are consistent with HKFRS 8, in presenting the segment information of the Group.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港財務報告準則第8號「營運分部」(由二零零九年一月一日或之後開始之年度期間起生效)。香港財務報告準則第8號取代香港會計準則第14號「分部報告」，並規定須遵從「管理方法」，據此分部資料將按照內部報告所採用之相同基準呈列。本集團將由二零零九年一月一日起採用香港財務報告準則第8號，但預期對本集團之財務報表並無任何影響，因為本集團在呈列本集團之分部資料時，一直採用與香港財務報告準則第8號一致之原則。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated income statement. There is a choice on an acquisition by acquisition basis to measure the 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. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (Revised) prospectively to all business combinations from 1 January 2010.

#### 2 主要會計政策概要(續)

##### 2.1 編製基準(續)

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋(續)*

- 香港財務報告準則第3號(經修訂)「業務合併」(由二零零九年七月一日起生效)。此項經修訂準則繼續對業務合併採用收購法，但有些重大更改。例如，收購業務之所有付款必須按收購日期之公平值記錄，而分類為債項之或然付款其後須在綜合收益表重新計量。被收購方之非控制性權益可選擇按收購基準以公平值或非控制性權益應佔被收購方資產淨值之比例計量。所有收購相關成本必須計入開支。本集團將由二零一零年一月一日起對所有業務合併採用香港財務報告準則第3號(經修訂)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HK(IFRIC) — Int 16 ‘Hedges of a net investment in a foreign operation’ (effective from 1 October 2008). HK(IFRIC) — Int 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the Group. The requirements of HKAS 21, ‘The effects of changes in foreign exchange rates’, do apply to the hedged item. The Group will apply HK(IFRIC) — Int 16 from 1 January 2009. It is not expected to have a material impact on the Group’s financial statements.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港（國際財務報告詮釋委員會）— 詮釋第16號「對沖海外業務淨投資」（由二零零八年十月一日起生效）。香港（國際財務報告詮釋委員會）— 詮釋第16號闡明了有關淨投資對沖之會計處理法。這包括說明淨投資對沖涉及功能貨幣（而非呈列貨幣）之差額，而對沖工具可在本集團任何地方持有。香港會計準則第21號「匯率變動之影響」適用於對沖項目。本集團將由二零零九年一月一日起採用香港（國際財務報告詮釋委員會）— 詮釋第16號，但預期對本集團之財務報表並無重大影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008
- HKAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 January 2009). The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with HKAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. The Group will apply the HKAS 1 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進
- 香港會計準則第1號（修訂本）「財務報表之呈列」（由二零零九年一月一日起生效）。此項修訂闡明若干項目（而非全部根據香港會計準則第39號「金融工具：確認及計量」被分類為持有作買賣用途之金融資產及負債）分別屬於流動資產及負債之例子。本集團由二零零九年一月一日起採用香港會計準則第1號（修訂本），但預期對本集團之財務報表並無影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
  
- HKAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009).
  - The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.
  
  - The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
  
  - The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進（續）
  
- 香港會計準則第19號（修訂本）「僱員福利」（由二零零九年一月一日起生效）。
  - 此項修訂闡明，一項改變福利承諾受未來薪金增加影響程度之計劃修訂是一項縮減，而一項改變過往服務所佔福利之修訂將令過往服務成本出現負值（倘其引致界定福利責任之現值減低）。
  
  - 計劃資產回報之定義已修訂，當中訂明在計算計劃資產回報時扣除計劃行政成本，惟僅以計算界定福利責任時未有包括在內之成本為限。
  
  - 短期及長期僱員福利之區別將會以該等福利是否在僱員提供服務十二個月內或之後結算為基準。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
- HKAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009). (Continued)
- HKAS 37, 'Provisions, contingent liabilities and contingent assets' requires contingent liabilities to be disclosed, not recognised. HKAS 19 has been amended to be consistent.

The Group will apply the HKAS 19 (Amendment) from 1 January 2009.

#### 2 主要會計政策概要(續)

##### 2.1 編製基準(續)

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋(續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進(續)
- 香港會計準則第19號(修訂本)「僱員福利」(由二零零九年一月一日起生效)。(續)
- 香港會計準則第37號「撥備、或然負債及或然資產」規定或然負債必須披露而非確認。香港會計準則第19號已修訂以貫徹一致。

本集團將由二零零九年一月一日起採用香港會計準則第19號(修訂本)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
  
- HKAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in HKAS 39 'Financial instruments: Recognition and measurement'. This eliminates the inconsistency of terms between HKAS 39 and HKAS 23. The Group will apply the HKAS 23 (Amendment) prospectively to the capitalisation of borrowing costs on qualifying assets from 1 January 2009.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進（續）
  
- 香港會計準則第23號（修訂本）「借款成本」（由二零零九年一月一日起生效）。借款成本之定義已修訂，故利息開支採用香港會計準則第39號「金融工具：確認及計量」所界定之實際利率法計算，消除了香港會計準則第39號與香港會計準則第23號條款之不一致之處。本集團將由二零零九年一月一日起就合資格資產借款成本之資本化採用香港會計準則第23號（修訂本）。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
  
- HKAS 28 (Amendment), 'Investments in associates' (and consequential amendments to HKAS 32, 'Financial Instruments: Presentation' and HKFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). An investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply the HKAS 28 (Amendment) to impairment tests related to investment in associates and any related impairment losses from 1 January 2009.

#### 2 主要會計政策概要(續)

##### 2.1 編製基準(續)

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋(續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進(續)
  
- 香港會計準則第28號(修訂本)「聯營公司投資」(及對香港會計準則第32號「金融工具:呈列」及香港財務報告準則第7號「金融工具:披露」之相應修訂)(由二零零九年一月一日起生效)。就減值測試而言,聯營公司投資被視為單一資產,減值虧損不分配至包括在投資內之特定資產,例如商譽。倘聯營公司之可收回金額增加,則減值撥回作為對投資結餘之調整入賬。本集團將由二零零九年一月一日起對與聯營公司投資有關之減值測試及任何相關之減值虧損採用香港會計準則第28號(修訂本)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註 (續)

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
- HKAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply the HKAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.
- HKAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. It is not expected to have an impact on the Group's financial statements.

### 2 主要會計政策概要 (續)

#### 2.1 編製基準 (續)

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋 (續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進 (續)
- 香港會計準則第36號 (修訂本)「資產減值」(由二零零九年一月一日起生效)。倘公平值減銷售成本按貼現現金流量基準計算，則須作出與使用價值計算相若之披露。本集團將由二零零九年一月一日起採用香港會計準則第36號 (修訂本)，並提供適用於減值測試之規定披露。
- 香港會計準則第38號 (修訂本)「無形資產」(由二零零九年一月一日起生效)。預付款僅可在獲得使用貨品之權利或收到服務前作出付款之情況下予以確認。此項準則預期對本集團之財務報表並無任何影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
  
- HKAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009).
  - This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
  
  - The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.

#### 2 主要會計政策概要(續)

##### 2.1 編製基準(續)

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋(續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進(續)
  
- 香港會計準則第39號(修訂本)「金融工具：確認及計量」(由二零零九年一月一日起生效)。
  - 此項修訂闡明，倘衍生工具開始或不再符合資格作為現金流量對沖工具或淨投資對沖，則可重分類入或出按公平值透過損益記賬類別。
  
  - 為買賣之目的而持有之按公平值透過損益記賬之金融資產或金融負債，其定義亦已修訂。此項修訂闡明，與金融工具組合一同管理並具有實際近期短期套利模式之金融資產或負債在初始確認時計入該組合。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
  
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that HKAS 39 is consistent with HKFRS 8, 'Operating segments' which requires disclosure for segments to be based on information reported to the chief operating decision maker.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進（續）
  
- 有關指定及記錄對沖項目之現有指引，要求對沖工具必須涉及報告實體以外之人士，並引用分部作為報告實體之例證。這意味著，為令對沖會計法適用於分部層面，適用分部目前必須符合對沖會計之規定。此項修訂刪去了此項規定，從而令香港會計準則第39號與香港財務報告準則第8號「營運分部」（其規定分部披露須根據向主要經營決策者呈報之資料作出）一致。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
- When remeasuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used.

The Group will apply the HKAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's consolidated income statement.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進（續）
- 於終止公平值對沖會計法而重新計量債務工具之賬面值時，此項修訂闡明將採用經修訂之實際利率（按於終止公平值對沖會計法之日計算）。

本集團將由二零零九年一月一日起採用香港會計準則第39號（修訂本），但預期對本集團之綜合收益表並無影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
- HKFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations' (and consequential amendment to HKFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to HKFRS 1 states that these amendments are applied prospectively from the date of transition to HKFRSs. The Group will apply the HKFRS 5 (Amendment) prospectively to all partial disposals of subsidiaries from 1 January 2010.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋(續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進(續)
- 香港財務報告準則第5號(修訂本)「持作出售之非流動資產及已終止經營業務」(及對香港財務報告準則第1號「首次採納」之相應修訂)(由二零零九年七月一日起生效)。此項修訂闡明，倘部分出售銷售計劃導致喪失控制權，則附屬公司之所有資產及負債均歸類為持作出售，並在符合已終止經營業務定義之情況下，就該附屬公司作出相關披露。對香港財務報告準則第1號作出之期後修訂列明，此等修訂由過渡至香港財務報告準則之日期起採用。本集團將由二零一零年一月一日起就所有部份出售附屬公司採用香港財務報告準則第5號(修訂本)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)

➤ There are a number of minor amendments to HKFRS 7, 'Financial instruments: Disclosures', HKAS 8, 'Accounting policies, changes in accounting estimates and errors', HKAS 10, 'Events after the balance sheet date', HKAS 18, 'Revenue' and HKAS 34, 'Interim financial reporting' which are not addressed above. These amendments are unlikely to have an impact on the Group's financial statements and have therefore not been analysed in detail.

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations*

The following interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Group's operations:

- HKAS 39 (amendment) 'Financial Instruments: Recognition and Measurement' — 'Eligible hedged items' (effective from 1 July 2009). This amendment is to clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation shall be applied in particular situations.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iii) *尚未生效且未獲本集團提早採納之準則、現有準則之修訂及詮釋（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進（續）

➤ 香港財務報告準則第7號「金融工具：披露」、香港會計準則第8號「會計政策、會計估計變動及誤差」、香港會計準則第10號「結算日後事項」、香港會計準則第18號「收益」及香港會計準則第34號「中期財務報告」之多項細微修訂，並無在上文陳述。此等修訂不大可能對本集團之財務報表構成影響，故並無作出詳細分析。

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂*

以下現行準則之詮釋及修訂已公佈及必須於二零零九年一月一日或之後開始之本集團會計期間或往後期間採納，但與本集團之業務無關：

- 香港會計準則第39號（修訂本）「金融工具：確認及計量」—「合資格對沖項目」（由二零零九年七月一日起生效）。此項修訂旨在闡明釐定對沖風險或部分現金流量是否符合指定資格之原則如何於特定情況下應用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)*

- HK(IFRIC) — Int 13, 'Customer loyalty programmes' (effective from 1 July 2008). HK(IFRIC) — Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. HK(IFRIC) — Int 13 is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.
- HK(IFRIC) — Int 15, 'Agreements for construction of real estates' (effective from 1 January 2009) supercedes HK(IFRIC) — Int 3, 'Revenue — Pre-completion contracts for the sale of development properties'. HK(IFRIC) — Int 15 clarifies whether HKAS 18, 'Revenue' or IAS 11, 'Construction contracts' should be applied to particular transactions. It is likely to result in HKAS 18 being applied to a wider range of transactions. HK(IFRIC) — Int 15 is not relevant to the Group's operations as all revenue transactions are accounted for under HKAS 18 and not HKAS 11.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂（續）*

- 香港（國際財務報告詮釋委員會）— 詮釋第13號「客戶忠誠計劃」（由二零零八年七月一日起生效）。香港（國際財務報告詮釋委員會）— 詮釋第13號闡明，倘貨品或服務乃連同一項客戶忠誠獎勵計劃（例如積分或贈品）而售出，則有關安排屬多重銷售組合安排，應收客戶之代價須按公平值在多重銷售組合安排部分中分攤。由於本集團旗下公司並無實行任何忠誠計劃，故香港（國際財務報告詮釋委員會）— 詮釋第13號與本集團之業務無關。
- 香港（國際財務報告詮釋委員會）— 詮釋第15號「房地產建造協議」（由二零零九年一月一日起生效）將取代香港（國際財務報告詮釋委員會）— 詮釋第3號「收益 — 銷售發展物業之完成前合約」。香港（國際財務報告詮釋委員會）— 詮釋第15號闡明，香港會計準則第18號「收益」或國際會計準則第11號「建築合約」是否該應用於個別交易。此項修訂將很可能令香港會計準則第18號之適用交易範圍更廣泛。由於本集團全部收益交易乃根據香港會計準則第18號而非香港會計準則第11號入賬，故香港（國際財務報告詮釋委員會）— 詮釋第15號與本集團業務無關。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)*

- HK(IFRIC) — Int 17 — 'Distributions of non-cash assets to owners' (effective from 1 July 2009).

This interpretation applies to non-reciprocal distributions of non-cash assets (or with a cash alternative) except for common control transactions and clarifies that:

- a dividend payable shall be recognised when the dividend is appropriately recognised and is no longer at the discretion of the entity.
- the dividend payable shall be measured at the fair value of the assets to be distributed.
- the difference between the dividend paid and the carrying amount of the assets distributed shall be recognised in profit or loss.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂（續）*

- 香港（國際財務報告詮釋委員會）— 詮釋第17號「向擁有人分派非現金資產」（由二零零九年七月一日起生效）。

此項詮釋適用於非現金資產（或附有現金替代物）之非互惠分派（共同控制權交易除外）。此項詮釋闡明：

- 應付股息應於該股息獲正式確認且不再為實體酌情派發時確認。
- 應付股息必須按將分派之資產公平值計量。
- 已付股息與已分派資產賬面值之間之差額於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)*

- HKICPA's improvements to HKFRS published in October 2008
- HKAS 16 (Amendment), Property, plant and equipment (and consequential amendment to HKAS 7, Statement of cash flows) (effective from 1 January 2009). Entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to HKAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Group's operations because none of the group companies' ordinary activities comprise renting and subsequently selling property, plant and equipment.

### 2 主要會計政策概要（續）

#### 2.1 編製基準（續）

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進
- 香港會計準則第16號（修訂本）「物業、廠房及設備」（及對香港會計準則第7號「現金流量表」之相應修訂）（由二零零九年一月一日起生效）。日常業務中包括先租後售資產之實體將出售該等資產所得款項呈列為收益，且於該資產變為持作出售時將資產賬面值轉撥至存貨。香港會計準則第7號之相應修訂列明因購買、租賃及出售該等資產所產生之現金流量分類為經營活動所得現金流量。由於集團旗下公司之日常業務並不包括先租後售物業、廠房及設備，故此項修訂對本集團之業務並無影響。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)
- HKAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009). The benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with HKAS 39, 'Financial instruments: Recognition and measurement' and the proceeds received with the benefit accounted for in accordance with HKAS 20. The amendment will not have an impact on the Group's operations as there are no loans received from the government.
- HKAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from 1 January 2009). Where an investment in a subsidiary that is accounted for under HKAS 39, 'Financial instruments: recognition and measurement', is classified as held for sale under HKFRS 5, 'Non-current assets held for sale and discontinued operations', HKAS 39 would continue to be applied. The amendment will not have an impact on the Group's operations because it is the Group's policy for an investment in subsidiary to be recorded at cost in the standalone accounts of each entity.

#### 2 主要會計政策概要 (續)

##### 2.1 編製基準 (續)

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂 (續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進 (續)
- 香港會計準則第20號 (修訂本)「政府補貼之會計處理及政府資助之披露」(由二零零九年一月一日起生效)。低於市場價格之政府貸款之利益按香港會計準則第39號「金融工具：確認及計量」確認之賬面值，與所收取之所得款項之差額計量，而有關利益按香港會計準則第20號入賬。由於本集團並無自政府收取任何貸款，故此項修訂對本集團之業務並無影響。
- 香港會計準則第27號 (修訂本)「綜合及獨立財務報表」(由二零零九年一月一日起生效)。若根據香港會計準則第39號「金融工具：確認及計量」入賬之附屬公司投資根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售，則香港會計準則第39號將繼續適用。根據本集團之政策，附屬公司投資按成本於各實體之獨立賬目列賬，故此項修訂對本集團業務並無影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iv) Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)

- HKICPA's improvements to HKFRS published in October 2008 (Continued)

➤ HKAS 28 (Amendment), 'Investments in associates' (and consequential amendments to HKAS 32, 'Financial Instruments: Presentation' and HKFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). Where an investment in associate is accounted for in accordance with HKAS 39, 'Financial instruments: recognition and measurement' only certain rather than all disclosure requirements in HKAS 28 need to be made in addition to disclosures required by HKAS 32, 'Financial Instruments: Presentation' and HKFRS 7, 'Financial Instruments: Disclosures'. The amendment will not have an impact on the Group's operations because it is the Group's policy for an investment in an associate to be equity accounted in the consolidated financial statements.

➤ HKAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009). The guidance has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the Group's operations, as none of the Group's subsidiaries operate in hyperinflationary economies.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iv) 尚未生效且與本集團業務無關之現行準則之詮釋及修訂（續）

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進（續）

➤ 香港會計準則第28號（修訂本）「聯營公司投資」（及對香港會計準則第32號「金融工具：呈列」及香港財務報告準則第7號「金融工具：披露」之相應修訂）（由二零零九年一月一日起生效）。倘聯營公司投資乃根據香港會計準則第39號「金融工具：確認及計量」入賬，除根據香港會計準則第32號「金融工具：呈列」及香港財務報告準則第7號「金融工具：披露」作出披露外，僅須遵照香港會計準則第28號之若干（而非全部）披露規定作出披露。根據本集團對聯營公司投資之政策乃在綜合財務報表按權益法記賬，故此項修訂對本集團業務並無影響。

➤ 香港會計準則第29號（修訂本）「嚴重通脹經濟財務報告」（由二零零九年一月一日起生效）。修訂有關指引可反映多項資產及負債乃按公平值（而非歷史成本）計量。由於本集團附屬公司均無於嚴重通脹經濟中經營，故此項修訂對本集團業務並無影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)

➤ HKAS 31 (Amendment), 'Interests in joint ventures (and consequential amendments to HKAS 32 and HKFRS 7) (effective from 1 January 2009). Where an investment in joint venture is accounted for in accordance with HKAS 39, only certain rather than all disclosure requirements in HKAS 31 need to be made in addition to disclosures required by HKAS 32, 'Financial Instruments: Presentation' and HKFRS 7, 'Financial Instruments: Disclosures'. The amendment will not have an impact on the Group's operations as there are no interests held in joint ventures.

➤ HKAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). The amendment deletes the wording that states that there is 'rarely, if ever' support for use of a method that results in a lower rate of amortisation than the straight line method. The amendment will not currently have an impact on the Group's operations as all intangible assets are amortised using the straight line method.

#### 2 主要會計政策概要 (續)

##### 2.1 編製基準 (續)

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂 (續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進 (續)

➤ 香港會計準則第31號 (修訂本)「合營企業權益」(及對香港會計準則第32號及香港財務報告準則第7號之相應修訂)(由二零零九年一月一日起生效)。倘合營企業投資乃根據香港會計準則第39號入賬，除根據香港會計準則第32號「金融工具：呈列」及香港財務報告準則第7號「金融工具：披露」作出披露外，僅須遵照香港會計準則第31號之若干(而非全部)披露規定作出披露。由於本集團並無持有合營企業權益，故此項修訂對本集團業務並無影響。

➤ 香港會計準則第38號 (修訂本)「無形資產」(由二零零九年一月一日起生效)。此項修訂刪除了「極少(如有)」支持採用直線法以外方法會使攤銷率較低之表述。由於所有無形資產均使用直線法攤銷，故此項修訂目前對本集團業務並無影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)

➤ HKAS 40 (Amendment), 'Investment property' (and consequential amendments to HKAS 16) (effective from 1 January 2009). Property that is under construction or development for future use as investment property is within the scope of HKAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not have an impact on the Group's operations, as no investment properties are held by the Group's continuing operations.

➤ HKAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009). It requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

#### 2 主要會計政策概要（續）

##### 2.1 編製基準（續）

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂（續）*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進（續）

➤ 香港會計準則第40號（修訂本）「投資物業」（及香港會計準則第16號之相應修訂）（由二零零九年一月一日起生效）。正在建設或開發以供日後作投資物業用途之物業屬於香港會計準則第40號之涉及範圍。倘應用公平值模型，則該等物業按公平值計量。然而，倘在建投資物業之公平值無法可靠計量，則該物業按成本法計量，直至竣工之日與公平值能可靠計量之日（以較早者為準）。由於本集團持續經營業務並無持有投資物業，故此項修訂對本集團業務並無影響。

➤ 香港會計準則第41號（修訂本）「農業」（由二零零九年一月一日起生效）。此項修訂規定使用公平值按貼現現金流量計算之市場貼現率，並刪除禁止計算公平值時考慮生物轉化之規定。由於本集團並無從事農業業務，故此項修訂對本集團業務並無影響。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.1 Basis of preparation (Continued)

(iv) *Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued)*

- HKICPA's improvements to HKFRS published in October 2008 (Continued)

➤ The minor amendments to HKAS 20, 'Accounting for government grants and disclosure of government assistance', HKAS 29, 'Financial reporting in hyperinflationary economies', HKAS 40, 'Investment property' and HKAS 41, 'Agriculture', which are not addressed above. These amendments will not have an impact on the Group's operations as described above.

##### 2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2008.

###### (a) *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.

#### 2 主要會計政策概要(續)

##### 2.1 編製基準(續)

(iv) *尚未生效且與本集團業務無關之現行準則之詮釋及修訂(續)*

- 香港會計師公會於二零零八年十月公佈對香港財務報告準則之改進(續)

➤ 香港會計準則第20號「政府補貼之會計處理及政府資助之披露」、香港會計準則第29號「嚴重通脹經濟財務報告」、香港會計準則第40號「投資物業」及香港會計準則第41號「農業」均有細微修訂，但並無在上文陳述。如上所述，此等修訂對本集團業務並無影響。

##### 2.2 綜合賬目

綜合財務報表包括本公司及各附屬公司截至二零零八年十二月三十一日止之財務報表。

###### (a) *附屬公司*

附屬公司指本集團有權規管其財務及經營政策之所有實體，一般附帶超過半數投票權之股權。於評估本集團是否控制另一實體時，會考慮現時可行使或可兌換之潛在投票權之存在及影響。

附屬公司在控制權轉移至本集團當日起全數綜合入賬。附屬公司在控制權終止當日起不再綜合入賬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.2 Consolidation (Continued)

##### (a) Subsidiaries (Continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement (Note 2.7).

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.8). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

### 2 主要會計政策概要（續）

#### 2.2 綜合賬目（續）

##### (a) 附屬公司（續）

本集團採用會計收購法作為本集團收購附屬公司之入賬方法。收購成本是按交易日期所給予之資產、所發行之股本工具及所產生或承擔之負債之公平值計算，另加該項收購直接應佔之成本。於業務合併中所收購之可識別資產與所承擔之負債及或然負債，初始按於收購日期之公平值計量，與任何少數股東權益無關。收購成本超過本集團應佔所收購可識別資產淨值之公平值之數額列作商譽。倘收購成本低於所收購附屬公司資產淨值之公平值，則差額直接於綜合收益表中確認（附註2.7）。

集團內公司間之交易、結餘及未變現收益予以對銷。未變現虧損亦予以對銷。附屬公司之會計政策已按需要於綜合財務報表中作出變動，以確保與本集團採納之政策一致。

在本公司之資產負債表內，附屬公司投資乃按成本扣除減值虧損撥備列賬（附註2.8）。本公司將附屬公司之業績按已收及應收股息入賬。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.2 Consolidation (Continued)

(b) *Transactions with minority interests*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

##### 2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

##### 2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar, which is different from the Company's functional currency of Renminbi.

#### 2 主要會計政策概要（續）

##### 2.2 綜合賬目（續）

(b) *與少數股東權益進行之交易*

本集團採納了一項政策，將其與少數股東權益進行之交易視為與本集團以外之人士進行之交易。因向少數股東權益進行之出售而導致本集團出現之盈虧於綜合收益表列賬。因向少數股東權益進行購置而導致之商譽，相當於任何已付代價與相關應佔附屬公司資產淨值之賬面值之差額。

##### 2.3 分部報告

業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報有別於其他業務分部。地區分部乃在某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報與在其他經濟環境經營之分部有別。

##### 2.4 外幣換算

(a) *功能及呈列貨幣*

本集團旗下各實體之財務報表所列項目均以該實體經營所在主要經濟環境之通行貨幣（「功能貨幣」）計量。綜合財務報表以港幣（與本公司之功能貨幣人民幣不同）呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.4 Foreign currency translation (Continued)

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other (losses)/gains – net'.

##### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

### 2 主要會計政策概要（續）

#### 2.4 外幣換算（續）

##### (b) 交易及結餘

外幣交易按交易日期之通行匯率換算為功能貨幣。因繳付該等交易及按結算日匯率換算以外幣列值之貨幣資產及負債所產生之外匯收益及虧損，均於收益表中確認，惟符合資格作現金流量對沖或淨投資對沖之項目，則在權益內遞延入賬。

與借款及現金及現金等價物相關之外匯收益及虧損列入綜合收益表「融資收入或成本」。所有其他外匯收益及虧損列入綜合收益表「其他（虧損）／收益—淨額」。

##### (c) 集團公司

集團所有實體之功能貨幣如與呈列貨幣不一致（其中並無任何公司使用通脹嚴重經濟體系之貨幣），其業績及財務狀況均按以下方法換算為呈列貨幣：

- (i) 每份資產負債表之資產及負債均按結算日之收市匯率換算；



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.4 Foreign currency translation (Continued)

###### (c) Group companies (Continued)

- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

##### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

#### 2 主要會計政策概要（續）

##### 2.4 外幣換算（續）

###### (c) 集團公司（續）

- (ii) 每份收益表之收入及開支均按平均匯率換算（除非該平均匯率並非合理反映按交易日期之通行匯率計算之累計結果，在此情況下，則按交易日期之匯率換算收入及開支）；及
- (iii) 所有產生之匯兌差異均呈列為權益之獨立項目。

##### 2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本僅在與該項目相關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，方會包括在資產之賬面值或確認為獨立資產（如適用）。被更換部分之賬面值將不再確認。所有其他維修及保養均需於產生之財政期間內於收益表支銷。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.5 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings:

樓宇：

— Decorations

— 裝飾

— Factories, offices and others

— 工廠、辦公室及其他

Plant and machinery

廠房及機器

Motor vehicles

汽車

Electronic and other equipment

電子及其他設備

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Construction-in-progress represents the direct costs of construction incurred and machinery pending installation plus interest capitalised up to date of completion of the construction of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time and relevant assets are completed and put into use. Construction-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### 2 主要會計政策概要（續）

##### 2.5 物業、廠房及設備（續）

物業、廠房及設備之折舊採用以下估計可使用年期將成本按直線法分攤至剩餘價值計算：

#### Estimated useful lives

#### 估計可使用年期

Decorations	3 years
裝飾	3年
Factories, offices and others	10–30 years
工廠、辦公室及其他	10–30年
Plant and machinery	10–20 years
廠房及機器	10–20年
Motor vehicles	5–10 years
汽車	5–10年
Electronic and other equipment	3–5 years
電子及其他設備	3–5年

資產之剩餘價值及可使用年期在每個結算日進行檢討及在適當時進行調整。

在建工程乃指興建物業、廠房及設備及有待安裝之機器所引起之直接成本並加上完工日期前之資本化利息減去任何減值虧損。在建工程不予折舊，直至相關資產完成及可供使用為止。在建工程於完成並準備投入使用時重新分類為適當類別之物業、廠房及設備。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.5 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) – net' in the consolidated income statement.

##### 2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group's companies, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

#### 2 主要會計政策概要（續）

##### 2.5 物業、廠房及設備（續）

若資產之賬面值高於其估計可收回金額，其賬面值會即時撇減至可收回金額（附註2.8）。

出售收益及虧損會透過比較所得款項與賬面值而釐定，並於綜合收益表「其他收益／（虧損）—淨額」中確認。

##### 2.6 投資物業

持作長期租金收益或資本增值或兩者兼備，而並非由本集團旗下任何公司佔用之物業，均列作投資物業。

投資物業包括以經營租賃持有之土地及以融資租賃持有之樓宇。

根據經營租賃持有之土地如能符合投資物業之其餘定義，均分類並入賬為投資物業。經營租賃則當作融資租賃入賬。

投資物業初始按成本（包括相關交易成本）計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.6 Investment properties (Continued)

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

### 2 主要會計政策概要（續）

#### 2.6 投資物業（續）

經初始確認後，投資物業按公平值入賬。公平值乃以活躍市價為基礎，於必要時就特定資產之性質、地點或狀況之任何差異作出調整。倘無法獲得此等資料，本集團可採用其他估值方法，例如活躍度較低市場之近期價格或現金流量貼現預測。該等估值每年由外聘估值師審閱。現正重建以便繼續用作投資物業或交投活躍程度稍遜之投資物業繼續按公平值計量。

投資物業之公平值反映（其中包括）現有租賃所提供之租金收入及按當前市況對未來租賃所作出之租金收入假設。

公平值亦反映（按類似基準）有關物業之任何預期現金流出。該等流出部分確認為負債（包括就已分類為投資物業之土地所承擔之融資租賃負債），其餘部分（包括或然租金付款）則不在財務報表中確認。

其後開支僅在與該項目相關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，方會包括在資產之賬面值。所有其他維修及保養費用均需於產生之財政期間內於收益表支銷。

公平值變動在收益表中確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.7 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

##### 2.8 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2 主要會計政策概要（續）

##### 2.7 商譽

商譽指收購成本超過本集團應佔所收購附屬公司於收購日期之可識別資產淨值公平值之數額。收購附屬公司之商譽包括在無形資產內。商譽就減值進行測試，並按成本減累計減值虧損列賬。商譽之減值虧損不會撥回。出售實體之盈虧包括與該已出售實體有關之商譽之賬面值。

就減值測試而言，商譽會分配至現金產生單位。商譽會分配至預期可自根據營運分部所識別之商譽產生之業務合併中獲益之現金產生單位或現金產生單位組別。

##### 2.8 附屬公司投資及非金融資產之減值

沒有確定使用年期或未可供使用之資產毋須攤銷，並須每年進行減值測試。一旦事件發生或情況改變顯示資產之賬面值可能未能收回時，則會就資產減值進行檢討。減值虧損按資產賬面值超過其可收回金額之數額確認。可收回金額以資產公平值減銷售成本或使用價值兩者間之較高者為準。就評估減值而言，資產按可獨立識別之現金流量（現金產生單位）之最小單位劃分。倘商譽以外之非金融資產出現減值，則會於每個報告日期檢討是否可撥回減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.9 Financial assets

##### 2.9.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivable, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determine the classification of its financial assets at initial recognition. Currently, the Group only have financial assets at fair value through profit or loss and loans and receivables.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

### 2 主要會計政策概要（續）

#### 2.9 金融資產

##### 2.9.1 分類

本集團將其金融資產分為以下類別：按公平值透過損益記賬之金融資產、貸款及應收款、可供出售金融資產，以及持有至到期之金融資產。分類視乎收購金融資產之目的而定。管理層於初始確認時決定其金融資產之分類。目前，本集團僅擁有按公平值透過損益記賬之金融資產，以及貸款及應收款。

(a) *按公平值透過損益記賬之金融資產*

按公平值透過損益記賬之金融資產指持有作買賣用途之金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。除被指定作對沖項目外，衍生工具亦會被分類為持有作買賣用途。在此類別之資產歸類為流動資產。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 2 Summary of significant accounting policies (Continued)

##### 2.9 Financial assets (Continued)

###### 2.9.1 Classification (Continued)

###### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 2.12 and 2.13).

###### 2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

#### 2 主要會計政策概要(續)

##### 2.9 金融資產(續)

###### 2.9.1 分類(續)

###### (b) 貸款及應收款

貸款及應收款指設有固定或可確定付款金額，且於活躍市場並無報價之非衍生金融資產。此等項目均計入流動資產內，惟由結算日起計十二個月後方到期的項目則列作非流動資產。本集團之貸款及應收款均計入資產負債表之「貿易及其他應收款」及「現金及現金等價物」(附註2.12及2.13)。

###### 2.9.2 確認與計量

金融資產之定期購入及出售，均於交易日期(即本集團承諾購入或出售該資產當日)確認入賬。對於並非按公平值透過損益記賬之所有金融資產，其投資初始按公平值加交易成本確認入賬。按公平值透過損益記賬之金融資產，初始按公平值確認入賬，而交易成本則在綜合收益表內支銷。倘自投資收取現金流量之權利已到期或已轉讓，而本集團已將擁有權帶來之絕大部分重大風險及回報轉讓時，則金融資產會被終止確認。按公平值透過損益記賬之金融資產其後則按公平值列賬。貸款及應收款利用實際利息法按攤銷成本列賬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.9 Financial assets (Continued)

##### 2.9.2 Recognition and measurement (Continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement within 'other (losses)/gains — net', in the period in which they arise.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. Impairment testing of trade and other receivables is described in Note 2.12.

#### 2.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the consolidated income statement within 'other gains/(losses) — net'.

### 2 主要會計政策概要（續）

#### 2.9 金融資產（續）

##### 2.9.2 確認與計量（續）

來自「按公平值透過損益記賬之金融資產」類別之公平值變動所產生之盈虧，乃列入其產生期間之綜合收益表「其他（虧損）／收益—淨額」中。

本集團在各結算日評估是否有客觀證據顯示一項或一組金融資產出現減值。倘分類為可供出售之股本證券公平值大幅或持續下跌至低於成本，則表示該等證券出現減值。貿易及其他應收款之減值測試載於附註2.12。

#### 2.10 衍生金融工具

衍生工具初始於訂立衍生工具合約日期按公平值確認，其後按公平值重新計量。

若干衍生工具不符合資格作對沖會計處理。該等衍生工具之公平值變化，會即時於綜合收益表之「其他收益／（虧損）—淨額」中確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

##### 2.12 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the consolidated income statement.

#### 2 主要會計政策概要（續）

##### 2.11 存貨

存貨以成本值及可變現淨值兩者之較低者列帳，成本值按先進先出法釐定。製成品及在製品成本值包括設計成本、原材料、直接人工、其他直接成本及相關製造費用（按正常產能計算），但不包括借款費用。可變現淨值為於日常業務過程中之估計售價扣除適用可變銷售開支。

##### 2.12 貿易及其他應收款

貿易及其他應收款初始按公平值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。當出現客觀證據顯示本集團將不能根據應收款原有條款收回所有到期款項，本集團將就貿易及其他應收款計提減值撥備。

當債務人出現嚴重財務困難，或債務人可能破產或進行財務重組，以及拖欠款項或無法還款均可被視為貿易應收款出現減值之跡象。撥備金額為資產賬面值與估計未來現金流量之現值兩者之差額，再按實際利率貼現。資產賬面值透過使用撥備賬扣減，而虧損金額會於綜合收益表之行政開支中確認。若貿易應收款不能收回，則會將貿易應收款從撥備賬撇銷。其後撥回過往已撇銷之金額會計入綜合收益表之行政開支中。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### 2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.15 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### 2 主要會計政策概要（續）

#### 2.13 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款及原定於三個月或以下到期之其他短期高流動性投資。

#### 2.14 股本

普通股分類為權益。

發行新股份或購股權直接應佔之增加成本在權益內列為所得款項（除稅）之扣減。

#### 2.15 貿易應付款

貿易應付款初始按公平值確認，其後以實際利率法按攤銷成本計量。

#### 2.16 借款

借款初始按公平值減去所產生之交易成本確認。借款其後按攤銷成本列賬。所得款項（減去交易成本）與贖回價值之差額，乃以實際利率法於借款期間在綜合收益表中確認。

為建造任何合資格資產所產生之借款成本於建成資產及準備將資產達致擬定用途所需之期間予以資本化。其他借款成本則列賬為開支。

除非本集團有權無條件將債項之償還日期延長至結算日後最少十二個月，否則借款分類為流動負債。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax, if it is not accounted for, arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### 2 主要會計政策概要（續）

##### 2.17 當期及遞延所得稅

本期間之稅項開支包括當期及遞延稅項。稅項在綜合收益表中確認，但與直接在權益中確認之項目有關者則除外。在此情況下，稅項亦在權益中確認。

當期所得稅支出根據本公司及其附屬公司經營及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅以負債法就資產及負債之稅基與在綜合財務報表所列賬面值間之暫時差異予以確認。然而，若遞延所得稅來自業務合併以外之交易中初始確認資產或負債，而在交易時不影響會計或應課稅損益，則不作記賬。遞延所得稅以於結算日已頒佈或實質頒佈並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時應用之稅率（及法例）而釐定。

倘日後應課稅利潤可能抵銷可動用之暫時差異，方會確認遞延所得稅資產。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.17 Current and deferred income tax (Continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

##### 2.18 Employee benefits

###### (a) Retirement benefits obligation

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee.

The Group’s subsidiaries incorporated in the PRC make contributions to a state-sponsored defined contribution scheme for the Group’s local staff on a monthly basis pursuant to laws of the PRC and relevant regulations issued by local social security authorities.

The Group’s contributions to the defined contribution retirement schemes are expensed as incurred.

#### 2 主要會計政策概要（續）

##### 2.17 當期及遞延所得稅（續）

遞延所得稅按附屬公司投資所產生之暫時差異作出撥備，惟若本集團可以控制撥回暫時差異之時間，而暫時差異在可預見將來可能不會撥回則除外。

##### 2.18 僱員福利

###### (a) 退休金責任

本集團已安排其香港僱員參加強制性公積金計劃（「強積金計劃」）。強積金計劃為一項由獨立受託人管理之既定供款計劃。

按照中國法律及當地社會保障機構頒佈之有關法規，本集團於中國註冊成立之附屬公司須為本集團當地員工向國家資助之既定供款計劃按月供款。

本集團向既定供款退休計劃之供款於供款產生時支銷。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.18 Employee benefits (Continued)

###### (b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

#### 2 主要會計政策概要（續）

##### 2.18 僱員福利（續）

###### (b) 以股份支付之酬金

本集團推行一項按權益結算、以股份支付酬金之計劃，據此，實體獲僱員提供服務並以本集團之股本工具（購股權）作為對價。就僱員提供服務而授予購股權之公平值乃確認為開支。支銷總金額乃參照已授出購股權之公平值釐定，不包括任何非市場服務及業績表現歸屬條件（例如盈利能力、銷售增長目標及於指定時期留用實體僱員）之影響。非市場歸屬條件包括在有關預期可予歸屬購股權數目之假設內。支銷總金額將於歸屬期間確認，於該期間內，所有指定歸屬條件必須達成。於各結算日，實體會根據非市場歸屬條件修訂其估計預期可予歸屬之購股權數目，並於綜合收益表內確認修改原來估計數字之影響（如有），並對權益作相應調整。

當購股權獲行使時，已收取之所得款項（扣除任何直接應佔交易成本）均列入股本（面值）及股份溢價中。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.18 Employee benefits (Continued)

(c) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

##### 2.19 Provisions

Provision for warranty is recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probably that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

#### 2 主要會計政策概要（續）

##### 2.18 僱員福利（續）

(c) *終止服務福利*

終止服務福利於僱用在正常退休日期前被本集團終止，或當僱員接受自願遣散以換取此等福利時支付。本集團在可證明承諾如下時確認終止服務福利：根據一項詳細正式計劃終止現有僱員之僱用（沒有撤回可能）；或因為提出一項要約以鼓勵自願遣散而提供之終止服務福利。在結算日後超過十二個月支付之福利貼現至現值。

##### 2.19 撥備

當本集團因過往事件須承擔現有之法定或推定責任，並可能須動用資源以履行有關責任，且有關金額能可靠估計時，則會確認產品保養撥備。未來經營虧損撥備不會確認入賬。

倘出現多項類似責任，則須考慮整體責任所屬類別，以釐定清償責任會否導致資源流出。即使同一類別責任中任何一項可能流出資源的機會不大，仍會確認撥備。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.19 Provisions (Continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

##### 2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

##### (a) Sales of finished goods and raw materials

Sales of finished goods and raw materials are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

#### 2 主要會計政策概要（續）

##### 2.19 撥備（續）

撥備按清償責任預期所需開支之現值，利用反映當前市場對貨幣時間值及該責任特有之風險所作之評估之稅前比率計量。因時間流逝而增加之撥備須確認為利息開支。

##### 2.20 收益確認

收益包括本集團在日常業務過程中就出售貨品已收或應收代價之公平值。收益於扣除增值稅、退貨、回扣及折扣，以及撇除本集團內部銷售後入賬。

當收益金額能可靠計量、未來經濟利益可能流入該實體，而本集團每項活動均符合具體條件（如下文所述），本集團便會確認收益。除非與銷售有關之所有或然事項均已解決，否則收益金額不被視為能夠可靠計量。本集團會根據其往績並考慮客戶類別、交易種類及每項安排之特點作出估計。

##### (a) 製成品及原材料銷售

製成品及原材料銷售於集團實體向客戶交付產品，客戶接收產品且可合理確保可收回相關應收款時確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 2 Summary of significant accounting policies (Continued)

#### 2.20 Revenue recognition (Continued)

(b) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(c) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(d) *Operating lease rental income*

Operating lease rental income is recognised on a straight-line basis over the terms of the lease.

#### 2.21 Operating lease

(a) *Leases (as the lessee)*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

(b) *Leases (as the lessor)*

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

### 2 主要會計政策概要（續）

#### 2.20 收益確認（續）

(b) *利息收入*

利息收入採用實際利息法按時間比例基準確認。倘應收款出現減值，本集團會將賬面值減至其可收回金額（即按工具之原定實際利率貼現之估計未來現金流量），並繼續解除貼現金融作為利息收入。減值貸款之利息收入使用原定實際利率確認。

(c) *股息收入*

股息收入於收取股息之權利確定時確認。

(d) *經營租賃租金收入*

經營租賃租金收入按租期以直線法確認。

#### 2.21 經營租賃

(a) *租賃（作為承租人）*

凡擁有權之絕大部分風險及回報由出租人保留之租賃，均列作經營租賃。根據經營租賃（扣除出租人給予之任何優惠）作出之付款按租期以直線法於收益表支銷。

(b) *租賃（作為出租人）*

根據經營租賃租出資產時，該資產根據其性質包括在資產負債表內。租金收入按租期以直線法確認。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 2 Summary of significant accounting policies (Continued)

##### 2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

#### 3 Financial risk management

##### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

###### (a) Market risk

###### (i) Foreign exchange risk

The Group exposes to foreign exchange risks as certain portion of business activities are denominated in foreign currencies, primarily with respect to the Hong Kong dollar ("HK\$"), United States dollar ("USD") and Euro ("EUR").

#### 2 主要會計政策概要（續）

##### 2.22 政府補貼

當能夠合理保證將可獲取政府補貼，而本集團符合所有附帶條件時，則會按公平值確認政府提供之補貼。

與成本有關之政府補貼遞延入賬，並於與擬補償之成本配合之所需期間在收益表中確認。

#### 3 財務風險管理

##### 3.1 財務風險因素

本集團之業務承受多種財務風險：市場風險（包括外匯風險、現金流量及公平值利率風險，以及價格風險）、信貸風險及流動資金風險。本集團之整體風險管理政策集中關注難以預測之金融市場，並致力將對本集團財務表現造成之潛在不利影響減至最低。本集團使用衍生金融工具對沖若干風險。

###### (a) 市場風險

###### (i) 外匯風險

由於本集團部分業務活動以外幣（主要是港幣（「港幣」）、美元（「美元」）及歐元（「歐元」）列值，故本集團面對外匯風險。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (i) Foreign exchange risk (Continued)

To manage their foreign exchange risks arising from future commercial transactions, entities in the Group enter into forward contracts, transacted with the commercial banks. The directors are of the opinion that the Group's exposure to foreign exchange risk is manageable.

At 31 December 2008, if RMB has weakened/strengthened by 5% against the HK\$ with all other variables held constant, post-tax profit of continuing operation for the year would have been HK\$2,248,000 lower/higher (2007: HK\$2,966,000 higher/lower), mainly as a result of foreign exchange losses/gains on translation of HK\$-denominated trade and other receivables, trade and other payables and due from/to related companies.

### 3 財務風險管理（續）

#### 3.1 財務風險因素（續）

##### (a) 市場風險（續）

###### (i) 外匯風險（續）

為管理來自未來商業交易之外匯風險，本集團之實體與商業銀行訂立遠期合約。董事認為，本集團面對之外匯風險屬在可控制範圍以內。

於二零零八年十二月三十一日，如人民幣兌港幣轉弱／轉強5%，而所有其他變數均不變，則本年度之持續經營業務稅後利潤會減少／增加港幣2,248,000元（二零零七年：增加／減少港幣2,966,000元），主要由於換算以港幣列值之貿易及其他應收款、貿易及其他應付款以及應收／應付關聯公司款項所產生之外匯虧損／收益。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 3 Financial risk management (Continued)

##### 3.1 Financial risk factors (Continued)

###### (a) Market risk (Continued)

###### (i) Foreign exchange risk (Continued)

At 31 December 2008, if RMB has weakened/strengthened by 5% against the USD with all other variables held constant, post-tax profit of continuing operation for the year would have been HK\$15,065,000 (2007: HK\$13,688,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD-denominated trade and other receivables and trade and other payables and due from/to related companies.

At 31 December 2008, if RMB has weakened/strengthened by 5% against the EUR with all other variables held constant, post-tax profit of continuing operation for the year would have been HK\$4,915,000 (2007: HK\$3,480,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of EUR-denominated trade and other receivables and trade and other payables and due from/to related companies.

#### 3 財務風險管理(續)

##### 3.1 財務風險因素(續)

###### (a) 市場風險(續)

###### (i) 外匯風險(續)

於二零零八年十二月三十一日，如人民幣兌美元轉弱／轉強5%，而所有其他變數均不變，則本年度之持續經營業務稅後利潤會增加／減少港幣15,065,000元(二零零七年：港幣13,688,000元)，主要由於換算以美元列值之貿易及其他應收款、貿易及其他應付款以及應收／應付關聯公司款項所產生之外匯收益／虧損。

於二零零八年十二月三十一日，如人民幣兌歐元轉弱／轉強5%，而所有其他變數均不變，則本年度之持續經營業務稅後利潤會增加／減少港幣4,915,000元(二零零七年：港幣3,480,000元)，主要由於換算以歐元列值之貿易及其他應收款、貿易及其他應付款以及應收／應付關聯公司款項所產生之外匯收益／虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises mainly from long-term borrowings. The directors are of the opinion this risk is not material as at 31 December 2008.

At 31 December 2008, if interest rates on long-term borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit of the continuing operation for the year would have been HK\$13,000 (2007: Nil) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (ii) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量基本上不受市場利率變動影響。

本集團之利率風險主要來自長期借款。董事認為，於二零零八年十二月三十一日，本項風險並不重大。

於二零零八年十二月三十一日，倘長期借款之利率上升/下跌50個基點，而所有其他變數均不變，則本年度之持續經營業務稅後利潤會減少/增加港幣13,000元(二零零七年：無)，主要由於浮息借款之利息開支增加/減少。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 3 Financial risk management (Continued)

##### 3.1 Financial risk factors (Continued)

###### (a) Market risk (Continued)

###### (iii) Price risk

The Group exposes to commodity price risk, mainly due to the fluctuations in prices of copper and aluminium, which are key raw materials to the Group's products of its continuing operations. The price risk due to copper and aluminium is reduced through the derivatives market, and through certain clause in contracts with our customers to enable the Group to have the flexibility to pass the increases in raw material costs to our customers.

At 31 December 2008, if the copper and aluminium price had been 5% higher/lower with other variables held constant, the pre-tax profit of the continuing operation for the year would have been of HK\$1,143,000 (2007: Nil) higher/lower, representing the change in fair value of copper and aluminium derivatives at the balance sheet date.

The Group is not exposed to equity securities price risk.

#### 3 財務風險管理（續）

##### 3.1 財務風險因素（續）

###### (a) 市場風險（續）

###### (iii) 價格風險

本集團承受商品價格風險，主要由於銅及鋁價格波動。銅及鋁為本集團持續經營業務產品之主要原材料。透過衍生市場及與客戶訂立之合約所載之若干條款，可減低銅及鋁所帶來之價格風險，並使本集團具有將原材料成本漲價轉嫁給客戶的靈活性。

於二零零八年十二月三十一日，倘銅及鋁價格上升／下跌5%，而所有其他變數均不變，本年度之持續經營業務稅前利潤將增加／減少港幣1,143,000元（二零零七年：無），即銅及鋁衍生產品於結算日之公平值變動。

本集團並無面臨股本證券價格風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, pledged bank deposits, derivative financial instruments, due from related parties and trade and other receivables.

For cash and cash equivalent, pledged bank deposits and derivative financial instruments, management manages the credit risk by transacting with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions.

For trade and other receivables and due from related parties, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the directors are of the opinion that the risk of default by these counterparties is low.

### 3 財務風險管理（續）

#### 3.1 財務風險因素（續）

##### (b) 信貸風險

本集團並無高度集中之信貸風險。信貸風險來自現金及現金等價物、已抵押銀行存款、衍生金融工具、應收關聯方款項及貿易及其他應收款。

在現金及現金等價物、已抵押銀行存款及衍生金融工具方面，管理層透過與國有金融機構及信譽良好之商業銀行（全部均為獲高信貸評級之金融機構）進行交易來管理信貸風險。

在貿易及其他應收款以及應收關聯方款項方面，對方之信貸質素經計及其財務狀況、信貸記錄及其他因素後作出評估。個別信貸限額乃根據信貸質素之評估而設立。鑒於定期還款記錄，董事認為該等對方拖欠還款之風險甚微。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 3 Financial risk management (Continued)

##### 3.1 Financial risk factors (Continued)

###### (c) Liquidity risk

Liquidity risk management includes maintaining sufficient cash balance, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based in the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

#### 3 財務風險管理（續）

##### 3.1 財務風險因素（續）

###### (c) 流動資金風險

流動資金風險管理包括維持充足現金結餘、從可靠之信貸融資獲取足夠資金及規避市場風險之能力。

下表分析本集團於結算日餘下期間至合約到期日按有關到期組別而以淨額結算之金融負債。表中所披露之金額乃合約未貼現現金流量。由於貼現之影響並不重大，於十二個月內到期之結餘相等於其賬面結餘。

		Less than 1 year 一年以下 HK\$'000 港幣千元	Between 1 and 2 years 一年至兩年 HK\$'000 港幣千元	Over 2 years 兩年以上 HK\$'000 港幣千元
At 31 December 2008	於二零零八年 十二月三十一日			
Bank borrowings	銀行借款	627,027	61,675	—
Trade and other payables	貿易及其他應付款	1,705,350	—	—
Due to related companies	應付關聯公司款項	174,032	—	—
Derivative financial instruments	衍生金融工具	30,635	—	—
At 31 December 2007	於二零零七年 十二月三十一日			
Bank borrowings	銀行借款	811,584	—	—
Trade and other payables	貿易及其他應付款	3,310,494	—	—
Due to related companies	應付關聯公司款項	1,334,057	—	—



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 3 Financial risk management (Continued)

##### 3.1 Financial risk factors (Continued)

###### (c) Liquidity risk (Continued)

Certain long-term assets (including prepayment for property, plant and equipment and prepayment for investments in associates) are financed by short-term bank loans. The management closely monitors the availability of banking facilities and investment plan (including, but not limited to, the capital/investment commitment as disclosed in Note 33) through rolling forecasts of the Group's cash and cash equivalents. Since the Group has not experienced any difficulty in renewing the borrowings when they fell due and the Group has unutilised banking facilities of approximately HK\$491,993,000 (Note 18) as at 31 December 2008, the directors are of the opinion that the Group maintains an adequate liquidity reserve.

##### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

#### 3 財務風險管理（續）

##### 3.1 財務風險因素（續）

###### (c) 流動資金風險（續）

若干長期資產（包括預付物業、廠房及設備款項，以及預付聯營公司投資款項）乃由短期銀行貸款撥資。管理層透過本集團現金及現金等價物之滾動預測，密切監察可動用之銀行融資及投資計劃（包括但不限於附註33所披露之資本／投資承擔）。由於本集團於借款到期時並無遇到續借困難，而本集團於二零零八年十二月三十一日之未動用銀行融資約為港幣491,993,000元（附註18），故董事認為本集團維持充足流動資金儲備。

##### 3.2 資本風險管理

本集團之資本管理政策，乃保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他股權持有人之利益，並維持最佳之資本結構以減低資本成本。

為維持或調整資本結構，本集團可能發行新股份或出售資產以減低債務。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 3 Financial risk management (Continued)

##### 3.2 Capital risk management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet.

During the year ended 31 December 2008, the Group's strategy was to improve the gearing ratio towards a target of below 1. The gearing ratios as at 31 December 2007 and 2008 were as follows:

	31 December 2008 二零零八年 十二月三十一日 HK\$'000 港幣千元	31 December 2007 二零零七年 十二月三十一日 HK\$'000 港幣千元 Restated 重列
Total borrowings (Note 18) 借款總額 (附註18)	671,608	801,164
Less: Cash and cash equivalents (Note 15) 減：現金及現金等價物 (附註15)	(217,124)	(497,042)
Net debt 債項淨額	454,484	304,122
Total equity 權益總額	770,642	273,256
Gearing ratio (times) 資本負債比率 (倍)	0.59	1.11

The decrease in gearing ratio resulted primarily from disposal of the Disposed Group during the year ended 31 December 2008.

#### 3 財務風險管理（續）

##### 3.2 資本風險管理（續）

與業內其他公司一樣，本集團利用資本負債比率監察其資本。此比率按照債項淨額除以資本總額計算。債項淨額為借款總額減去現金及現金等價物。資本總額計算為權益（如綜合資產負債表所列示）。

於截至二零零八年十二月三十一日止年度，本集團旨在改善資本負債比率至低於1之目標。於二零零七年及二零零八年十二月三十一日之資本負債比率如下：

資本負債比率下跌，主要由於於截至二零零八年十二月三十一日止年度出售已出售集團所致。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 3 Financial risk management (Continued)

#### 3.3 Fair value estimation

The fair value of derivative financial instruments traded in active markets (such as commodity future contracts and foreign exchange forward contracts) is based on quoted market prices at the balance sheet date. The quoted market price used for financial liabilities held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### 4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### 3 財務風險管理（續）

#### 3.3 公平值估計

於活躍市場買賣之衍生金融工具（如商品期貨合約及外匯遠期合約）之公平值為結算日所報之市價。本集團所持金融負債適用之市場報價為當時買入價。

假設貿易應收款及應付款之賬面值減去減值撥備之數額與公平值相若。作為披露用途，金融負債之公平值乃根據本集團就類似金融工具按所得之當時市場利率將未來合約現金流量貼現而估計。

### 4 重要會計估計及判斷

估計及判斷之評估會不斷進行，並且依據過往經驗及其他因素作為基礎，其中包括按現況對未來事件之合理預期。

#### 4.1 重要會計估計及假設

本集團對未來作出估計及假設。所得之會計估計顧名思義甚少相當於實際結果。具有重大風險可導致資產及負債之賬面值於下一個財政年度中出現重大調整之估計及假設闡述如下。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 4 Critical accounting estimates and judgments (Continued)

##### 4.1 Critical accounting estimates and assumptions (Continued)

###### (a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of certain key assumptions (Note 9). Changing such key assumptions selected by management, including the discount rates or the growth rate assumptions, could materially affect the net present value used in the impairment test.

If the estimated pre-tax discount rate applied to the discounted cash flows for the air-conditioning motors business had been 1% higher than management's estimates, the recoverable amount of goodwill would be still higher than its carrying amount and no impairment of goodwill shall be recognised.

###### (b) Share-based payments

The fair value of options granted is estimated by independent professional valuers based on various assumptions on volatility, life of options, dividend paid out rate and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair value of the share options at the date of grant.

#### 4 重要會計估計及判斷（續）

##### 4.1 重要會計估計及假設（續）

###### (a) 商譽減值

本集團每年按照附註2.8所述之會計政策測試商譽是否有任何減值。現金產生單位之可收回金額按使用價值計算而釐定，該等計算須採用若干主要假設（附註9）。改變管理層挑選之主要假設（包括貼現率或增長率假設），足以對減值測試中使用之淨現值構成重大影響。

倘適用於空調電機業務貼現現金流量之估計稅前貼現率較管理層所估計者增加1%，則商譽之可收回金額仍將較其賬面值為高，故不會確認商譽減值。

###### (b) 以股份支付支出

授出之購股權之公平值，由獨立專業估值師根據波幅、購股權之年期、股息分派率及無風險年利率（但不包括任何非市場歸屬條件之影響）等多項假設作出估計，此等假設一般為購股權於授出日期之公平值之最佳估計。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 5 Segment information

#### 5.1 Primary reporting format – business segments

In 2008, the Group is organised into the following main business segments:

Air-conditioning motors business	—	manufacture and distribution of motors for air-conditioner
Washing motors business	—	manufacture and distribution of motors for washing machine and dish washer
Electronic and electric components business	—	manufacture and distribution of transformers, resistors, shaded pole motors and electric bicycle motors
Raw material business	—	trading of raw materials
Disposed Group	—	manufacture and distribution of refrigerators, air-conditioner and mini-refrigerator

### 5 分部資料

#### 5.1 主要報告形式 — 業務分部

於二零零八年，本集團經營以下主要業務分部：

空調電機業務	—	製造及分銷空調電機
洗滌電機業務	—	製造及分銷洗衣機及洗碗碟機之電機
電子電器產品業務	—	製造及分銷變壓器、電抗器、罩極電機及電動自行車電機
原材料業務	—	買賣原材料
已出售集團	—	製造及分銷冰箱、空調及小型冰箱



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註 (續)

### 5 Segment information (Continued)

#### 5.1 Primary reporting format – business segments (Continued)

The segment information for the year ended 31 December 2008 is as follows:

### 5 分部資料 (續)

#### 5.1 主要報告形式 — 業務分部 (續)

截至二零零八年十二月三十一日止年度之分部資料如下：

		Air-conditioning motors business 空調 電機業務 HK\$'000 港幣千元	Washing motors business 洗滌 電機業務 HK\$'000 港幣千元	Electronic & electric components business 電子電器 產品業務 HK\$'000 港幣千元	Raw material business 原材料業務 HK\$'000 港幣千元	Disposed Group 已出售集團 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	The Group 本集團 HK\$'000 港幣千元
<b>Continuing operations</b>	<b>持續經營業務</b>							
Gross segment revenue	總分部收益	2,745,023	1,643,342	813,638	1,702,021	—	—	6,904,024
Inter-segment revenue	分部間收益	(41,874)	(7,939)	(15,436)	(1,645,497)	—	—	(1,710,746)
Revenue	收益	2,703,149	1,635,403	798,202	56,524	—	—	5,193,278
Operating profit/(loss)	經營利潤/(虧損)	71,456	116,202	27,633	9,020	—	(3,028)	221,283
Finance (costs)/income – net	融資(成本)/收入—淨額	(17,594)	(3,507)	(2,832)	(8,814)	—	3,878	(28,869)
Profit before income tax	扣除所得稅前利潤							192,414
Income tax expense	所得稅開支	(5,560)	(13,790)	(2,943)	(268)	—	(6,249)	(28,810)
Profit for the year from continuing operations	持續經營業務之年度利潤							163,604
<b>Discontinued operations</b>	<b>已終止經營業務</b>							
Profit for the year from discontinued operations	已終止經營業務之年度利潤	—	—	—	—	32,575	—	32,575
Profit for the year	年度利潤							196,179
Segment assets	分部資產	1,645,625	945,979	292,076	266,088	—	119,754	3,269,522
Deferred tax assets	遞延稅項資產							7,887
Prepayment for investments in associates	預付聯營公司投資款項							82,463
Total assets	總資產							3,359,872
Segment liabilities	分部負債	1,365,236	710,152	195,199	242,813	—	69,525	2,582,925
Deferred tax liabilities	遞延稅項負債							6,305
Total liabilities	總負債							2,589,230
Capital expenditure	資本開支	112,514	172,799	11,440	—	57,708	7	354,468
<b>Other non-cash expenses/(income)</b>	<b>其他非現金開支/(收入)</b>							
Depreciation	折舊	28,782	18,071	8,014	1	15,011	41	69,920
(Reversal)/provision for inventory obsolescence	存貨跌價及殘次準備(撥回)/撥備	(65)	462	(731)	603	151	—	420
(Reversal)/provision for doubtful trade and other receivables	貿易及其他應收款呆賬(撥回)/撥備	(1,674)	(1,148)	(1,058)	—	12,778	—	8,898
Impairment charge on property, plant and equipment	物業、廠房及設備減值開支	—	—	—	—	92	—	92
Fair value loss on derivative financial instruments	衍生金融工具公平值虧損	18,389	12,246	—	—	—	—	30,635
Fair value gain on investment properties	投資物業公平值收益	—	—	—	—	(2,198)	—	(2,198)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 5 Segment information (Continued)

### 5 分部資料（續）

#### 5.1 Primary reporting format – business segments (Continued)

The restated segment information for the year ended 31 December 2007 are as follows:

#### 5.1 主要報告形式 — 業務分部（續）

截至二零零七年十二月三十一日止年度之重列分部資料如下：

		Air-conditioning motors business 空調 電機業務 HK\$'000 港幣千元	Washing motors business 洗滌 電機業務 HK\$'000 港幣千元	Electronic and electric components business 電子電器 產品業務 HK\$'000 港幣千元	Raw material business 材料業務 HK\$'000 港幣千元	Industrial motors business 工業 電機業務 HK\$'000 港幣千元	Disposed Group 已出售集團 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	The Group 本集團 HK\$'000 港幣千元
<b>Continuing operations</b>	<b>持續經營業務</b>								
Gross segment revenue	總分部收益	2,732,176	1,307,436	656,478	—	—	—	4,696,090	
Inter-segment revenue	分部間收益	(21,882)	(9,941)	(19,275)	—	—	—	(51,098)	
Revenue	收益	2,710,294	1,297,495	637,203	—	—	—	4,644,992	
Operating profit/(loss)	經營利潤/(虧損)	119,736	137,251	36,110	37	—	(67,190)	225,944	
Finance (costs)/income – net	融資(成本)/收入—淨額	(9,635)	5,663	2,939	25	—	7,173	6,165	
Profit before income tax	扣除所得稅前利潤							232,109	
Income tax expense	所得稅開支	(12,998)	(7,150)	(4,673)	(20)	—	—	(24,841)	
Profit for the year from continuing operations	持續經營業務之年度利潤							207,268	
<b>Discontinued operations</b>	<b>已終止經營業務</b>								
Profit for the year from discontinued operations	已終止經營業務之年度利潤	—	—	—	—	9,847	11,856	21,703	
Profit for the year	年度利潤							228,971	
Total assets	總資產	2,185,449	802,661	393,177	5,872	—	2,260,340	149,684	5,797,183
Total liabilities	總負債	1,886,030	564,329	358,713	21	—	2,616,406	98,428	5,523,927
Capital expenditure	資本開支	82,104	41,451	2,163	—	16,107	150,846	7	292,678
<b>Other non-cash expenses/(income)</b>	<b>其他非現金開支/(收入)</b>								
Depreciation	折舊	27,222	12,122	7,692	4	1,553	64,486	36	113,115
(Reversal)/provision for inventory obsolescence	存貨跌價及殘次準備 (撥回)/撥備	(566)	(514)	383	—	—	26,421	—	25,724
Provision for doubtful trade and other receivables	貿易及其他應收款呆賬 撥備	131	1,412	50	—	—	33,832	—	35,425
Impairment charge on property, plant and equipment	物業、廠房及設備減值 開支	—	—	—	—	—	1,241	—	1,241
Fair value loss on investment properties	投資物業公平值虧損	—	—	—	—	—	1,751	—	1,751



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 5 Segment information (Continued)

##### 5.2 Secondary reporting format – geographical segments

The Group's continuing and discontinued operations operated in two main geographical areas:

Domestic sales — manufacture and distribution of motors and electronic and electric products in the PRC

Export sales — distribution of motors and electronic and electric products in countries and areas outside the PRC

There are no sales between the geographical segments. Analysis of sales by geographical segment is as follows:

#### 5 分部資料（續）

##### 5.2 從屬報告形式 — 地區分部

本集團之持續經營業務及已終止經營業務在以下兩個主要地區經營：

國內銷售 — 在中國製造及分銷電機及電子電器產品

出口銷售 — 在中國以外國家及地區分銷電機及電子電器產品

地區分部間並沒有相互銷售。按地區分部劃分之銷售分析如下：

		<b>Group</b> 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
<b>Continuing operations</b>	<b>持續經營業務</b>		
Domestic sales	國內銷售	3,735,581	3,317,367
Export sales	出口銷售	1,457,697	1,327,625
<b>Total</b>	<b>合計</b>	<b>5,193,278</b>	4,644,992

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 5 Segment information (Continued)

##### 5.2 Secondary reporting format – geographical segments (Continued)

#### 5 分部資料（續）

##### 5.2 從屬報告形式—地區分部（續）

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
<b>Discontinued operations</b>	<b>已終止經營業務</b>		
Domestic sales	國內銷售	1,146,717	2,271,887
Export sales	出口銷售	233,338	1,416,569
Total	合計	1,380,055	3,688,456

Revenue is allocated based on the country in which the customer is located.

收益按顧客所在國家分配。

No geographical segment analysis on total assets and capital expenditure is prepared as over 90% of the Group's total assets and capital expenditures were located/incurred in the PRC.

由於本集團90%以上之總資產及資本開支皆位於中國／在中國產生，故並無編製總資產及資本開支之地區分部分析。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 6 Leasehold land and land use rights

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

#### 6 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益為預付經營租賃款項，其賬面淨值分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Outside Hong Kong, held on leases of 10 to 50 years	香港以外，以10至50年之租賃持有	127,436	193,012

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Opening net book amount	年初賬面淨值	193,012	133,747
Additions	添置	30,680	89,810
Amortisation of prepaid operating lease payments	預付經營租賃款項攤銷	(2,773)	(2,981)
Exchange difference	匯兌差異	10,642	13,064
Disposal of subsidiaries (Note 34(a) and (b))	出售附屬公司 (附註 34(a)及(b))	(104,125)	(40,628)
Closing net book amount	年終賬面淨值	127,436	193,012

At 31 December 2008, leasehold land and land use rights with net book value of approximately HK\$85,965,000 (2007: HK\$87,859,000) have been pledged as security for the Group's short-term bank borrowings (Note 18).

於二零零八年十二月三十一日，賬面淨值約港幣85,965,000元（二零零七年：港幣87,859,000元）之租賃土地及土地使用權已作為本集團短期銀行借款之抵押（附註18）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

### 7 Property, plant and equipment

#### (a) Group

		Construction- in-progress	Buildings	Plant and machinery	Motor vehicles	Electronic and other equipment	Total
		在建工程	樓宇	廠房及 機器	汽車	電子及 其他設備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2007, as restated	於二零零七年一月一日 (重列)						
Cost	成本	107,753	457,345	966,556	16,358	302,391	1,850,403
Accumulated depreciation	累計折舊	—	(162,333)	(559,984)	(9,320)	(214,225)	(945,862)
Impairment	減值	—	(23,782)	(54,032)	(60)	(31,680)	(109,554)
Net book amount	賬面淨值	107,753	271,230	352,540	6,978	56,486	794,987
Year ended 31 December 2007, as restated	截至二零零七年 十二月三十一日止年度 (重列)						
Opening net book amount	年初賬面淨值	107,753	271,230	352,540	6,978	56,486	794,987
Additions	添置	49,962	34,409	77,103	1,829	39,565	202,868
Exchange difference	匯兌差異	7,908	19,908	25,876	512	4,146	58,350
Disposal of subsidiaries (Note 34(b))	出售附屬公司(附註 34(b))	(104,669)	(9,692)	(13,233)	(1,380)	(3,997)	(132,971)
Other disposals	其他出售	(2,126)	(25,988)	(30,017)	(877)	(5,765)	(64,773)
Depreciation	折舊	—	(29,330)	(52,790)	(1,578)	(29,417)	(113,115)
(Provision for)/reversal of impairment charge	減值開支(撥備)/撥回 charge	—	612	(2,072)	—	219	(1,241)
Closing net book amount	年終賬面淨值	58,828	261,149	357,407	5,484	61,237	744,105
At 31 December 2007, as restated	於二零零七年 十二月三十一日(重列)						
Cost	成本	58,828	470,171	981,959	12,912	255,080	1,778,950
Accumulated depreciation	累計折舊	—	(185,322)	(564,870)	(7,362)	(160,876)	(918,430)
Impairment	減值	—	(23,700)	(59,682)	(66)	(32,967)	(116,415)
Net book amount	賬面淨值	58,828	261,149	357,407	5,484	61,237	744,105
Year ended 31 December 2008	截至二零零八年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	58,828	261,149	357,407	5,484	61,237	744,105
Additions	添置	89,867	93,412	89,562	3,773	24,782	301,396
Exchange difference	匯兌差異	2,459	14,485	19,201	276	2,737	39,158
Other disposals	其他出售	(18,924)	—	(5,262)	(12)	(601)	(24,799)
Depreciation	折舊	—	(20,180)	(39,514)	(1,137)	(9,089)	(69,920)
Disposal of subsidiaries (Note 34(a))	出售附屬公司(附註 34(a))	(72,870)	(106,055)	(175,243)	(3,479)	(60,856)	(418,503)
Provision for impairment charge	減值開支撥備	—	—	—	—	(92)	(92)
Closing net book amount	年終賬面淨值	59,360	242,811	246,151	4,905	18,118	571,345
At 31 December 2008	於二零零八年 十二月三十一日						
Cost	成本	59,360	311,671	505,694	8,322	39,036	924,083
Accumulated depreciation	累計折舊	—	(68,860)	(259,543)	(3,417)	(20,918)	(352,738)
Net book amount	年終賬面淨值	59,360	242,811	246,151	4,905	18,118	571,345



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 7 Property, plant and equipment (Continued)

##### (a) Group (Continued)

Depreciation expense of HK\$64,169,000 (2007: HK\$91,257,000) has been charged in cost of sales, HK\$53,000 (2007: HK\$80,000) in selling and marketing costs and HK\$5,698,000 (2007: HK\$21,778,000) in administrative expenses.

At 31 December 2008, property, plant and equipment with net book value of HK\$133,229,000 (2007: HK\$229,990,000) were pledged as security for the Group's short-term bank borrowings (Note 18).

In 2008, the Group recognised impairment provision of HK\$92,000 (2007: HK\$1,241,000) in its consolidated financial statements.

#### 7 物業、廠房及設備（續）

##### (a) 本集團（續）

折舊開支港幣64,169,000元（二零零七年：港幣91,257,000元）已計入銷售成本，港幣53,000元（二零零七年：港幣80,000元）已計入銷售及市場推廣成本，而港幣5,698,000元（二零零七年：港幣21,778,000元）則已計入行政開支。

於二零零八年十二月三十一日，賬面淨值港幣133,229,000元（二零零七年：港幣229,990,000元）之物業、廠房及設備已作為本集團短期銀行借款之抵押（附註18）。

於二零零八年，本集團於綜合財務報表中確認港幣92,000元（二零零七年：港幣1,241,000元）之減值撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 7 Property, plant and equipment (Continued)      7 物業、廠房及設備（續）

##### (b) Company

##### (b) 本公司

**Furniture,  
fixtures and  
electronic  
equipment**  
傢俬、裝置  
及電子設備  
HK\$'000  
港幣千元

At 1 January 2007	於二零零七年一月一日	
Cost	成本	338
Accumulated depreciation	累計折舊	(172)
Net book amount	賬面淨值	166
Year ended 31 December 2007	截至二零零七年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	166
Additions	添置	7
Disposals	出售	(6)
Depreciation	折舊	(42)
Closing net book amount	年終賬面淨值	125
At 31 December 2007	於二零零七年十二月三十一日	
Cost	成本	278
Accumulated depreciation	累計折舊	(153)
Net book amount	賬面淨值	125
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	125
Additions	添置	6
Depreciation	折舊	(43)
Exchange difference	匯兌差異	(1)
Closing net book amount	年終賬面淨值	87
At 31 December 2008	於二零零八年十二月三十一日	
Cost	成本	284
Accumulated depreciation	累計折舊	(197)
Net book amount	賬面淨值	87



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 8 Investment properties

#### 8 投資物業

		<b>Group</b> 本集團	
		<b>2008</b> 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Beginning of the year	年初	<b>106,800</b>	101,224
Fair value gain/(loss) (Note 23)	公平值收益／(虧損) (附註23)	<b>2,198</b>	(1,751)
Exchange difference	匯兌差異	<b>4,895</b>	7,327
Disposal of subsidiaries (Note 34(a))	出售附屬公司(附註34(a))	<b>(113,893)</b>	—
End of the year	年終	<b>—</b>	106,800

The investment properties represent 11 floors and 12 car parking spaces in Guo Xin Building, located in Guangzhou, the PRC.

The investment properties were revalued at 31 March 2008 by Vigers Hong Kong Limited, a firm of independent qualified valuers, before disposal. Valuation was based on current prices in an active market for all properties by virtue of the investment approach. The increase in revaluation in current year was credited to income statement.

The investment properties were disposed of on 31 March 2008 through the disposal of subsidiaries.

該等投資物業為位於中國廣州市國信大廈之十一個樓層及十二個車位。

出售前，該等投資物業於二零零八年三月三十一日由一間獨立合資格估值公司威格斯香港有限公司評估。估值乃根據所有物業之活躍市場現價以投資法進行。本年度之重估增值已在收益表中列賬。

透過出售附屬公司，該等投資物業已於二零零八年三月三十一日出售。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 9 Intangible assets

### 9 無形資產

		Group 本集團			
		Goodwill	Computer software	Technology know-how	Total
		商譽	電腦軟件	專業技術	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2007, as restated	於二零零七年一月一日 (重列)				
Cost	成本	19,639	523	214	20,376
Amortisation	攤銷	—	(444)	(184)	(628)
Net book amount	賬面淨值	19,639	79	30	19,748
Year ended 31 December 2007, as restated	截至二零零七年十二月三十一日止年度 (重列)				
Opening net book amount	年初賬面淨值	19,639	79	30	19,748
Amortisation	攤銷	—	(59)	(25)	(84)
Exchange difference	匯兌差異	1,441	3	1	1,445
Disposal of subsidiaries (Note 34(b))	出售附屬公司 (附註34(b))	—	(23)	(6)	(29)
Closing net book amount	年終賬面淨值	21,080	—	—	21,080
At 1 January 2008, as restated	於二零零八年一月一日 (重列)				
Cost and net book amount	成本及賬面淨值	21,080	—	—	21,080
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	21,080	—	—	21,080
Exchange difference	匯兌差異	1,330	—	—	1,330
		22,410	—	—	22,410
At 31 December 2008	於二零零八年十二月三十一日				
Cost and net book amount	成本及賬面淨值	22,410	—	—	22,410



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 9 Intangible assets (Continued)

The goodwill is attributable to the significant synergies expected to arise after the Group's acquisition of the minority interests of Guangdong Welling Motor Manufacturing Co., Ltd., which is a cash-generating units ("CGU") in air-conditioning motor segments located in PRC.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations are as follows:

Gross margin (budgeted gross margin)	8%
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	3%
Discount rate (pre-tax discount rate applied to the cash flow projections)	15%

Management determined budgeted gross margin based on past performance and its expectations for the market development. The growth rates do not exceed the long-term average growth rate for the markets of air-conditioning motor. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Amortisation of computer software and technology know-how is included in the administrative expenses.

#### 9 無形資產（續）

商譽來自預期於本集團收購廣東威靈電機製造有限公司少數股東權益後產生之重大協同效益，廣東威靈電機製造有限公司為位於中國之空調電機分部之現金產生單位（「現金產生單位」）。

現金產生單位之可收回金額乃按使用價值計算予以釐定。有關計算使用稅前現金流量預測（根據管理層批准之五年期財政預算）作出。五年期以外之現金流量乃按下文所述之估計增長率推斷。

使用價值計算之主要假設如下：

毛利率（預算毛利率）	8%
增長率（於預算期間後用於推算現金流量之加權平均增長率）	3%
貼現率（用於現金流量預測之稅前貼現率）	15%

管理層根據過往表現及其對市場發展之預測釐定預算毛利率。增長率並未超越空調電機市場之長期平均增長率。所採用之貼現率為稅前比率並反映相關分部之特定風險。

電腦軟件及專業技術之攤銷乃計入行政開支內。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 10 Investments in subsidiaries

#### 10 附屬公司投資

		Company	
		本公司	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted equity interests, at cost	非上市股權，按成本值	4,500,000	30,997
Exchange difference	匯兌差異	77,692	—
Due to subsidiaries	應付附屬公司款項	(60,477)	—
Due from subsidiaries	應收附屬公司款項	—	878,648
		<b>4,517,215</b>	909,645
Less: Provision	減：撥備	—	(909,645)
		<b>4,517,215</b>	—

The amounts due from/(to) subsidiaries are unsecured, interest-free and with no fixed term of repayment.

應收／（應付）附屬公司款項均為無抵押、免息，且無固定還款期。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 10 Investments in subsidiaries (Continued)

The particulars of the subsidiaries at 31 December 2008 are:

#### 10 附屬公司投資（續）

附屬公司於二零零八年十二月三十一日之詳情如下：

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered capital	Effective interest held
名稱	註冊成立／成立地點 及法定實體類別	主要業務 及經營地點	已發行股本／ 註冊資本之詳情	所持 有效權益
<b>Directly held:</b>				
直接持有：				
Welling Holding (BVI) Ltd.	British Virgin Islands, limited liability company	Investment holding	10,000 ordinary shares of USD1 each	100%
威靈控股(BVI)有限公司	英屬處女群島·有限責任公司	投資控股	10,000股每股面值1美元之普通股	
<b>Indirectly held:</b>				
間接持有：				
Guangdong Welling Motor Manufacturing Co., Ltd.	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors and transformers	Registered capital USD26,610,000	100%
廣東威靈電機製造有限公司	中國·有限責任公司(外資企業)	製造及買賣電機及變壓器	註冊資本 26,610,000美元	
Foshan Welling Washer Motor Manufacturing Co., Ltd.	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD6,400,000	100%
佛山市威靈洗滌電機製造有限公司	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本 6,400,000美元	
Foshan Welling Electronic & Electric Co., Ltd.	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors and transformers	Registered capital USD15,000,000	100%
佛山市威靈電子電器有限公司	中國·有限責任公司(外資企業)	製造及買賣電機及變壓器	註冊資本 15,000,000美元	
Welling (Wuhu) Motor Manufacturing Co., Ltd.	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD12,080,000	100%
威靈(蕪湖)電機製造有限公司	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本 12,080,000美元	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 10 Investments in subsidiaries (Continued)

### 10 附屬公司投資（續）

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered capital	Effective interest held
名稱	註冊成立／成立地點 及法定實體類別	主要業務 及經營地點	已發行股本／ 註冊資本之詳情	所持 有效權益
<b>Indirectly held: (Continued)</b>				
間接持有：（續）				
Huaian Welling Motor Manufacturing Co., Ltd.	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD5,000,000	100%
淮安威靈電機製造有限公司	中國，有限責任公司（外資企業）	製造及買賣電機	註冊資本 5,000,000美元	
Foshan Welling Material Supply Co., Ltd.	PRC, limited liability company	Trading of raw materials	Registered capital RMB20,000,000	100%
佛山市威靈材料供應有限公司	中國，有限責任公司	買賣原材料	註冊資本 人民幣20,000,000元	
Welling Macao Commercial Offshore Limited	Macao Special Administrative Region, limited liability company	Offshore trading	Registered Capital Macao Pataca 100,000	100%
威靈澳門離岸商業服務有限公司	澳門特別行政區，有限責任公司	離岸交易	註冊資本 澳門幣100,000元	
Welling International Hong Kong Ltd.	Hong Kong, limited liability company	Investment holding	10 ordinary shares of HK\$1 each	100%
威靈國際香港有限公司	香港，有限責任公司	投資控股	10股每股面值港幣1元之普通股	





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 10 Investments in subsidiaries (Continued)

The subsidiaries disposed to the Vendor at 31 March 2008 as described in Note 1 are:

#### 10 附屬公司投資（續）

於二零零八年三月三十一日向賣方出售之附屬公司（附註1所述者）如下：

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered capital	Effective interest held
名稱	註冊成立／成立地點 及法定實體類別	主要業務 及經營地點	已發行股本／ 註冊資本之詳情	所持 有效權益
<b>Directly held:</b>				
直接持有：				
China Refrigeration Industry Co., Ltd.	PRC, limited liability company	Manufacture and sale of refrigerators in the PRC	Registered capital US\$10,000,000	95%
中國雪櫃實業有限公司	中國，有限責任公司	於中國製造及銷售冰箱	註冊資本 10,000,000美元	
Hualing Technology Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	10 ordinary shares of HK\$1 each	100%
華凌科技有限公司	香港，有限責任公司	於香港投資控股	10股每股面值港幣1元之普通股	
Hualing (Far East) Limited	British Virgin Islands, limited liability company	Investment holding in Hong Kong	1 ordinary share of US\$1	100%
華凌（遠東）有限公司	英屬處女群島，有限責任公司	於香港投資控股	1股每股面值1美元之普通股	
Hualing (Guangzhou) Electrical Appliances Co., Ltd.	PRC, limited liability company	Distribution of HUALING brand products in the PRC	Registered capital HK\$10,000,000	100%
華凌（廣州）電器有限公司	中國，有限責任公司	於中國分銷華凌品牌產品	註冊資本 港幣10,000,000元	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 10 Investments in subsidiaries (Continued)

#### 10 附屬公司投資（續）

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered capital	Effective interest held
名稱	註冊成立／成立地點 及法定實體類別	主要業務 及經營地點	已發行股本／ 註冊資本之詳情	所持 有效權益
<b>Indirectly held:</b>				
間接持有：				
Guangzhou Hualing Air-conditioning & Equipment Co., Ltd.	PRC, limited liability company	Manufacture and sale of air-conditioners and electronic appliances in the PRC	Registered capital US\$60,000,000	100%
廣州華凌空調設備有限公司	中國，有限責任公司	於中國製造及銷售 空調及電器	註冊資本 60,000,000美元	
Guangzhou Hualing Electrical Household Appliance Enterprise Co., Ltd.	PRC, limited liability company	Dormant	Registered capital RMB3,000,000	95.5%
廣州華凌家電企業有限公司	中國，有限責任公司	已無業務	註冊資本 人民幣3,000,000元	
Hefei Hualing Co., Ltd.	PRC, limited liability company	Manufacture and sale of mini-refrigerators in the PRC	Registered capital RMB91,200,000	50.05%
合肥華凌股份有限公司	中國，有限責任公司	於中國製造及銷售 小型冰箱	註冊資本 人民幣91,200,000元	
Growth Plus Properties Ltd.	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US\$1 each	100%
Growth Plus Properties Ltd.	英屬處女群島，有限責任公司	投資控股	1股每股面值1美元之普通股	
Guangdong Hualing Commercial Air-conditioning Equipment Co., Ltd.	PRC, limited liability company	Dormant	Registered capital RMB30,000,000	100%
廣東華凌中央空調設備有限公司	中國，有限責任公司	已無業務	註冊資本 人民幣30,000,000元	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註(續)

#### 11 Inventories

#### 11 存貨

		<b>Group</b> 本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
			Restated 重列
Raw materials	原材料	103,895	272,839
Work-in-progress	在製品	19,749	55,499
Finished goods	製成品	120,244	544,608
		<b>243,888</b>	<b>872,946</b>

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$4,451,476,000 (2007: HK\$3,919,814,000) for continuing operations.

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$1,205,061,000 (2007: HK\$3,184,214,000) for discontinued operations.

The Group charged HK\$420,000 of inventory provision in 2008 (2007: HK\$25,724,000). The amount charged has been included in cost of goods sold in the income statement.

持續經營業務之存貨成本港幣4,451,476,000元(二零零七年:港幣3,919,814,000元)已確認為開支並計入銷售貨品成本內。

已終止經營業務之存貨成本港幣1,205,061,000元(二零零七年:港幣3,184,214,000元)已確認為開支並計入銷售貨品成本內。

本集團於二零零八年支銷港幣420,000元(二零零七年:港幣25,724,000元)之存貨撥備。支銷金額已計入收益表之銷售貨品成本內。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 12 Trade and other receivables

#### 12 貿易及其他應收款

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade receivables (Note (a))	貿易應收款(附註(a))	407,876	763,303	—	—
Less: provision for impairment (Note (c))	減：減值撥備 (附註(c))	(18,818)	(83,138)	—	—
Trade receivables — net	貿易應收款 — 淨額	389,058	680,165	—	—
Notes receivable (Notes (a)&(d))	應收票據 (附註(a)及(d))	394,629	969,593	—	—
Prepayments and other receivables	預付款及其他應收款	211,794	161,657	1,346	202
Less: provision for impairment of other receivables (Note (c))	減：其他應收款減值 撥備(附註(c))	(89)	(113)	—	—
Prepaid value-added tax — net (Note 13)	預付增值稅 — 淨額 (附註13)	39,042	9,447	—	—
		1,034,434	1,820,749	1,346	202
Less: non-current portion	減：非即期部分				
Prepayment for investments in associates (Note (e))	預付聯營公司投資 款項(附註(e))	(82,463)	—	—	—
Prepayment for property, plant and equipment	預付物業、廠房及 設備款項	(22,392)	—	—	—
		929,579	1,820,749	1,346	202

As at 31 December 2008 and 2007, the fair values of trade and other receivables of the Group and the Company approximate their carrying amounts.

於二零零八年及二零零七年十二月三十一日，本集團及本公司之貿易及其他應收款之公平值與其賬面值相若。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 12 Trade and other receivables (Continued)

As at 31 December 2008 and 2007, prepayments and other receivables of the Company are denominated in Hong Kong dollars. Trade and other receivables of the Group as at 31 December 2008 and 2007 are denominated in the following currencies:

#### 12 貿易及其他應收款（續）

於二零零八年及二零零七年十二月三十一日，本公司之預付款及其他應收款以港幣列值。本集團於二零零八年及二零零七年十二月三十一日之貿易及其他應收款以下列貨幣列值：

		<b>Group</b> 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
RMB	人民幣	544,048	1,275,833
HK\$	港幣	1,407	728
USD	美元	363,623	446,489
EUR	歐元	125,356	97,699
		<b>1,034,434</b>	<b>1,820,749</b>





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 12 Trade and other receivables (Continued)

- (a) The majority of the Group's export sales are on letter of credit or documents against payment, or covered by customers' standby letters of credit or bank guarantees. The remaining amounts are with credit terms of 30 days to 90 days. As at 31 December 2008, the ageing analysis of the gross trade receivables and notes receivable are as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Within one year	一年以內	802,486	1,677,583
In the second year	第二年內	19	25,198
Over two years	兩年以上	—	30,115
		<b>802,505</b>	<b>1,732,896</b>

- (b) As at 31 December 2008 and 2007, no trade receivables were past due but not impaired.

#### 12 貿易及其他應收款（續）

- (a) 本集團之出口銷售大部分以信用證或付款交單方式進行，或以客戶之備用信用證或銀行擔保作保證。其餘金額之信貸期為30日至90日。於二零零八年十二月三十一日，貿易應收款及應收票據總額之賬齡分析如下：

- (b) 於二零零八年及二零零七年十二月三十一日，概無貿易應收款逾期但沒有減值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 12 Trade and other receivables (Continued)

(c) As at 31 December 2008 and 2007, trade and other receivables of approximately HK\$239,307,000 and HK\$355,121,000 were impaired. The provision in relation thereto was approximately HK\$18,907,000 and HK\$83,251,000 for 2008 and 2007, respectively. The individual impaired receivables mainly relate to past due payments from customers. There is no recent history of default for most of the customers, it was assessed that a large portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

#### 12 貿易及其他應收款（續）

(c) 於二零零八年及二零零七年十二月三十一日，貿易及其他應收款約港幣239,307,000元及港幣355,121,000元已減值。於二零零八年及二零零七年之有關撥備分別約港幣18,907,000元及港幣83,251,000元。個別減值應收款主要與客戶過期付款有關。大部分客戶近期並無拖欠記錄，且評估大部分應收款預期將可收回。此等應收款之賬齡如下：

		<b>Group</b> <b>本集團</b>	
		<b>2008</b> 二零零八年 <b>HK\$'000</b> 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Within one year	一年以內	<b>239,288</b>	299,808
In the second year	第二年內	<b>19</b>	25,198
Over two years	兩年以上	<b>—</b>	30,115
		<b>239,307</b>	355,121

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 12 Trade and other receivables (Continued)

(c) (Continued)

Movements on the provision for impairment are as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Beginning of the year	年初	83,251	68,673
Provision for impairment	減值撥備	15,066	38,927
Bad debts written off	壞賬撇銷	(2,373)	(22,528)
Unused amounts reversed	撥回未動用款項	(6,168)	(3,502)
Exchange difference	匯兌差異	5,260	5,043
Disposal of subsidiaries	出售附屬公司	(76,129)	(3,362)
End of the year	年終	18,907	83,251

The creation and release of provision for impaired receivables have been included in administrative expenses in the income statement (Note 24). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The unused amounts reversed represented the subsequent collection of previously provided impaired amounts.

The other classes within trade and other receivables do not contain impaired assets.

(d) The balance represents bank acceptance notes with maturity periods within six months.

#### 12 貿易及其他應收款（續）

(c) (續)

減值撥備之變動如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Beginning of the year	年初	83,251	68,673
Provision for impairment	減值撥備	15,066	38,927
Bad debts written off	壞賬撇銷	(2,373)	(22,528)
Unused amounts reversed	撥回未動用款項	(6,168)	(3,502)
Exchange difference	匯兌差異	5,260	5,043
Disposal of subsidiaries	出售附屬公司	(76,129)	(3,362)
End of the year	年終	18,907	83,251

新增及解除之應收款減值撥備已計入收益表之行政開支內(附註24)。倘預期不能收回額外現金，則計入撥備賬之金額一般會撇銷。

撥回之未動用金額為日後收取之過往撥備減值金額。

貿易及其他應收款之其他類別不包括已減值資產。

(d) 有關結餘為六個月內到期之銀行承兌匯票。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 12 Trade and other receivables (Continued)

- (e) On 26 November 2008, two wholly-owned subsidiaries of the Company entered into a joint venture agreement in PRC (“PRC JV Agreement”) and a share subscription agreement (“Subscription Agreement”) in Hong Kong, through which the Group proposed to acquire 49% minority interests in four PRC companies (collectively, the “Target Companies” and the transaction as the “Acquisition”).

Before the Acquisition, the Target Companies were owned by an independent party of the Group (the “Domestic Vendor”). The Target Companies are engaged in manufacturing of casting products.

As at 31 December 2008, the Group paid consideration of HK\$82,463,000 in accordance with the PRC JV Agreement as capital contribution for the formation of a joint venture company incorporated in Shanxi Province, the PRC. The joint venture company was held by the Group and the Domestic Vendor by 49% and 51% respectively as at 31 December 2008. The Group has also paid consideration of HK\$98 in accordance with the Subscription Agreement, and held 49% interest in the Linkgo-HK Limited as at 31 December 2008.

Linkgo-HK Limited is an investment holding company incorporated in Hong Kong. It is the minority shareholder of certain Target Companies.

#### 12 貿易及其他應收款（續）

- (e) 於二零零八年十一月二十六日，本公司兩間全資附屬公司於中國訂立合資企業協議（「中國合資企業協議」）及於香港訂立股份認購協議（「認購協議」），據此，本集團建議收購四間中國公司（統稱「目標公司」），而該項交易為「收購事項」之49%少數股東權益。

收購事項進行前，本集團之獨立方（「本地賣方」）擁有目標公司。目標公司從事製造鑄件產品。

於二零零八年十二月三十一日，本集團根據中國合資企業協議支付代價港幣82,463,000元，以為成立於中國山西省註冊成立之合資企業提供資金。於二零零八年十二月三十一日，本集團及本地賣方分別持有該合資企業之49%及51%股權。本集團亦根據認購協議支付代價港幣98元，並於二零零八年十二月三十一日持有香港林柯有限公司之49%權益。

香港林柯有限公司為一間於香港註冊成立之投資控股公司，並為若干目標公司之少數股東。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 12 Trade and other receivables (Continued)

(e) (Continued)

However, as the completion of the Acquisition is subject to the future fulfillment of certain terms stated in the PRC JV Agreement by the Group and the Domestic Vendor, the consideration paid is recognised as prepayment for investments in associates in the consolidated balance sheet as at 31 December 2008.

Upon the completion of the Acquisition, the total consideration of HK\$202,181,000 will be recognized as the cost for the investments in associates, and the Group's investments in associates will be accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses will be recognised in the consolidated income statement, and its share of post-acquisition movements in reserves will be recognised in reserves. The cumulative post-acquisition movements will be adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group will not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

#### 12 貿易及其他應收款（續）

(e) (續)

然而，由於收購事項須待本集團及本地賣方日後達成中國合資企業協議所述之若干條款後，方告完成，故所支付之代價於二零零八年十二月三十一日之綜合資產負債表中確認為預付聯營公司投資款項。

待該項收購事項完成後，港幣202,181,000元之總代價將確認為聯營公司投資成本，而本集團於聯營公司之投資將以權益會計法列賬，並初始按成本值確認。本集團所佔其聯營公司收購後利潤或虧損將於綜合收益表內確認，而其所佔收購後儲備變動則於儲備內確認。累計收購後變動將按投資之賬面值作出調整。當本集團所佔聯營公司虧損相當於或多於其於聯營公司之權益時（包括任何其他無抵押應收款），本集團不會進一步確認虧損，除非其已代表聯營公司承擔責任或作出付款則作別論。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 13 Prepaid value-added tax – net

The Group has paid input value-added taxes (“VAT”) to the State Tax Bureau for the finished goods purchased from its suppliers. In accordance with the relevant PRC tax regulations, these VAT can be offset with the output VAT arising from the sales in the future but are not refundable. The balances at 31 December 2007 and 2008 represented net input VAT after offsetting the output VAT payable by the Group for the domestic sales made during the year.

#### 14 Pledged bank deposits

Certain bank balances were pledged against bank acceptance notes issued by the Group (Note 19(b)) and these deposits will be released upon the maturity of the bank acceptance notes issued. These pledged bank deposits bear interest at bank saving rates ranging from 1.98% to 3.78% per annum (2007: ranging from 2.25% to 3.78% per annum).

#### 13 預付增值稅—淨額

本集團為購自供應商之製成品向國家稅務局支付進項增值稅（「增值稅」）。根據相關中國稅收法規，該等增值稅可用於抵扣未來銷售產生之銷項增值稅，但不可退還。於二零零七年及二零零八年十二月三十一日之結餘乃進項增值稅扣除本集團於本年度就國內銷售而應付之銷項增值稅後之淨額。

#### 14 已抵押銀行存款

若干銀行結餘乃作為本集團所發出之銀行承兌匯票之抵押（附註19(b)），而該等存款將於發出之銀行承兌匯票到期日解除。該等已抵押銀行存款按銀行存款年利率介乎1.98%至3.78%不等（二零零七年：年利率介乎2.25%至3.78%不等）計息。

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Total pledged bank deposits	已抵押銀行存款總額	145,698	276,019
Less: Maturity period within 3 months	減：三個月以內到期	(84,678)	—
Maturity period over 3 months and less than 9 months (Note 15)	三個月以上但少於九個月到期（附註15）	61,020	276,019



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 15 Cash and cash equivalents

#### 15 現金及現金等價物

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cash at banks and on hand	銀行存款及手頭現金	132,446	497,042	2,149	2,688
Pledged bank deposits (Note 14)	已抵押銀行存款 (附註14)	145,698	276,019	—	—
Less: Pledged bank deposits with maturity period over 3 months and less than 9 months (Note 14)	減：三個月以上但少於 九個月到期之已 抵押銀行存款 (附註14)	(61,020)	(276,019)	—	—
		217,124	497,042	2,149	2,688

At 31 December 2008, cash at banks and pledged bank deposits with maturity period within 3 months and cash in hand of the Group amounted to HK\$251,630,000 (2007: HK\$717,034,000) were kept in bank accounts opened with banks in the PRC of which the remittance of funds were subject to foreign exchange control.

The effective interest rate on bank deposits was 1.19% per annum (2007: 1.42% per annum).

於二零零八年十二月三十一日，本集團之銀行存款、三個月內到期的已抵押銀行存款及手頭現金港幣251,630,000元（二零零七年：港幣717,034,000元），乃存放於在中國開立之銀行賬戶中，該等資金之匯出須受外匯管制規限。

銀行存款之實際年利率為1.19%（二零零七年：年利率1.42%）。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 16 Share capital and share options

##### (a) Share capital

		<b>Authorised</b> 法定股本	
		<b>Ordinary shares</b> of HK\$0.1 each	
		每股面值港幣0.1元之普通股	
		Number of shares (‘000)	HK\$’000
		股份數目 (千股)	港幣千元
At 1 January 2007, 31 December 2007 and 1 January 2008	於二零零七年一月一日、 二零零七年十二月三十一日 及二零零八年一月一日	10,000,000	1,000,000
Increase in authorised share capital (i)	法定股本增加(i)	10,000,000	1,000,000
At 31 December 2008	於二零零八年 十二月三十一日	20,000,000	2,000,000

#### 16 股本及購股權

##### (a) 股本

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 16 Share capital and share options (Continued)

#### 16 股本及購股權（續）

##### (a) Share capital (Continued)

##### (a) 股本（續）

		<b>Issued and fully paid ordinary shares of HK\$0.1 each</b>	
		<b>已發行及繳足股本 每股面值港幣0.1元之普通股</b>	
		Number of shares ( <sup>'000</sup> )	HK\$ <sup>'000</sup>
		股份數目 (千股)	港幣千元
At 1 January 2007 as previously reported	於二零零七年一月一日 (按以往報告)	4,687,091	468,709
Issue of consideration shares (ii)	發行代價股份(ii)	8,753,323	875,332
At 1 January 2007, as restated	於二零零七年一月一日 (重列)	13,440,414	1,344,041
Employee share option scheme — shares issued (iii)	僱員購股權計劃 — 已發行股份(iii)	38,900	3,890
At 31 December 2007 and 31 December 2008, as restated	於二零零七年 十二月三十一日及 二零零八年十二月三十一日 (重列)	13,479,314	1,347,931



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 16 Share capital and share options (Continued)

##### (a) Share capital (Continued)

		<b>Company</b> 本公司	
		<b>Issued and fully paid ordinary shares of HK\$0.1 each</b>	
		<b>已發行及繳足股本 每股面值港幣0.1元之普通股</b>	
		Number of shares (‘000)	HK\$’000
		股份數目 (千股)	港幣千元
At 1 January 2007	於二零零七年一月一日	4,687,091	468,709
Employee share option scheme — shares issued (iii)	僱員購股權計劃 — 已發行股份(iii)	38,900	3,890
At 31 December 2007 and 1 January 2008	於二零零七年 十二月三十一日及 二零零八年一月一日	4,725,991	472,599
Issue of consideration shares (ii)	發行代價股份(ii)	8,753,323	875,332
At 31 December 2008	於二零零八年 十二月三十一日	13,479,314	1,347,931

(i) Pursuant to a shareholder resolution passed on 18 March 2008, the authorised capital of the Company was increased from HK\$1,000,000,000 to HK\$2,000,000,000 by the creation of an additional 10,000,000,000 shares of HK\$0.1 each ranking pari passu with the then existing shares.

(i) 根據二零零八年三月十八日通過之股東決議案，透過增加額外10,000,000,000股每股面值港幣0.1元之股份，本公司之法定股本由港幣1,000,000,000元增加至港幣2,000,000,000元。增加之股份在各方面與當時現有股份具有相同地位。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 16 Share capital and share options (Continued)

##### (a) Share capital (Continued)

(ii) On 31 March 2008, 8,753,323,092 shares were allotted and issued to the Vendor as consideration shares at a price of HK\$0.414 per share upon the completion of the Transaction (Note 1), the total proceeds of approximately HK\$3,623,876,000 are presented as the increase in share capital and share premium of the Group by approximately HK\$875,332,000 and HK\$2,748,544,000 respectively. The ordinary shares issued as part of the Transaction are presented as if it had always been issued, and the deemed distribution of HK\$3,623,876,000 as a result of the consideration issuance was debited to the merger reserve (Note 17(d)) using the principles of merger accounting as prescribed in HKAG 5 in the consolidated financial statement of the Group.

(iii) The share options exercised by the directors and employees of the Group in 2007, resulted in 38,900,000 shares being issued at HK\$0.1206. The yielding proceeds after transaction costs of approximately HK\$4,684,000.

##### (b) Share options

Share options were granted to the directors of the Company and certain employees of the Group in respect of their services provided to the Group in accordance with the scheme adopted by the Company on 27 June 2003 (the "Share Option Scheme").

#### 16 股本及購股權（續）

##### (a) 股本（續）

(ii) 於二零零八年三月三十一日，待該項交易完成後，已按每股港幣0.414元之價格向賣方配發及發行8,753,323,092股股份作為代價股份（附註1）。所得款項總額約港幣3,623,876,000元，分別呈列為本集團股本增加約港幣875,332,000元及股份溢價增加約港幣2,748,544,000元。該項交易中發行之普通股在呈列時視為已經一直發行。因發行代價股份而產生之視作分派港幣3,623,876,000元，已按香港會計指引第5號所規定之合併會計原則，在本集團綜合財務報表之合併儲備內扣除（附註17(d)）。

(iii) 本集團董事及僱員於二零零七年行使購股權，導致38,900,000股股份按港幣0.1206元發行，扣除交易成本後之所得款項約港幣4,684,000元。

##### (b) 購股權

本公司根據其於二零零三年六月二十七日採納之購股權計劃（「購股權計劃」），向為本集團提供服務之本公司董事及本集團若干僱員授予購股權。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 16 Share capital and share options (Continued)

##### (b) Share options (Continued)

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the Share Option Scheme include the directors (including executive directors and non-executive directors) or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or directors of the Group, as to be determined by the board at its absolute discretion within the above categories.

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at 27 June 2003, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under Share Option Scheme.

#### 16 股本及購股權（續）

##### (b) 購股權（續）

購股權計劃之目的，是讓本公司吸引、挽留及激勵有才幹之參與者為本集團之未來發展及擴展積極努力，並使本公司能以更靈活之方式向參與者提供獎勵、獎賞、酬勞、報酬及／或福利。購股權計劃之合資格參與者包括本集團之董事（包括執行董事及非執行董事）或僱員、本集團之顧問或專業諮詢人士、本公司之主要股東或其僱員、本公司之董事、最高行政人員或主要股東之任何聯繫人、本集團供應商或客戶之僱員或董事、本集團僱員或董事所設立之全權信託之任何全權受益人（由董事會在上述人士中全權酌情決定）。

購股權計劃及本公司採納之任何其他購股權計劃項下所有授出但尚未行使之購股權獲行使時，可予發行之最高股份數目不得超過本公司不時已發行股份之30%。購股權計劃及本公司任何其他購股權計劃項下所有將予授出之購股權獲行使時，可予發行之股份總數合共不得超過本公司於二零零三年六月二十七日已發行股份之10%，惟本公司可於股東大會上尋求股東批准，以更新購股權計劃下之10%限額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 16 Share capital and share options (Continued)

#### (b) Share options (Continued)

The total number of shares issued and to be issued upon exercise of the share options granted under Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant. Any further grant of share options in excess of this limit is subject to the approval of shareholders in general meeting of the Company.

Share options granted under the Share Option Scheme to director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of HKSE on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in HKSE's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the share.

### 16 股本及購股權（續）

#### (b) 購股權（續）

於截至授出日期止任何十二個月期間，根據購股權計劃及本公司之任何其他購股權計劃授出之購股權獲行使時，已發行及將發行予每名參與者之股份總數不得超過本公司於授出日期已發行股份之1%。進一步授出超過此限額之購股權須經股東於本公司股東大會上批准。

根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出之購股權，須獲本公司獨立非執行董事（不包括身為購股權承授人之任何獨立非執行董事）批准。此外，於截至授出日期（包括該日）止任何十二個月期間，向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出之任何購股權，倘若超過本公司於任何時間已發行股份之0.1%，或總值（根據本公司於各授出日期之股份收市價計算）超過港幣5,000,000元，則須經股東於本公司股東大會上批准。

購股權之行使價將不低於下列之最高者(i)於授出購股權日期（該日必須為營業日），本公司股份在聯交所每日報價表中所列之收市價；(ii)緊接授出購股權日期（該日必須為營業日）前五個營業日，本公司股份於聯交所每日報價表中所列之平均收市價；及(iii)股份之面值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 16 Share capital and share options (Continued)

##### (b) Share options (Continued)

The share options granted may be exercised at any time during the period commencing immediately after the date on which the option is deemed to be granted and accepted and expiring on a date to be determined and notified by the board of directors which shall not be more than 10 years from the date on which the share option is deemed to be granted and accepted. Share Option Scheme shall be valid and effective for a period of 10 years commencing on 27 June 2003.

As at 31 December 2008, 9,500,000 share options granted to directors of the Company and employees of the Group were outstanding. These share options were exercisable immediately on the date of grant on 30 July 2007 at an exercise price of HK\$0.78 per share. They will be lapsed on 29 July 2017. No share options were granted to, or exercised by directors of the Company or employees of the Group during the year.

The fair value of options granted on 30 July 2007 was determined using the Binomial Model. The key assumptions used in the valuation include: (i) an expected dividend yield of 0% per annum, (ii) volatility of share price of 65.38% per annum (expressed as weighted average volatility used in the modelling of Binomial Model, which is the annualised standard deviation of the continuously compounded rate of return on the share over a period of time), (iii) a risk free rate of interest on options of 4.13% per annum, and (iv) the expected time to exercise is 5.23 years. Based on the valuation, the fair value of the 9,500,000 share options granted in year 2007 was approximately HK\$3,453,000, which was recognised as employee benefit expense (Note 25) and a corresponding increase in share option reserve (Note 17).

#### 16 股本及購股權（續）

##### (b) 購股權（續）

授出之購股權可於緊隨購股權被視作授出及接納當日後隨時予以行使，而其屆滿日期將由董事會釐定及發出通知，惟不得超過購股權被視作授出及接納當日起計十年。購股權計劃由二零零三年六月二十七日起生效，有效期為十年。

於二零零八年十二月三十一日，本公司董事及本集團僱員獲授之9,500,000份購股權尚未行使。該等購股權可於授出日期二零零七年七月三十日起即可行使，行使價為每股港幣0.78元，購股權將於二零一七年七月二十九日失效。於年內，本公司董事或本集團僱員並無獲授或行使任何購股權。

於二零零七年七月三十日授出之購股權之公平值採用二項式模型釐定。估值所採用之主要假設包括：(i)預期股息率每年0%；(ii)股價波幅每年65.38%（二項式模型所採用之加權平均波幅列示，有關波幅為於一段時間股份持續複合回報率之年度化標準差）；(iii)購股權每年之無風險利率為4.13%；及(iv)預期行使時間為5.23年。根據估值，於二零零七年已授出之9,500,000份購股權之公平值約為港幣3,453,000元，有關金額已確認為僱員福利開支（附註25）及購股權儲備（附註17）之相應增加。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 16 Share capital and share options (Continued)

##### (b) Share options (Continued)

Movements of the share options granted under the Share Option Scheme during the year are as follows:

Name	姓名	Share options held at 1 January 2008	Share options granted during the year	Share options exercised during the year	Share options held at 31 December 2008	Exercise price HK\$	Grant date	Exercisable from	Exercisable until
		於二零零八年一月一日持有之購股權	於年內授出之購股權	於年內行使之購股權	於二零零八年十二月三十一日持有之購股權	行使價港幣	授出日期	可行使期限起始日	可行使期限結束日
<b>Directors:</b>	<b>董事：</b>								
Chan Wai Dune	陳維端	2,000,000	—	—	2,000,000	0.78	30/7/2007	30/7/2007	29/7/2017
Lam Ming Yung	林明勇	2,000,000	—	—	2,000,000	0.78	30/7/2007	30/7/2007	29/7/2017
Chen Chunhua	陳春花	2,000,000	—	—	2,000,000	0.78	30/7/2007	30/7/2007	29/7/2017
<b>Employees</b>	<b>僱員</b>	3,500,000	—	—	3,500,000	0.78	30/7/2007	30/7/2007	29/7/2017
		9,500,000	—	—	9,500,000				

#### 16 股本及購股權（續）

##### (b) 購股權（續）

於年內，根據購股權計劃授出之購股權變動如下：





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 17 Other reserves

### 17 其他儲備

		Statutory Share premium	reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Exchange reserve	Merger reserve	Total
		法定儲備 基金	一般儲備 基金	企業發展 基金	購股權 儲備	匯兌儲備	合併儲備		合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		Note (c)	Note (c)	Note (c)				Note (d)	
		附註(c)	附註(c)	附註(c)				附註(d)	
(a) Group	(a) 本集團								
<b>Balance at 1 January 2007, as restated (Note 2.1)</b>	<b>於二零零七年一月一日 結餘 (重列) (附註2.1)</b>	3,335,579	103	70,164	64,969	4,125	(10,226)	(3,639,249)	(174,535)
Employee share option scheme	僱員購股權計劃								
— proceeds from shares issued (Note 16(a))	— 發行股份所得款項 (附註16(a))	794	—	—	—	—	—	—	794
— value of services provided (Note 16(b))	— 所提供服務之價值 (附註16(b))	—	—	—	—	3,453	—	—	3,453
Transfer to statutory reserves	轉撥至法定儲備	—	560	6,593	5,806	—	—	—	12,959
Translation difference	匯兌差異	—	—	—	—	—	8,647	—	8,647
Disposal of subsidiaries	出售附屬公司	—	—	(3,321)	—	—	—	—	(3,321)
<b>Balance at 31 December 2007, as restated (Note 2.1)</b>	<b>於二零零七年十二月 三十一日結餘 (重列) (附註2.1)</b>	3,336,373	663	73,436	70,775	7,578	(1,579)	(3,639,249)	(152,003)
<b>Balance at 1 January 2008, as restated (Note 2.1)</b>	<b>於二零零八年一月一日 結餘 (重列) (附註2.1)</b>	3,336,373	663	73,436	70,775	7,578	(1,579)	(3,639,249)	(152,003)
Disposal of subsidiaries (Note 34 (a))	出售附屬公司 (附註34 (a))	—	—	(31,179)	(16,958)	—	—	—	(48,137)
Deemed contribution arising from the Transaction (Note 34 (a))	該項交易產生之 視作貢獻 (附註34(a))	—	—	—	—	—	—	404,351	404,351
Translation difference	匯兌差異	—	—	—	—	—	225	—	225
Transfer to statutory reserve	轉撥至法定儲備	—	—	16,935	6,550	—	—	—	23,485
<b>Balance at 31 December 2008</b>	<b>於二零零八年 十二月三十一日結餘</b>	3,336,373	663	59,192	60,367	7,578	(1,354)	(3,234,898)	227,921

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 17 Other reserves (Continued)

#### 17 其他儲備（續）

		Share premium	Share option reserve	Exchange reserve	Total
		購股權 股份溢價	儲備	匯兌儲備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
(b) Company	(b) 本公司				
Balances as at 1 January 2007	於二零零七年 一月一日結餘	587,035	4,125	—	591,160
Employee share option scheme	僱員購股權計劃				
— value of services provided (Note 16(b))	— 所提供服務之 價值 (附註16(b))	—	3,453	—	3,453
— proceeds from shares issued (Note 16(a))	— 發行股份所得 款項 (附註16(a))	794	—	—	794
Balance as at 31 December 2007	於二零零七年 十二月三十一日 結餘	587,829	7,578	—	595,407
Balance as at 1 January 2008	於二零零八年 一月一日結餘	587,829	7,578	—	595,407
Translation difference	匯兌差異	—	—	70,228	70,228
Issue of consideration shares (Note 16(a))	發行代價股份 (附註16(a))	2,748,544	—	—	2,748,544
Balances as at 31 December 2008	於二零零八年 十二月三十一日 結餘	3,336,373	7,578	70,228	3,414,179



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 17 Other reserves (Continued)

- (c) The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.
- (d) Merger reserve represents the difference between the consideration paid for the acquisition under common control, and the aggregate nominal value of share capital/paid-up capital of the subsidiaries comprising the Group contributed by the equity holders of the Company. As a result of the Transaction, net deemed distribution of approximately HK\$3,219,525,000 are debited to the merger reserve, comprising the deemed distribution of approximately HK\$3,623,876,000 arising from the issuance of consideration shares to the Vendor (Note 16(a)), and deemed contribution of approximately HK\$404,351,000 arising from the disposal of the Disposed Group and the assignment of the net receivables from Disposed Group to the Vendor (Note 34 (a)) as part of the consideration of the Transaction.

#### 17 其他儲備（續）

- (c) 本公司在中國之附屬公司須遵守中國法律及法規，以及彼等之組織章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自除稅後但未計股息分派之純利中提取。該純利根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算。此等中國附屬公司須將其純利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事酌情釐定。一般儲備基金僅在有有關當局批准後始可用作抵銷累計虧損或增加資本。
- (d) 合併儲備指在共同控制下收購所付之代價與本公司股權持有人注入本集團成員附屬公司之股本／繳足股本之面值總額之差額。因該項交易而產生之視作分派淨額約港幣3,219,525,000元，已自合併儲備扣除，其中包括因向賣方發行代價股份而產生之視作分派港幣3,623,876,000元（附註16(a)），以及因出售已出售集團及向賣方轉讓應收已出售集團應收款淨額作為該項交易之部分代價而產生之視作貢獻約港幣404,351,000元（附註34(a)）。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 18 Borrowings

#### 18 借款

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
<b>Non-current</b>	<b>非即期</b>		
Long-term bank borrowings, secured	長期銀行借款 — 有抵押	60,000	32,052
Less: current portion	減：即期部分	—	(32,052)
		60,000	—
<b>Current</b>	<b>即期</b>		
Short-term bank borrowings, secured	短期銀行借款 — 有抵押	611,608	769,112
Current portion of long-term bank borrowings, secured	長期銀行借款之即期部分 — 有抵押	—	32,052
		611,608	801,164
		671,608	801,164

At 31 December 2008, the Group's bank borrowings were repayable as follows:

於二零零八年十二月三十一日，本集團銀行借款之還款情況如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Within one year	一年以內	611,608	801,164
In the second year	第二年內	60,000	—
		671,608	801,164



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 18 Borrowings (continued)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are as follows:

#### 18 借款（續）

本集團之借款面臨之利率變動風險及合約重新定價日期如下：

		<b>Group</b> 本集團	
		<b>2008</b> 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Borrowings with fixed rate subject to repricing date as:			
	定息借款之重新定價日期：		
6 months or less	六個月或以下	<b>306,062</b>	212,515
6 months to 1 year	六個月至一年	<b>159,019</b>	42,735
		<b>465,081</b>	255,250
Borrowings with floating rate as:			
	浮息借款：		
6 months or less	六個月或以下	<b>206,527</b>	545,914
		<b>671,608</b>	801,164

The effective interest rates of the above floating rate borrowings at the balance sheet date were 6.66% per annum (2007: 5.90% per annum).

於結算日，上述浮息借款之實際年利率為6.66%（二零零七年：年利率5.90%）。

Property, plant and equipment with net book value of HK\$133,229,000 (2007: HK\$229,990,000) and leasehold land and land use right with net book value of HK\$85,965,000 (2007: HK\$87,859,000) have been pledged as security for the Group's short-term bank borrowings (Note 6 and Note 7).

賬面淨值港幣133,229,000元（二零零七年：港幣229,990,000元）之物業、廠房及設備，以及賬面淨值港幣85,965,000元（二零零七年：港幣87,859,000元）之租賃土地及土地使用權已作為本集團短期銀行借款之抵押（附註6及附註7）。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 18 Borrowings (continued)

The carrying amounts of short-term bank borrowings and the long-term borrowings approximate their fair values. The fair values of long-term borrowings is based on cash flows discounted using a rate based on the borrowings rate of 2.45% (2007: Nil). The carrying amounts of the borrowings are denominated in the following currencies.

#### 18 借款（續）

短期銀行借款及長期借款之賬面值與其公平值相若。長期借款之公平值乃根據借款利率2.45%（二零零七年：無），按現金流量貼現計算。借款之賬面值以下列貨幣列值。

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
RMB	人民幣	601,382	752,029
HK\$	港幣	60,000	35,015
USD	美元	10,226	—
EUR	歐元	—	14,120
		671,608	801,164



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 18 Borrowings (continued)

The Group has the following unutilised borrowing and commercial bills facilities:

#### 18 借款（續）

本集團未動用之借款及商業票據融資如下：

		<b>Group</b> 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Borrowing facilities:	借款融資：		
— Expiring within one year	— 一年內到期	285,331	932,692
— Expiring over one year	— 一年後到期	39,773	92,140
Commercial bills facilities:	商業票據融資：		
— Expiring within one year	— 一年內到期	166,889	332,618
		<b>491,993</b>	<b>1,357,450</b>

Unutilised bank facilities of HK\$449,442,000 are expected to be renewed upon maturity.

未動用之銀行融資港幣449,442,000元預期於到期後重續。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 19 Trade and other payables

#### 19 貿易及其他應付款

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade payables (Note (a))	貿易應付款 (附註(a))	1,202,757	1,934,714	—	—
Notes payable (Notes (a), (b))	應付票據 (附註(a) · (b))	369,342	885,036	—	—
		1,572,099	2,819,750	—	—
Provision for staff welfare and bonus	員工福利及 花紅撥備	44,824	51,006	—	370
Accruals	預提費用	13,046	148,220	2,154	50,876
Advances from customers	預收客戶賬款	6,136	198,674	—	—
Others	其他	69,245	92,844	439	439
		1,705,350	3,310,494	2,593	51,685

(a) At 31 December 2008, the ageing analysis of the trade payables and note payables of the Group was as follows:

(a) 於二零零八年十二月三十一日，本集團之貿易應付款及應付票據之賬齡分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Within one year	一年以內	1,560,449	2,796,707
In the second year	第二年内	10,851	6,368
Over two years	兩年以上	799	16,675
		1,572,099	2,819,750



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 19 Trade and other payables (continued)

(b) The balance represents non-interest bearing bank acceptance notes issued by the Group with maturity periods of less than nine months. As at 31 December 2008, certain notes payable were pledged by bank deposits of approximately HK\$145,698,000 (2007: HK\$276,019,000) (Note 14).

#### 19 貿易及其他應付款（續）

(b) 有關結餘為本集團發出不計息銀行承兌票據，到期期限少於九個月。於二零零八年十二月三十一日，若干應付票據以銀行存款約港幣145,698,000元（二零零七年：港幣276,019,000元）作為抵押（附註14）。

#### 20 Derivative financial instruments

#### 20 衍生金融工具

		<b>Group</b> 本集團	
		<b>2008</b> 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Commodity future contracts (Note (a))	商品期貨合約 (附註(a))	22,862	—
Foreign exchange forward contracts (Note (b))	外匯遠期合約 (附註(b))	7,773	—
		<b>30,635</b>	—

(a) The Group has entered into various copper and aluminum future contracts to manage the fluctuation of copper and aluminum price which did not meet the criteria for hedge accounting. Changes in the fair value of the non-hedging copper and aluminum future contracts that were not settled as at 31 December 2008, amounting to approximately HK\$22,862,000 (Note 23(a)), were debited to the income statement during the year (2007: Nil).

(a) 本集團已訂立多項銅及鋁期貨合約，藉以管理銅及鋁價格波動，但不符合資格作對沖會計處理。於二零零八年十二月三十一日並未結算且非作對沖之銅及鋁期貨合約之公平值變動約港幣22,862,000元（附註23(a)），於年內在收益表中扣除（二零零七年：無）。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 20 Derivative financial instruments (continued)

(b) The Group has entered into various foreign exchange forward contracts to manage the fluctuation of foreign currencies which did not meet the criteria for hedge accounting. Changes in the fair value of non-hedging foreign exchange forward contracts that were not settled as at 31 December 2008, amounting to approximately HK\$7,773,000 (Note 23(a)), were debited to the income statement during the year (2007: Nil).

#### 21 Deferred income tax – Group

Deferred income tax is calculated in full on temporary differences under the liability method using taxation rates applicable to the companies comprising the Group.

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

#### Deferred income tax liabilities to be released within 12 months:

At 1 January 2007 and  
31 December 2007

於二零零七年一月一日及二  
零零七年  
十二月三十一日

Charged to consolidated income  
statement

於綜合收益表內扣除

6,305

At 31 December 2008

於二零零八年  
十二月三十一日

6,305

#### 20 衍生金融工具（續）

(b) 本集團已訂立多項外匯遠期合約，藉以管理外匯波動，但不符合資格作對沖會計處理。於二零零八年十二月三十一日並未結算且非作對沖之外匯遠期合約之公平值變動約港幣7,773,000元（附註23(a)），於年內在收益表中扣除（二零零七年：無）。

#### 21 遞延所得稅 — 本集團

遞延所得稅採用負債法就暫時差異按本集團旗下公司適用之稅率悉數計算。

未經考慮在相同稅務司法權區內抵銷結餘前，遞延稅項資產及負債於年內之變動如下：

於十二個月內解除之遞延所得稅負債：

#### Undistributed profits of PRC subsidiaries

中國附屬公司之未分派利潤  
HK\$'000  
港幣千元





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 21 Deferred income tax – Group (Continued)

Deferred income tax assets to be recovered within 12 months:

#### 21 遞延所得稅—本集團（續）

於十二個月內收回之遞延所得稅資產：

		Impairment losses	Fair value losses	Total
		減值虧損	公平值虧損	合計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 January 2007 and 31 December 2007	於二零零七年一月一日 及二零零七年 十二月三十一日	—	—	—
Credited to consolidated income statement	計入綜合收益表	3,598	4,289	7,887
At 31 December 2008	於二零零八年 十二月三十一日	3,598	4,289	7,887

#### 22 Provision for warranty

The movement of warranty provision was analysed as follows:

#### 22 產品保養撥備

產品保養撥備之變動分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Beginning of the year	年初	73,003	36,304
Charge for the year (Note 24)	年度計提（附註24）	38,129	57,939
Exchange difference	匯兌差異	3,014	3,894
Less: Amounts utilised	減：已動用款項	(4,202)	(25,134)
Less: Disposal of subsidiaries (Note 34(a))	減：出售附屬公司 （附註34(a)）	(109,944)	—
End of the year	年終	—	73,003

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 22 Provision for warranty (Continued)

The Group's discontinued operations provide free repair and replacement services ranging from one year to three years after sales. The cost of the warranty obligation under which the Group's discontinued operations agree to remedy defects in its products is accrued at the time the related sales are recognised.

#### 23 Other (losses)/gains – net

##### (a) From continuing operations

#### 22 產品保養撥備（續）

本集團之已終止經營業務於銷售後提供一年至三年之免費維修及更換零件服務。本集團已終止經營業務同意因產品缺損而提供之保養責任成本，於相關銷售確認時計提。

#### 23 其他（虧損）／收益 — 淨額

##### (a) 來自持續經營業務

	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Government grants (i) 政府補貼(i)	1,413	801
Derivative financial instruments 衍生金融工具		
— fair value losses on commodity future contracts (Note 20) 一商品期貨合約公平值虧損(附註20)	(22,862)	—
— fair value losses on foreign exchange forward contracts (Note 20) 一外匯遠期合約公平值虧損(附註20)	(7,773)	—
Realised loss on commodity future contracts (iv) 已變現之商品期貨合約虧損(iv)	(35,957)	—
Realised gain on foreign exchange forward contracts (ii) 已變現之外匯遠期合約收益(ii)	25,770	—
Exchange loss 匯兌虧損	(44,807)	—
Loss on disposal of property, plant and equipment 出售物業、廠房及設備虧損	(2,907)	(1,093)
Penalty income 罰款收入	2,423	2,149
Others 其他	4,338	4,430
	<b>(80,362)</b>	<b>6,287</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 23 Other (losses)/gains — net (Continued)

##### (b) From discontinued operations

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Gain on sales of scrap materials	銷售廢料收益	2,768	9,616
Rental income — net	租金收入 — 淨額	977	3,625
Government grants (i)	政府補貼(i)	—	3,434
Fair value gain/(loss) on investment properties (Note 8)	投資物業公平值收益／（虧損）（附註8）	2,198	(1,751)
Waiver of bank loan and interest payable (iii)	豁免銀行貸款及應付利息(iii)	—	14,764
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(184)	(8,206)
Others	其他	4,711	(1,740)
		<b>10,470</b>	<b>19,742</b>

#### 23 其他（虧損）／收益 — 淨額（續）

##### (b) 來自已終止經營業務

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 23 Other (losses)/gains – net (Continued)

##### (b) From discontinued operations (Continued)

- (i) The amount represents the subsidy granted by and received from local government authorities in the PRC for encouragement of export.
- (ii) The Group entered into various foreign exchange forward contracts to manage the fluctuation of foreign currencies which did not meet the criteria for hedge accounting. Realised gain on foreign exchange forward contracts amounted to HK\$25,770,000.
- (iii) The balance represented a waiver of bank loan and interest payable to a financial institution of PRC in favour of China Refrigeration Industry Co., Ltd., according to a loan restructuring contract.
- (iv) The Group entered into various copper and aluminum future contracts to manage the fluctuation of commodity price which did not meet the criteria for hedge accounting. Realised loss on commodity future contracts represented the loss relating to the copper and aluminum future contracts settled during the year ended 31 December 2008.

#### 23 其他（虧損）／收益 — 淨額 （續）

##### (b) 來自已終止經營業務（續）

- (i) 有關金額指收到中國當地政府機關為鼓勵出口提供之補貼。
- (ii) 本集團已訂立多項外匯遠期合約，藉以管理外匯波動，但不符合資格作對沖會計處理。已變現之外匯遠期合約收益為港幣25,770,000元。
- (iii) 有關結餘指中國一間金融機構根據一項貸款重組合約向中國雪櫃實業有限公司作出之銀行貸款及應付利息豁免。
- (iv) 本集團已訂立多項銅及鋁期貨合約，藉以管理商品價格波動，但不符合資格作對沖會計處理。已變現之商品期貨合約虧損指與截至二零零八年十二月三十一日止年度已結算之銅及鋁期貨合約有關之虧損。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 24 Expenses by nature

Expenses included in cost of goods sold, selling and marketing costs, administrative expenses and other operating expenses are analysed as follows:

##### (a) From continuing operations

#### 24 按性質分類之開支

包括在銷售貨品成本、銷售及市場推廣成本、行政開支及其他經營開支內之開支分析如下：

##### (a) 來自持續經營業務

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Cost of inventories recognised as expense (Note 11)	確認為開支之存貨成本（附註11）	4,451,476	3,919,814
Employee benefit expenses (Note 25)	僱員福利開支（附註25）	347,444	251,314
Depreciation (Note 7)	折舊（附註7）	54,909	48,629
Professional fee and printing cost related to the Transaction	與該項交易有關之專業服務費用及印刷成本	631	53,983
(Reversal)/provision for impairment of trade and other receivables	貿易及其他應收款減值（撥回）／撥備	(3,880)	1,593
Provision/(reversal) for inventory obsolescence	存貨跌價及殘次準備撥備／（撥回）	269	(697)
Operating leases rental for land and buildings	土地及樓宇經營租賃租金	2,362	2,011
Auditors' remuneration	核數師酬金	4,687	6,360
Research and development costs	研究及開發成本	3,458	2,098



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 24 Expenses by nature (Continued)

##### (b) From discontinued operations

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Cost of inventories recognised as expense (Note 11)	確認為開支之存貨成本（附註11）	1,205,061	3,184,214
Employee benefit expenses (Note 25)	僱員福利開支（附註25）	27,113	133,978
Depreciation (Note 7)	折舊（附註7）	15,011	64,486
Provision for warranty (Note 22)	產品保養撥備（附註22）	38,129	57,939
Provision for impairment of trade and other receivables	貿易及其他應收款減值撥備	12,778	33,832
Provision for inventory obsolescence	存貨跌價及殘次準備撥備	151	26,421
Operating leases rental for land and buildings	土地及樓宇之經營租賃租金	2,788	11,372
Auditors' remuneration	核數師酬金	9	430
Provision for impairment charge of property, plant and equipment (Note 7)	物業、廠房及設備減值開支撥備（附註7）	92	1,241
Research and development costs	研究及開發成本	334	1,025
Amortisation of intangible assets (Note 9)	無形資產攤銷（附註9）	—	84

#### 24 按性質分類之開支（續）

##### (b) 來自已終止經營業務

	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Cost of inventories recognised as expense (Note 11)	1,205,061	3,184,214
Employee benefit expenses (Note 25)	27,113	133,978
Depreciation (Note 7)	15,011	64,486
Provision for warranty (Note 22)	38,129	57,939
Provision for impairment of trade and other receivables	12,778	33,832
Provision for inventory obsolescence	151	26,421
Operating leases rental for land and buildings	2,788	11,372
Auditors' remuneration	9	430
Provision for impairment charge of property, plant and equipment (Note 7)	92	1,241
Research and development costs	334	1,025
Amortisation of intangible assets (Note 9)	—	84



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 25 Employee benefit expenses

##### (a) From continuing operations

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Wages and salaries	工資及薪金	259,692	195,924
Termination benefits	終止服務福利	2,502	—
Pension costs (i)	退休金(i)	24,213	10,915
Medical benefits	醫療福利	14,827	7,376
Share options granted to directors and employees (Note 16(b))	授予董事及僱員之購股權(附註16(b))	—	3,453
Other allowances and benefits	其他津貼及福利	46,210	33,646
		<b>347,444</b>	<b>251,314</b>

##### (b) From discontinued operations

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Wages and salaries	工資及薪金	25,593	121,050
Pension costs (i)	退休金(i)	1,520	12,239
Medical benefits	醫療福利	—	382
Other allowances and benefits	其他津貼及福利	—	307
		<b>27,113</b>	<b>133,978</b>

#### 25 僱員福利開支

##### (a) 來自持續經營業務

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Wages and salaries	工資及薪金	259,692	195,924
Termination benefits	終止服務福利	2,502	—
Pension costs (i)	退休金(i)	24,213	10,915
Medical benefits	醫療福利	14,827	7,376
Share options granted to directors and employees (Note 16(b))	授予董事及僱員之購股權(附註16(b))	—	3,453
Other allowances and benefits	其他津貼及福利	46,210	33,646
		<b>347,444</b>	<b>251,314</b>

##### (b) 來自已終止經營業務

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Wages and salaries	工資及薪金	25,593	121,050
Pension costs (i)	退休金(i)	1,520	12,239
Medical benefits	醫療福利	—	382
Other allowances and benefits	其他津貼及福利	—	307
		<b>27,113</b>	<b>133,978</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 25 Employee benefit expenses (Continued)

- (i) The Group has arranged for its Hong Kong employees to join the MPF Scheme. Under the MPF Scheme, each of the group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

The Company's subsidiaries established in the PRC participate in the local retirement schemes of the PRC. Pursuant to the relevant regulations, the Group is currently required to make a monthly contribution equivalent to 15% to 28% of the monthly salaries in respect of its full-time and temporary employees.

#### 25 僱員福利開支（續）

- (i) 本集團已安排其香港僱員參加強積金計劃。根據強積金計劃，集團旗下每間公司（僱主）及其僱員須按強制性公積金法例規定，每月將僱員入息之5%作為計劃供款。僱主及僱員各自之供款上限為每月港幣1,000元，其後均為自願供款。

本公司於中國成立之附屬公司均參與中國本地退休金計劃。根據有關規例，本集團現須每月支付相當於全職及臨時僱員月薪15%至28%之供款。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註(續)

#### 25 Employee benefit expenses (Continued)

#### 25 僱員福利開支(續)

##### (c) Directors' and senior managements' emoluments

The remuneration of the directors for the year ended 31 December 2008 is set out below:

##### (c) 董事及高級管理人員酬金

董事於截至二零零八年十二月三十一日止年度之酬金載列如下：

Name of Director	董事姓名	Fees	Salary	Discretionary bonuses	Inducement fees	Other benefits (i)	Employer's contribution	Compensation for loss of	Total
							to pension scheme	office as director	
		袍金	薪金	酌情花紅	加盟酬金	其他福利(i)	退休金計劃之僱主供款	董事離職之補償	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Executive Directors</b> 執行董事									
Mr. Jiang Deqing (iii)	姜德清先生(iii)	—	455	765	—	—	8	—	1,228
Mr. Qu Fei (ii)	瞿飛先生(ii)	—	354	540	—	—	8	—	902
Mr. Gao Fazhong (ii)	鄒發忠先生(ii)	—	354	540	—	—	8	—	902
Ms. Yuan Liqun (iv)	袁利群女士(iv)	—	—	—	—	—	—	—	—
Mr. Li Jianwei	栗建偉先生	—	—	—	—	—	—	—	—
Mr. Zheng Weikang (ii)	鄭偉康先生(ii)	—	—	—	—	—	—	—	—
Mr. Wu Zhiqiang (v)	吳志強先生(v)	—	472	1,498	—	—	4	—	1,974
Mr. Fang Hongbo (vi)	方洪波先生(vi)	—	—	—	—	—	—	—	—
Mr. Zhang Quan (vi)	張權先生(vi)	—	—	—	—	—	—	—	—
Mr. Li Donglai (vi)	李東來先生(vi)	—	—	—	—	—	—	—	—
<b>Non-executive Directors</b> 非執行董事									
Mr. Cai Qiwu (ii)	蔡其武先生(ii)	—	—	—	—	—	—	—	—
Ms. Tan Xuemei (vii)	譚雪梅女士(vii)	—	—	—	—	—	—	—	—
Mr. Zhang Xinhua (viii)	張新華先生(viii)	—	—	—	—	—	—	—	—
<b>Independent non-executive Directors</b> 獨立非執行董事									
Mr. Chan Wai Dune	陳維端先生	180	—	—	—	—	—	—	180
Mr. Lam Ming Yung	林明勇先生	180	—	—	—	—	—	—	180
Ms. Chen Chunhua	陳春花女士	180	—	—	—	—	—	—	180
		540	1,635	3,343	—	—	28	—	5,546

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 25 Employee benefit expenses (Continued)

#### (c) Directors' and senior managements' emoluments (Continued)

The remuneration of the directors for the year ended 31 December 2007 is set out below:

Name of Director	董事姓名	Fees	Salary	Discretionary bonuses	Inducement fees	Other benefits (i)	Employer's contribution	Compensation for loss of	Total
							to pension scheme	office as director	
		袍金	薪金	酌情花紅	加盟酬金	其他福利(i)	退休金計劃之僱主供款	董事離職之補償	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Executive Directors</b>		<b>執行董事</b>							
Mr. Qu Fei (ii)	瞿飛先生(ii)	—	225	466	—	—	7	—	698
Mr. Gao Fazhong (ii)	鄒發忠先生(ii)	—	215	410	—	—	7	—	632
Ms. Yuan Liqun (iv)	袁利群女士(iv)	—	—	—	—	—	—	—	—
Mr. Li Jianwei	栗建偉先生	—	—	—	—	—	—	—	—
Mr. Zheng Weikang (ii)	鄭偉康先生(ii)	—	—	—	—	—	—	—	—
Mr. Wu Zhiqiang (v)	吳志強先生(v)	—	648	2,575	—	—	7	—	3,230
Mr. Fang Hongbo (vi)	方洪波先生(vi)	—	—	—	—	—	—	—	—
Mr. Zhang Quan (vi)	張權先生(vi)	—	—	—	—	—	—	—	—
Mr. Li Donglai (vi)	李東來先生(vi)	—	—	—	—	—	—	—	—
<b>Non-executive Directors</b>		<b>非執行董事</b>							
Mr. Cai Qiwu (ii)	蔡其武先生(ii)	—	—	—	—	—	—	—	—
Mr. Zhang Xinhua (viii)	張新華先生(viii)	—	—	—	—	—	—	—	—
Mr. Chen Yuhang (ix)	陳宇航先生(ix)	—	—	—	—	—	—	—	—
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>							
Mr. Chan Wai Dune	陳維端先生	180	—	—	—	727	—	—	907
Mr. Lam Ming Yung	林明勇先生	180	—	—	—	727	—	—	907
Ms. Chen Chunhua	陳春花女士	180	—	—	—	727	—	—	907
		540	1,088	3,451	—	2,181	21	—	7,281

(i) Other benefits include leave pay, share based payments and insurance premium.

(ii) Directors appointed on 31 March 2008.

### 25 僱員福利開支（續）

#### (c) 董事及高級管理人員酬金（續）

董事於截至二零零七年十二月三十一日止年度之酬金載列如下：

(i) 其他福利包括有薪假期、以股份支付支出及保費。

(ii) 董事於二零零八年三月三十一日獲委任。





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 25 Employee benefit expenses (Continued)

##### (c) Directors' and senior managements' emoluments (Continued)

- (iii) Mr. Jiang Deqing was appointed on 31 August 2008.
- (iv) Ms. Yuan Liqun, who was a non-executive Director, was redesignated as an executive Director on 4 January 2007.
- (v) Mr. Wu Zhiqiang was appointed on 31 March 2008 and resigned on 31 August 2008.
- (vi) Directors resigned on 31 March 2008.
- (vii) Ms. Tan Xuemei was appointed on 17 December 2008.
- (viii) Mr. Zhang Xinhua resigned on 17 December 2008.
- (ix) Mr. Chen Yuhang resigned on 30 July 2007.

#### 25 僱員福利開支（續）

##### (c) 董事及高級管理人員酬金（續）

- (iii) 姜德清先生於二零零八年八月三十一日獲委任。
- (iv) 非執行董事袁利群女士已於二零零七年一月四日調任為執行董事。
- (v) 吳志強先生於二零零八年三月三十一日獲委任，並於二零零八年八月三十一日辭任。
- (vi) 董事於二零零八年三月三十一日辭任。
- (vii) 譚雪梅女士於二零零八年十二月十七日獲委任。
- (viii) 張新華先生於二零零八年十二月十七日辭任。
- (ix) 陳宇航先生於二零零七年七月三十日辭任。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 25 Employee benefit expenses (Continued)

##### (d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2007: one) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2007: four) individuals during the year are as follows:

	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Basic salaries, housing allowances, other allowances and benefits in kind	1,608	4,879
Contribution to pension schemes	8	69
	<b>1,616</b>	<b>4,948</b>

The emoluments fell within the following bands:

##### Emolument bands

##### 酬金組別

	2008 二零零八年	2007 二零零七年
Nil — HK\$1,000,000	—	1
HK\$1,000,000 — HK\$2,000,000	1	3

#### 25 僱員福利開支（續）

##### (d) 五名最高薪酬人士

本年度集團內五名最高薪酬人士包括四名（二零零七年：一名）董事，其酬金已載於上文分析。本年度應付餘下一名（二零零七年：四名）人士之酬金如下：

酬金屬以下組別之人數如下：

##### Number of individuals

##### 人數

	2008 二零零八年	2007 二零零七年
零 — 港幣1,000,000元	—	1
港幣1,000,000元 — 港幣2,000,000元	1	3



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 26 Finance (costs)/income – net

##### (a) From continuing operations

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Interest expense	利息開支	(42,461)	(26,028)
Exchange gain/(loss) – net	匯兌收益／（虧損） — 淨額	5,352	(3,532)
Finance cost	融資成本	(37,109)	(29,560)
Finance income – interest income on short-term bank deposit	融資收入 – 短期銀行 存款之利息收入	8,240	15,546
Interest income from related parties (Note 35(b))	來自關聯方之利息收入 （附註35(b)）	—	20,179
Finance income	融資收入	8,240	35,725
Net finance (costs)/income	融資（成本）／收入淨額	(28,869)	6,165

#### 26 融資（成本）／收入 — 淨額

##### (a) 來自持續經營業務

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 26 Finance (costs)/income — net (Continued)

#### 26 融資（成本）／收入 — 淨額 （續）

##### (b) From discontinued operations

##### (b) 來自已終止經營業務

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Interest expense	利息開支	(8,420)	(28,260)
Interest expense to related parties (Note 35 (b))	向關聯方支付之 利息開支（附註35(b)）	—	(1,314)
Exchange loss — net	匯兌虧損 — 淨額	(5,158)	(19,960)
Finance cost	融資成本	(13,578)	(49,534)
Finance income — interest income on short-term bank deposit	融資收入 — 短期銀行 存款之利息收入	2,150	10,263
Net finance cost	融資成本淨額	(11,428)	(39,271)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 27 Income tax expense

No Hong Kong profits tax has been provided as the Group did not have any assessable profit in Hong Kong. PRC corporate income tax has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the respective jurisdictions.

#### 27 所得稅開支

由於本集團於香港並無任何應課稅利潤，故此並無計提香港利得稅撥備。中國企業所得稅乃根據本年度之估計應課稅利潤按各司法權區之現行稅率計算。

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Income tax from continuing operations:	來自持續經營業務之所得稅：		
Current tax	即期稅項		
— PRC corporate income tax	— 中國企業所得稅	30,392	24,841
Deferred tax	遞延稅項		
— Deferred tax assets recognised (Note 21)	— 已確認遞延稅項資產 (附註21)	(7,887)	—
— Deferred tax liabilities recognised (Note 21)	— 已確認遞延稅項負債 (附註21)	6,305	—
		(1,582)	—
Income tax expense	所得稅開支	28,810	24,841
Income tax from discontinued operations:	來自已終止經營業務之所得稅：		
Current tax	即期稅項		
— PRC corporate income tax	— 中國企業所得稅	625	5,516



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 27 Income tax expense (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entities as follows:

#### 27 所得稅開支（續）

本集團扣除稅前利潤之稅項與採用實體利潤適用之加權平均稅率所計算之理論稅額之差異如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Profit before taxation	扣除稅前利潤	225,614	247,242
Calculated at the PRC statutory tax rate of 25% (2007: 33%)	按中國法定稅率25%計算 (二零零七年：33%)	56,404	81,590
Effect of different tax rates	不同稅率之影響	—	(13,526)
Effect of preferential tax rates	優惠稅率之影響	(28,075)	(53,608)
Unrecognised tax losses	未確認稅項虧損	—	328
Expenses not deductible for taxation purposes	不可扣稅之開支	1,106	15,573
Income tax expense	所得稅開支	29,435	30,357
Representing	代表		
Income tax expenses from continuing operations	來自持續經營業務之所得稅開支	28,810	24,841
Income tax expenses from discontinued operations	來自已終止經營業務之所得稅開支	625	5,516
		29,435	30,357



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 27 Income tax expense (Continued)

PRC corporate income tax is provided for on 25% (31 December 2007: 33%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC enterprise income tax purpose.

Profits tax for other locations has not been provided as the Group did not have any assessable profits in those locations.

#### 28 Profit/(loss) attributable to equity holders of the Company

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$1,222,770,000 (2007: loss attributable to equity holders of the Company approximately HK\$66,857,000).

#### 27 所得稅開支（續）

中國企業所得稅乃按中國法定財務呈報利潤之25%（二零零七年十二月三十一日：33%）計算，並在對不可就中國企業所得稅目的課稅或扣減之該等項目作出調整後予以撥備。

由於本集團於其他地點並無任何應課稅利潤，故此並無計提該等地點之利得稅撥備。

#### 28 本公司股權持有人應佔利潤／（虧損）

計入本公司財務報表之本公司股權持有人應佔利潤約為港幣1,222,770,000元（二零零七年：本公司股權持有人應佔虧損約為港幣66,857,000元）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 29 Earnings per share

#### (a) Basic

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

### 29 每股盈利

#### (a) 基本

每股基本盈利乃按年度利潤除以年內已發行普通股之加權平均數計算。

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
<b>Continuing operations</b>			
Profit for the year from continuing operations attributable to equity owners of the Company (HK\$'000)	持續經營業務 本公司股權持有人應佔持續經營業務之年度利潤(港幣千元)	163,604	207,268
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	13,479,314	13,478,355
Basic earnings per share (HK cents)	每股基本盈利(港仙)	1.21	1.54
<b>Discontinued operations</b>			
Profit for the year from discontinued operations attributable to equity owners of the Company (HK\$'000)	已終止經營業務 本公司股權持有人應佔已終止經營業務之年度利潤(港幣千元)	33,273	17,117
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	13,479,314	13,478,355
Basic earnings per share (HK cents)	每股基本盈利(港仙)	0.25	0.12
Profit for the year attributable to equity owners of the Company (HK\$'000)	本公司股權持有人應佔年度利潤(港幣千元)	196,877	224,385
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	13,479,314	13,478,355
Basic earnings per share (HK cents)	每股基本盈利(港仙)	1.46	1.66



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 29 Earnings per share (Continued)

##### (a) Basic (Continued)

On 31 March 2008, 8,753,323,092 shares were allotted and issued to the Vendor as consideration shares upon the completion of the Transaction (Note 1 and Note 16), the ordinary shares issued as part of the Transaction are presented as if it had always been issued using the principles of merger accounting as prescribed in HKAG 5.

##### (b) Diluted

For the year ended 31 December 2007 and 31 December 2008, potential dilutive ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive. Therefore, the basic and diluted earnings per share in 2008 and 2007 are the same.

#### 30 Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: Nil).

#### 29 每股盈利（續）

##### (a) 基本（續）

於二零零八年三月三十一日，待該項交易完成後，已向賣方配發及發行8,753,323,092股股份作為代價股份（附註1及附註16）。該項交易中發行之普通股在按香港會計指引第5號所規定之合併會計原則呈列時視為已經一直發行。

##### (b) 攤薄

截至二零零七年十二月三十一日及二零零八年十二月三十一日止年度，由於潛在攤薄普通股具有反攤薄效應，故在計算每股攤薄盈利時，並無將潛在攤薄普通股計算在內。因此，於二零零八年及二零零七年之每股基本及攤薄盈利均相同。

#### 30 股息

董事建議不派發截至二零零八年十二月三十一日止年度之末期股息（二零零七年：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 31 Notes to the consolidated cash flow statements

### 31 綜合現金流量表附註

#### (a) Reconciliation of operating profit to cash generated from operations:

#### (a) 經營利潤與經營產生之現金對賬表：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
<b>Profits before income tax</b>	<b>扣除所得稅前利潤</b>		
— Continuing operations	— 持續經營業務	192,414	232,109
— Discontinued operations	— 已終止經營業務	33,200	15,133
		<b>225,614</b>	<b>247,242</b>
<b>Adjustments for:</b>	<b>調整：</b>		
— Depreciation	— 折舊	69,920	113,115
— Amortisation of leasehold land and land use right	— 租賃土地及土地使用權攤銷	2,773	2,981
— Amortisation of intangible assets	— 無形資產攤銷	—	84
— Impairment of property, plant and equipment	— 物業、廠房及設備減值	92	1,241
— Fair value (gain)/loss on investment properties	— 投資物業公平值(收益) ／虧損	(2,198)	1,751
— Loss on disposals of property, plant and equipment	— 出售物業、廠房及設備虧損	3,091	9,299
— Gain on disposal of subsidiaries	— 出售附屬公司收益	—	(12,086)
— Fair value losses on financial instruments	— 金融工具之公平值虧損	30,635	—
— Share-based payment expenses	— 以股份支付支出開支	—	3,453
— Waiver of bank loan and interest payable	— 豁免銀行貸款及應付利息	—	(14,764)
— Government grants	— 政府補貼	(1,413)	(4,235)
— Interest income	— 利息收入	(10,390)	(45,988)
— Interest expense	— 利息開支	50,881	55,602
— Effect on exchange translation	— 外幣匯兌影響	(31,778)	(67,358)
<b>Changes in working capital:</b>	<b>營運資金變動：</b>		
— Inventories	— 存貨	211,580	(44,968)
— Due from related companies	— 應收關聯公司款項	(981,619)	(784,505)
— Trade and other receivables	— 貿易及其他應收款	218,107	(198,108)
— Provision for warranty	— 產品保養撥備	33,927	32,805
— Due to related companies	— 應付關聯公司款項	(192,626)	680,485
— Trade and other payables	— 貿易及其他應付款	511,100	291,279
Cash generated from operations	經營產生之現金	<b>137,696</b>	<b>267,325</b>





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 31 Notes to the consolidated cash flow statements (Continued)

(b) In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Net book value disposed (Note 7) 出售之賬面淨值(附註7)	24,799	64,773
Loss on disposal of property, plant and equipment (Note 23) 出售物業、廠房及設備虧損(附註23)	(3,091)	(9,299)
Disposal proceeds receivable 出售款項應收款	—	(19,065)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項	21,708	36,409

#### 32 Contingent liabilities

As at 31 December 2008 and 2007, the Group and the Company did not have any material contingent liabilities.

#### 31 綜合現金流量表附註（續）

(b) 於綜合現金流量表中，出售物業、廠房及設備所得款項包括：

#### 32 或然負債

於二零零八年及二零零七年十二月三十一日，本集團及本公司並無任何重大或然負債。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 33 Commitments

##### (a) Capital commitments

		<b>Group</b> 本集團	
		<b>2008</b> 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Contracted but not provided for	已訂約但未撥備		
— purchases of property, plant and equipment	— 購置物業、廠房及設備	<b>87,455</b>	129,092
— investments in associates (Note 12(e))	— 聯營公司投資 (附註12(e))	<b>119,718</b>	—
		<b>207,173</b>	129,092

#### 33 承擔

##### (a) 資本承擔



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註（續）

#### 33 Commitments (Continued)

**(b) Operating lease commitments – Group as the lessee**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		<b>Group</b> 本集團	
		<b>2008</b> 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Not later than one year	不超過一年	1,419	13,926
Later than one year and not later than five years	超過一年但不超過五年	2,101	782
		<b>3,520</b>	<b>14,708</b>

#### 34 Discontinued operations

On 31 March 2008, the Group disposed of all of its equity interest in the Disposed Companies to the Vendor (Note 1). The operating gain of the Disposed Group for the year ended 31 December 2007 amounted to approximately HK\$11,856,000 has been included in the profit from discontinued operations of the Group for the year ended 31 December 2007. The operating gain for the three months ended 31 March 2008 amounted to approximately HK\$32,575,000 has been included in the profit from discontinued operations of the Group for the year ended 31 December 2008.

#### 33 承擔（續）

**(b) 經營租賃承擔 — 本集團作為承租人**

根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

#### 34 已終止經營業務

於二零零八年三月三十一日，本集團向賣方出售其於已出售公司之全部股權（附註1）。已出售集團截至二零零七年十二月三十一日止年度之經營收益約港幣11,856,000元已計入本集團截至二零零七年十二月三十一日止年度之已終止經營業務之利潤內。截至二零零八年三月三十一日止三個月之經營收益約港幣32,575,000元已計入本集團截至二零零八年十二月三十一日止年度之已終止經營業務之利潤內。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 34 Discontinued operations (Continued)

The results and cash flows for the discontinued operations were as follows:

#### 34 已終止經營業務（續）

已終止經營業務之業績及現金流量如下：

		Note 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>			
Revenue	收益	5	1,380,055	3,688,456
Representing:	代表：			
— Revenue from the Disposed Group	— 來自已出售集團之 收益		1,380,055	3,589,686
— Revenue from Qingjiang	— 來自清江之收益		—	98,770
Cost of goods sold	銷售貨品成本		(1,248,750)	(3,392,838)
<b>Gross profit</b>	<b>毛利</b>		<b>131,305</b>	295,618
Other gains — net	其他收益 — 淨額	23	10,470	19,742
Selling and marketing costs	銷售及市場推廣成本		(57,470)	(183,812)
Administrative expenses	行政開支		(39,403)	(73,974)
Other operating expenses	其他經營開支		(274)	(3,170)
<b>Operating profits</b>	<b>經營利潤</b>		<b>44,628</b>	54,404
Finance costs	融資成本	26	(13,578)	(49,534)
Finance income	融資收入	26	2,150	10,263
Finance costs — net	融資成本 — 淨額	26	(11,428)	(39,271)
<b>Profits before income tax</b>	<b>扣除所得稅前利潤</b>		<b>33,200</b>	15,133
Income tax expense	所得稅開支	27	(625)	(5,516)
<b>Profit after income tax</b>	<b>扣除所得稅後利潤</b>		<b>32,575</b>	9,617
Representing:	代表：			
— Profit after income tax from the Disposed Group	— 來自已出售集團之 扣除所得稅後利潤		32,575	11,856
— Loss after income tax from Qingjiang	— 來自清江之扣除 所得稅後虧損		—	(2,239)
Gain on disposal of Qingjiang	出售清江收益	(b)	—	12,086
<b>Profit for the year from discontinued operations</b>	<b>已終止經營業務之 年度利潤</b>		<b>32,575</b>	21,703



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 34 Discontinued operations (Continued)

#### 34 已終止經營業務（續）

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>		
Net cash inflow from operating activities	經營活動之現金流入淨額	159,444	128,229
Net cash used in investing activities	投資活動所用之現金淨額	(57,089)	(125,427)
Net cash (used in)/generated from financing activities	融資活動（所用）／產生之現金淨額	(9,265)	25,687
<b>Total cash inflows</b>	<b>現金流入總額</b>	<b>93,090</b>	<b>28,489</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 34 Discontinued operations (Continued)

(a) The deemed contribution arising from the Transaction credited to merger reserve and net cash outflow on disposal of the Disposed Group for the year ended 31 December 2008 was determined as follows:

#### 34 已終止經營業務（續）

(a) 該項交易產生之視作貢獻已計入合併儲備，而出售已出售集團截至二零零八年十二月三十一日止年度之現金流出淨額乃按下列項目釐定：

		HK\$'000 港幣千元
Leasehold land and land use rights (Note 6)	租賃土地及土地使用權（附註6）	104,125
Property, plant and equipment (Note 7)	物業、廠房及設備（附註7）	418,503
Investment properties (Note 8)	投資物業（附註8）	113,893
Other non-current assets	其他非流動資產	73
Cash and cash equivalents	現金及現金等價物	245,096
Inventories	存貨	417,478
Due from related companies	應收關聯公司款項	1,172,721
Trade and other receivables	貿易及其他應收款	673,063
Pledged bank deposit	已抵押銀行存款	171,441
Trade and other payables	貿易及其他應付款	(2,116,244)
Income tax liabilities	所得稅負債	(810)
Due to related parties	應付關聯方款項	(967,399)
Due to the Company	應付本公司款項	(876,124)
Provision for warranty (Note 22)	產品保養撥備（附註22）	(109,944)
Borrowings	借款	(401,970)
Less: minority interests disposed of	減：已出售少數股東權益	(55,232)
Less: statutory reserves released (Note 17(a))	減：解除法定儲備（附註17(a)）	(48,137)
<b>Net liabilities disposed of</b>	<b>已出售負債淨額</b>	<b>(1,259,467)</b>
Net debt receivable assigned to the Vendor (Note 1)	向賣方轉讓之應收債項淨額 （附註1）	876,124
Deemed contribution arising from the Transaction credited to merger reserve (Note 17(d))	該項交易產生之視作貢獻已計入合 併儲備（附註17(d)）	404,351
Exchange difference	匯兌差異	(21,008)
Cash proceeds	現金所得款項	—
Less: cash and cash equivalent disposed of	減：已出售現金及現金等價物	(245,096)
<b>Net cash outflow</b>	<b>現金流出淨額</b>	<b>(245,096)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 34 Discontinued operations (Continued)

(b) The gain and net cash inflow on disposal of Qingjiang and its subsidiary for the year ended 31 December 2007 was determined as follows:

#### 34 已終止經營業務（續）

(b) 出售清江及其附屬公司截至二零零七年十二月三十一日止年度之收益及現金流入淨額乃按下列項目釐定：

		HK\$'000 港幣千元
Leasehold land and land use rights (Note 6)	租賃土地及土地使用權 (附註6)	40,628
Property, plant and equipment (Note 7)	物業、廠房及設備(附註7)	132,971
Intangible assets (Note 9)	無形資產(附註9)	29
Available-for-sale financial assets	可供出售金融資產	3,237
Inventories	存貨	75,027
Trade and other receivables	貿易及其他應收款	223,765
Pledged bank deposits	已抵押銀行存款	49,141
Cash and cash equivalents	現金及現金等價物	17,275
Borrowings	借款	(143,614)
Trade and other payables	貿易及其他應付款	(362,381)
		36,078
Less: minority interest disposed of	減：已出售少數股東權益	(8,266)
Net assets disposed of	已出售資產淨值	27,812
Gain on disposal	出售收益	12,086
Cash consideration	現金代價	39,898
Less: cash and cash equivalent disposed of	減：已出售現金及現金等價物	(17,275)
<b>Net cash inflow on disposal</b>	<b>出售現金流入淨額</b>	<b>22,623</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 35 Related party transactions

Save as disclosed in other notes to the consolidated financial statements, the material related party transactions are as follows:

##### (a) Name and relationship with related parties

Name	Relationship
Chongqing Midea General Refrigeration Equipment Co., Ltd.	Controlled by the ultimate holding company
Foshan Annto Logistics Co., Ltd.	Controlled by the ultimate holding company
Foshan City Wellkey Electric Material Co., Ltd.	Controlled by a close family member of the ultimate holding company's substantial shareholder
Foshan Huiiao Investment Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Foshan Midea Domestic Electric Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Foshan Midea Domestic Electric Investment Co., Ltd.	Controlled by the ultimate holding company
Foshan Midea Kitchenware Appliance Manufacturing Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Foshan Midea Material Supplying Co., Ltd.	Controlled by the ultimate holding company
Foshan Shunde Midea Microwave Electrical Appliances Manufacturing Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	Controlled by the ultimate holding company
Foshan Witol Highway Maintenance Equipment Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Guangdong Meizhi Compressor Co., Ltd.	Controlled by the ultimate holding company
Guangdong Midea Commercial Air-conditioning Equipment Co., Ltd.	Controlled by the ultimate holding company
GD Midea Holding Co., Ltd.	Controlled by the ultimate holding company
Guangdong Midea Environment Appliances Manufacturing Co., Ltd.	Controlled by the ultimate holding company

#### 35 關聯方交易

除在本綜合財務報表其他附註所披露外，重大關聯方交易詳情如下：

##### (a) 關聯方之名稱及關係

名稱	關係
重慶美的通用製冷設備有限公司	由最終控股公司控制
佛山市安得物流有限公司	由最終控股公司控制
佛山市威奇電工材料有限公司	由最終控股公司主要股東之近親控制
佛山市滙奧投資有限公司	由最終控股公司之主要股東控制
佛山市美的家用電器有限公司	由最終控股公司之主要股東控制
佛山市美的家電投資有限公司	由最終控股公司控制
佛山市美的廚房電器製造有限公司	由最終控股公司之主要股東控制
佛山市美的材料供應有限公司	由最終控股公司控制
佛山市順德區美的微波電器製造有限公司	由最終控股公司之主要股東控制
佛山市順德區美的洗滌電器製造有限公司	由最終控股公司控制
佛山市威特公路養護設備有限公司	由最終控股公司之主要股東控制
廣東美芝製冷設備有限公司	由最終控股公司控制
廣東美的商用空調設備有限公司	由最終控股公司控制
廣東美的電器股份有限公司	由最終控股公司控制
廣東美的環境電器製造有限公司	由最終控股公司控制



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 35 Related party transactions (Continued)

##### (a) Name and relationship with related parties (Continued)

Name	Relationship
Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd.	Controlled by the ultimate holding company
Guangdong Midea Microwave Oven Manufacturing Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Guangdong Midea Refrigeration Appliances Co., Ltd.	Controlled by the ultimate holding company
Guangdong Witol Vacuum Electronic Manufacturing Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Guangzhou Hualing Air-conditioning & Equipment Co., Ltd.	Controlled by the ultimate holding company
Hefei Hualing Co., Ltd.	Controlled by the ultimate holding company
Hefei Rongshida Midea Electrical Appliance Sales Co., Ltd.	Controlled by the ultimate holding company
Hefei Rongshida Refrigerator Co., Ltd.	Controlled by the ultimate holding company
Hefei Rongshida Washing Equipment Manufacturing Co., Ltd.	Controlled by the ultimate holding company
Jiangsu Qingjiang Motor Manufacturing Co., Ltd.	Controlled by the ultimate holding company
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	Controlled by the ultimate holding company
Wuhu Annto Logistics Co., Ltd.	Controlled by the ultimate holding company
Wuhu Midea Science and Technology Co., Ltd.	Controlled by a substantial shareholder of the ultimate holding company
Wuxi Little Swan Company Ltd.	Controlled by the ultimate holding company

The Directors regard Midea, a company incorporated in the PRC, as being the ultimate holding company.

#### 35 關聯方交易 (續)

##### (a) 關聯方之名稱及關係 (續)

名稱	關係
廣東美的集團蕪湖製冷設備有限公司	由最終控股公司控制
廣東美的微波爐製造有限公司	由最終控股公司之主要股東控制
廣東美的製冷設備有限公司	由最終控股公司控制
廣東威特真空電子製造有限公司	由最終控股公司之主要股東控制
廣州華凌空調設備有限公司	由最終控股公司控制
合肥華凌股份有限公司	由最終控股公司控制
合肥榮事達美的電器營銷有限公司	由最終控股公司控制
合肥榮事達電冰箱有限公司	由最終控股公司控制
合肥榮事達洗衣設備製造有限公司	由最終控股公司控制
江蘇清江電機製造有限公司	由最終控股公司控制
美的集團武漢製冷設備有限公司	由最終控股公司控制
蕪湖安得物流股份有限公司	由最終控股公司控制
蕪湖美的科技有限公司	由最終控股公司之主要股東控制
無錫小天鵝股份有限公司	由最終控股公司控制

董事視美的(於中國註冊成立之公司)為最終控股股東。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註（續）

### 35 Related party transactions (Continued)

#### (b) Transaction with related parties

The following transactions were carried out with related parties in accordance with the terms mutually agreed by the respective parties:

#### (i) Continuing operations:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Sales to related parties:	向關聯方銷售：		
Chongqing Midea General Refrigeration Equipment Co., Ltd.	重慶美的通用製冷設備有限公司	3,669	563
Foshan Midea Kitchenware Appliance Manufacturing Co., Ltd.	佛山市美的廚房電器製造有限公司	16,600	8,787
Foshan Shunde Midea Microwave Electrical Appliances Manufacturing Co., Ltd.	佛山市順德區美的微波電器製造有限公司	550,358	398,692
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	佛山市順德區美的洗滌電器製造有限公司	106,334	94,711
Foshan Witol Highway Maintenance Equipment Co., Ltd.	佛山市威特公路養護設備有限公司	228	—
Guangdong Midea Commercial Air-conditioning Equipment Co., Ltd.	廣東美的商用空調設備有限公司	137,231	124,619
GD Midea Holding Co., Ltd.	廣東美的電器股份有限公司	159	—
Guangdong Midea Environment Appliances Manufacturing Co., Ltd.	廣東美的環境電器製造有限公司	3,154	4,804
Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd.	廣東美的集團蕪湖製冷設備有限公司	271,837	300,612
Guangdong Midea Refrigeration Appliances Co., Ltd.	廣東美的製冷設備有限公司	486,751	529,352
Guangdong Witol Vacuum Electronic Manufacturing Co., Ltd.	廣東威特真空電子製造有限公司	2	22
Guangzhou Hualing Air-conditioning & Equipment Co., Ltd.	廣州華凌空調設備有限公司	114,222	101,533
Hefei Rongshida Washing Equipment Manufacturing Co., Ltd.	合肥榮事達洗衣設備製造有限公司	185,696	81,350
Jiangsu Qingjiang Motor Manufacturing Co., Ltd.	江蘇清江電機製造有限公司	1,776	—
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	美的集團武漢製冷設備有限公司	200,722	186,912
Wuhu Midea Science and Technology Co., Ltd.	蕪湖美的科技有限公司	—	4,769
Wuxi Little Swan Company Ltd.	無錫小天鵝股份有限公司	17,870	—
		<b>2,096,609</b>	<b>1,836,726</b>

### 35 關聯方交易（續）

#### (b) 與關聯方進行之交易

以下乃根據各方同意之條款與關聯方進行之交易：

#### (i) 持續經營業務：





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 35 Related party transactions (Continued)

#### 35 關聯方交易（續）

##### (b) Transaction with related parties (Continued)

##### (b) 與關聯方進行之交易（續）

(i) Continuing operations (Continued):

(i) 持續經營業務（續）：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Purchases from related parties:	向關聯方採購：		
Foshan City Wellkey Electric Material Co., Ltd.	佛山市威奇電工材料有限公司	29,707	102,368
Foshan Midea Domestic Electric Co., Ltd.	佛山市美的家用電器有限公司	820,049	2,023,823
Foshan Midea Material Supplying Co., Ltd.	佛山市美的材料供應有限公司	3,193	2,515
Jiangsu Qingjiang Motor Manufacturing Co., Ltd.	江蘇清江電機製造有限公司	39	1,963
		<b>852,988</b>	2,130,669
Receives logistics services from related parties:	向關聯方獲取物流服務：		
Foshan Annto Logistics Co., Ltd.	佛山市安得物流有限公司	761	—
Wuhu Annto Logistics Co., Ltd.	蕪湖安得物流股份有限公司	621	—
		<b>1,382</b>	—
Purchase of land use right and factory premises from related parties:	向關聯方購置土地使用權及廠房物業：		
Foshan Huiao Investment Co., Ltd.	佛山市滙奧投資有限公司	70,002	—
Interest income from related parties:	來自關聯方之利息收入：		
Midea	美的	—	20,179

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 35 Related party transactions (Continued)

##### (b) Transaction with related parties (Continued)

(ii) Discontinued operations:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Sales to related parties:	向關聯方銷售：		
Guangdong Midea Commercial Air-conditioning Equipment Co., Ltd.	廣東美的商用空調設備有限公司	—	1,104
Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd.	廣東美的集團蕪湖製冷設備有限公司	—	759
Guangdong Midea Refrigeration Appliances Co., Ltd.	廣東美的製冷設備有限公司	462,232	1,280,802
Hefei Rongshida Midea Electrical Appliance Sales Co., Ltd.	合肥榮事達美的電器營銷有限公司	36,513	188,990
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	美的集團武漢製冷設備有限公司	—	749
		<b>498,745</b>	<b>1,472,404</b>

#### 35 關聯方交易（續）

##### (b) 與關聯方進行之交易（續）

(ii) 已終止經營業務：



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (Continued)

### 綜合財務報表附註(續)

#### 35 Related party transactions (Continued)

#### 35 關聯方交易(續)

##### (b) Transaction with related parties (Continued)

##### (b) 與關聯方進行之交易(續)

(ii) Discontinued operations (Continued):

(ii) 已終止經營業務(續):

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Purchases from related parties:	向關聯方採購:		
Foshan Midea Domestic Electric Co., Ltd.	佛山市美的家用電器有限公司	41,836	51,970
Guangdong Meizhi Compressor Co., Ltd.	廣東美芝製冷設備有限公司	27,880	286,738
Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd.	廣東美的集團蕪湖製冷設備有限公司	—	267
Guangdong Midea Refrigeration Appliances Co., Ltd.	廣東美的製冷設備有限公司	135,356	203,411
Hefei Rongshida Refrigerator Co., Ltd.	合肥榮事達電冰箱有限公司	24,828	—
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	美的集團武漢製冷設備有限公司	47,091	9,234
		<b>276,991</b>	<b>551,620</b>
Interest expenses to related parties:	向關聯方支付之利息開支:		
Midea	美的	—	1,314



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

綜合財務報表附註（續）

### 35 Related party transactions (Continued)

### 35 關聯方交易（續）

#### (c) Key management compensation

#### (c) 主要管理人員酬金

	Group 本集團	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Salaries and other employee benefits 薪金及其他僱員福利	10,632	11,942
Share-based payments 以股份支付支出	—	3,453
	10,632	15,395



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 35 Related party transactions (Continued)

#### 35 關聯方交易（續）

##### (d) Balances with related companies:

##### (d) 與關聯公司之結餘：

		<b>Group</b> 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Due from related companies:	應收關聯公司款項：		
Chongqing Midea General Refrigeration Equipment Co., Ltd.	重慶美的通用製冷設備有限公司	1,494	—
Foshan Midea Domestic Electric Co., Ltd.	佛山市美的家用電器有限公司	120,206	149,739
Foshan Midea Kitchenware Appliance Manufacturing Co., Ltd.	佛山市美的廚房電器製造有限公司	11,185	6,081
Foshan Midea Material Supplying Co., Ltd.	佛山市美的材料供應有限公司	466	—
Foshan Shunde Midea Microwave Electrical Appliances Manufacturing Co., Ltd.	佛山市順德區美的微波電器製造有限公司	234,959	201,421
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	佛山市順德區美的洗滌電器製造有限公司	82,966	71,352
Guangdong Midea Commercial Air-conditioning Equipment Co., Ltd.	廣東美的商用空調設備有限公司	38,513	47,652
GD Midea Holding Co., Ltd.	廣東美的電器股份有限公司	341	—



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 35 Related party transactions (Continued)

#### 35 關聯方交易（續）

##### (d) Balances with related companies: (Continued)

##### (d) 與關聯公司之結餘：（續）

		<b>Group</b> 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Guangdong Midea Environment Appliances Manufacturing Co., Ltd.	廣東美的環境電器製造有限公司	3,903	5,094
Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd.	廣東美的集團蕪湖製冷設備有限公司	108,186	185,740
Guangdong Midea Refrigeration Appliances Co., Ltd.	廣東美的製冷設備有限公司	126,981	392,208
Guangdong Witol Vacuum Electronic Manufacturing Co., Ltd.	廣東威特真空電子製造有限公司	—	6
Guangzhou Hualing Air-conditioning & Equipment Co., Ltd.	廣州華凌空調設備有限公司	77,084	—
Hefei Rongshida Midea Electrical Appliance Sales Co., Ltd.	合肥榮事達美的電器營銷有限公司	—	8,450
Hefei Rongshida Washing Equipment Manufacturing Co., Ltd.	合肥榮事達洗衣設備製造有限公司	158,985	44,460
Jiangsu Qingjiang Motor Manufacturing Co., Ltd.	江蘇清江電機製造有限公司	2,580	1,321
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	美的集團武漢製冷設備有限公司	89,157	146,118
Wuhu Midea Science and Technology Co., Ltd.	蕪湖美的科技有限公司	—	5,788
Wuxi Little Swan Company Ltd.	無錫小天鵝股份有限公司	17,322	—
		<b>1,074,328</b>	<b>1,265,430</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 35 Related party transactions (Continued)

#### 35 關聯方交易 (續)

##### (d) Balances with related companies: (Continued)

##### (d) 與關聯公司之結餘：(續)

		<b>Group</b> 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 Restated 重列
Due to related companies:	應付關聯公司款項：		
Foshan City Wellkey Electric Material Co., Ltd.	佛山市威奇電工材料有限公司	66,833	47,005
Foshan Midea Domestic Electric Co., Ltd.	佛山市美的家用電器有限公司	95,679	854,060
Foshan Midea Domestic Electric Investment Co., Ltd.	佛山市美的家電投資有限公司	16	11
Foshan Midea Material Supplying Co., Ltd.	佛山市美的材料供應有限公司	2,406	4,879
Guangdong Meizhi Compressor Co., Ltd.	廣東美芝製冷設備有限公司	—	202,080
Guangdong Midea Commercial Air-conditioning Equipment Co., Ltd.	廣東美的商用空調設備有限公司	3,271	13,312
Guangdong Midea Environment Appliances Manufacturing Co., Ltd.	廣東美的環境電器製造有限公司	—	2
Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd.	廣東美的集團蕪湖製冷設備有限公司	—	56,624
Guangdong Midea Microwave Oven Manufacturing Co., Ltd.	廣東美的微波爐製造有限公司	—	3
Guangdong Midea Refrigeration Appliances Co., Ltd.	廣東美的製冷設備有限公司	5,827	106,761
Hefei Rongshida Washing Equipment Manufacturing Co., Ltd.	合肥榮事達洗衣設備製造有限公司	—	11,926
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	美的集團武漢製冷設備有限公司	—	37,394
		<b>174,032</b>	<b>1,334,057</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 35 Related party transactions (Continued)

**(d) Balances with related companies: (Continued)**

The balances due from/to related companies are denominated in RMB, unsecured, interest free and are repayable on demand. No balance due from related companies is past due or impaired.

#### 36 Ultimate holding company

The directors regard Midea, a company incorporated in the PRC, as being the ultimate holding company.

#### 37 Subsequent events

On 9 January 2009, 375,000,000 share options were granted to the Directors and certain employees of the Group pursuant to the share option scheme (Note 16(b)) of the Company.

#### 35 關聯方交易（續）

**(d) 與關聯公司之結餘：（續）**

應收／應付關聯公司結餘以人民幣列值，並為無抵押、免息且須於要求時償還。概無應收關聯公司結餘逾期或減值。

#### 36 最終控股公司

董事視美的（於中國註冊成立之公司）為最終控股公司。

#### 37 結算日後事項

於二零零九年一月九日，根據本公司之購股權計劃（附註16(b)），本集團之董事及若干僱員獲授予375,000,000份購股權。



## FIVE-YEAR FINANCIAL SUMMARY

### 五年財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2008 二零零八年 HK\$'000 港幣千元 Audited 經審核	2007 二零零七年 HK\$'000 港幣千元 Restated 重列 Audited 經審核 (i)	2006 二零零六年 HK\$'000 港幣千元 Restated 重列 Unaudited 未經審核 (i)	2005 二零零五年 HK\$'000 港幣千元 Restated 重列 Unaudited 未經審核 (i)	2004 二零零四年 HK\$'000 港幣千元 Restated 重列 Unaudited 未經審核 (i)
<b>Results</b>	<b>業績</b>					
Turnover	營業額	<b>5,193,278</b>	4,644,992	3,192,733	2,612,940	1,871,620
Profit/(loss) attributable to equity holders of the Company	本公司股權持有人應佔利潤／(虧損)	<b>196,877</b>	224,385	58,686	(194,474)	(549,322)
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	<b>3,359,872</b>	5,797,183	5,989,771	4,732,315	3,408,277
Total liabilities	總負債	<b>(2,589,230)</b>	(5,523,927)	(5,948,562)	(4,802,265)	(3,340,370)
Total equity/(deficit)	權益／(虧絀)總額	<b>770,642</b>	273,256	41,209	(69,950)	67,907

(i) The financial summary for the year ended 31 December 2007, 2006, 2005 and 2004 are restated using the principles of merger accounting, as prescribed in HKAG 5. Details refer to Note 2.1 of the consolidated financial statements.

(i) 截至二零零七年、二零零六年、二零零五年及二零零四年十二月三十一日止年度之財務摘要乃採用香港會計指引第5號所規定之合併會計原則重列。有關詳情，請參閱綜合財務報表附註2.1。