

# Welling

WELLING HOLDING LIMITED  
威靈控股有限公司

Stock Code 股份代號 : 382

ANNUAL  
年報 REPORT  
2009



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## CORPORATE INFORMATION

### DIRECTORS

#### 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. TAN Jinsong  
 Mr. LAM Ming Yung  
 Ms. CHEN Chunhua

### AUDIT COMMITTEE

Mr. TAN Jinsong (*Chairman*)  
 Mr. LAM Ming Yung  
 Ms. CHEN Chunhua

### REMUNERATION COMMITTEE

Ms. CHEN Chunhua (*Chairman*)  
 Mr. TAN Jinsong  
 Mr. LAM Ming Yung  
 Mr. CAI Qiwu  
 Mr. ZHENG Weikang

### EXECUTIVE COMMITTEE

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

## 集團資料

### 董事

#### 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

譚勁松先生  
 林明勇先生  
 陳春花女士

### 審核委員會

譚勁松先生(*主席*)  
 林明勇先生  
 陳春花女士

### 薪酬委員會

陳春花女士(*主席*)  
 譚勁松先生  
 林明勇先生  
 蔡其武先生  
 鄭偉康先生

### 行政委員會

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

## CORPORATE INFORMATION (Continued)

### 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

### 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.

## 集團資料 (續)

### 公司秘書

鄧惠英女士 · CPA FCCA

### 註冊辦事處

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九龍  
尖沙咀  
廣東道9號  
海港城港威大廈  
第6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

### 合規顧問

法國巴黎資本(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

## CORPORATE INFORMATION (Continued)

### SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
17M Floor 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)

### 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17M樓

### 公司網址

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

### 股份代號

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## CHAIRMAN'S STATEMENT

### Annual Profit

Welling Holding Limited (the "Company") and its subsidiaries (the "Group") audited profit attributable to the owners of the Company and earnings per share for the year ended 31 December 2009 (the "Year") amounted to approximately HK\$353,775,000 (2008: HK\$196,877,000) and HK2.62 cents (2008: HK1.46 cents) respectively. Profit grew significantly by 79.7% mainly attributable to effective cost control and increase in proportion of self-made key components which resulted in a reduction of overall cost of goods sold, while improvement in product sales structure has also contributed to the increase of gross profit margin to 14.5% (2008: approximately 10.3%).

### Business Review

2009 was a year full of challenges and opportunities to the Group. During the first half of the year, the global economy was dealt a heavy blow by the financial crisis causing export sales to drop significantly. To cope with the financial turmoil and volatility of the market, we swiftly took responsive actions in adopting stringent cost reduction measures and adjusting our production schedules to enable the Group to maintain stable development and profitable performance. In the second half of the year, following the turnaround of global economy and positive effects derived from the stimulus measures rolled out by the PRC government since the beginning of the year, the Group took the opportunity to increase its production capacity and expand its market share, leading to a significant increase in purchase orders from China and overseas. As a result, the Group reported satisfactory profit growth for the full year.

While the global economy remained volatile in 2009, we leveraged fully on favorable policies for the electrical household appliances introduced by the PRC government to encourage domestic consumption (such as the "Home Appliances Subsidy Policy for Rural Areas", "Home Appliances Replacement Subsidy Policy" and the "Subsidy for Energy Efficient Appliances"). To satisfy the escalating demand for air-conditioning motors and washing motors, we initiated the resources integration, cost reduction and production capacity expansion, so as to reinforce our leading position in the industry. To catch up with the development trend of energy-efficient products, we have accelerated our pace of product upgrades and new model introduction. As a result, a substantial growth in energy-saving products, such as refrigerator compressor motors and high speed series motors, as well as DC converter motors which has achieved a breakthrough. Our expansion to overseas market has made significant progress with its strategic launch of commercial air-conditioning motors in the America. Our efforts on resources integration, production optimization and cost reduction over the past two years are bringing fruitful outcome, as evidenced by enhanced production efficiency and substantial improvements in manufacturing standards.

## 主席報告書

### 全年盈利

威靈控股有限公司(「本公司」)及其附屬公司(「本集團」)截至二零零九年十二月三十一日止年度(「本年度」)經審核本公司擁有人應佔溢利為約港幣353,775,000元(二零零八年:港幣196,877,000元),及每股盈利為港幣2.62仙(二零零八年:港幣1.46仙)。盈利大幅上升79.7%,主要原因為集團實施的降成本政策突顯成效,逐步提高自製關鍵配件比例,致使整體銷售貨品成本下降,同時改善產品結構令本集團二零零九年的毛利率上升至14.5%(二零零八年:約10.3%)。

### 業務回顧

二零零九年對本集團而言,是充滿挑戰與機遇的一年。上半年,受金融危機對全球經濟的影響,出口銷售大幅減少。集團為應對是次危機及市場環境的變化,迅速採取了嚴格降成本及調整生產的措施,令集團業務保持平穩發展,並能維持盈利。下半年,全球經濟逐漸回暖,加上中國政府自年初以來推出一系列刺激經濟措施的成效逐步顯現,集團抓住機會增產擴能,擴大市場份額,國內外訂單顯著回升,全年盈利錄得理想升幅。

二零零九年,在全球經濟形勢依然動盪的背景下,本集團抓住國家鼓勵消費,對家電行業推出「家電下鄉」、「家電以舊換新」及「節能補貼」等一系列有利的扶持政策的機遇,通過資源整合、降低成本、加大產能,以滿足市場對空調電機和洗滌電機需求的強勁增長,市場龍頭地位進一步鞏固;同時,集團加快產品升級換代,以配合節能環保產品的發展趨勢,節能冰箱壓縮機電機和高轉速串激電機等節能綠色產品拓展取得可觀增長,直流變頻電機取得突破。集團在海外市場拓展也取得突破,公司另一戰略商用空調電機已進入美洲市場。另一方面,集團過去兩年致力於資源整合、精益製造和降成本的工作成效已逐步顯現,使企業生產效率得以提升,製造水平顯著提高。

## CHAIRMAN'S STATEMENT (Continued)

### Business Prospects

Look ahead to 2010, the PRC government is expected to increase the magnitude of its policies to encourage consumption, such as the "Home Appliances Subsidy Policy for Rural Areas", "Home Appliances Replacement Subsidy Policy" and the "Subsidy for Energy Efficient Appliances". We believe that these policies will have a profound impact on the development and growth of the sector as motors for electrical household appliances hold out immense growth potential given its important role in environmental protection and energy conservation. Therefore, we will focus on technological innovation and development of energy-saving products with the aim at enhancing our core competitiveness and further consolidating our market position. Meanwhile, we will maintain our leading advantage in terms of industrial and product technological innovation. In future, the theme of the motor industry will be technological innovation, environmental protection and energy conservation as well as quality customer service. On the other hand, the Group will continue to explore opportunities to enter into new business areas with greater room for future development and look for other suitable investment and acquisition target in a prudent manner so as to achieve sustainable development.

It is expected that our strategic products, such as commercial air-conditioning motors, energy-efficient refrigerator compressor motors and DC converter motors, will become a new profit driver of the Group. In addition to maintaining the leading advantage of series motors for high-end washing machines, for which we enjoyed absolute dominance in the domestic market, we will step up with research and development and launch upgraded new-generation models such as high-speed series motors, DD motors and three-phase converter motors so that our customers will always be provided with the best products and services.

With the gradual recovery of the global economy, more enterprises will shift their components manufacturing process to Asia, China's export sales of electrical household appliances are expected to be back on growth track in 2010. The Group will seize every opportunity presented by industrial restructuring as well as product upgrades and replacement to drive business growth. Furthermore, the Group intends to extend its local leading position to include overseas markets with an adjusted product portfolio and upgraded technologies. The ultimate goal is to become one of the global premium suppliers of motors and solutions for electrical household appliances for the sake of providing sustainable returns for shareholders, better development opportunities for our staff, as well as creating greater value for the society.

## 主席報告書 (續)

### 業務展望

展望二零一零年，政府將進一步加大推動「家電下鄉」、「家電以舊換新」和「節能環保」等鼓勵消費的政策，本集團相信將對行業的發展和增長產生積極深遠影響，而家電電機在節能環保中扮演重要角色，潛在發展空間很大。因此，本集團將重視科技創新，重點發展節能環保產品，以提升企業核心競爭力，進一步強化市場地位，無論在產業或產品技術創新方面，保持領先的優勢。展望未來，技術創新、節能環保和貼近客戶服務將是電機行業的主題，另一方面，本集團亦尋找機會進入未來有較大發展空間的領域，審慎地發掘其他合適的投資、併購機會，使集團未來保持可持續性發展。

本集團商業空調電機、節能冰箱壓縮機電機和直流變頻電機等戰略產品，預計將成為集團未來新的盈利增長點。一直處於國內市場壟斷地位的本集團串激電機（用於高端洗衣機），將努力保持領先優勢，同時將加快研發和升級換代至高轉速串激電機、DD電機、三相變頻電機等，不斷為客戶提供最佳的產品和服務。

隨著全球經濟的復甦，越來越多零部件製造業向亞洲轉移，預計中國家電出口將在二零一零年出現回升。本集團將積極抓緊產業重組和產品升級換代的機遇，推動業務增長，通過調整產品結構、升級技術將本集團在國內市場領導地位延伸至海外市場，務求成為全球優秀的家電電機和解決方案供應商之一，為股東提供可持續性回報，為員工提供良好的職業發展機會，為社會創造更大的價值。

## 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 business development of the Group in the past year, which has offered solid support for ongoing growth of the Group's business. With concerted effort from the management and the staff, we will embrace every challenge and excel from strength to strength.

**CAI Qiwu**

*Chairman*

29 March 2010

## 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本集團的業務發展於過去一年所作出的努力和貢獻，使集團的業務蒸蒸日上。希望管理層與全體員工繼續共同努力，迎向未來挑戰，再創佳績。

主席

**蔡其武**

二零一零年三月二十九日



## MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Business Review

The Group's profit attributable to the owners of the Company and earnings per share for the year ended 31 December 2009 amounted to approximately HK\$353,775,000 (2008: approximately HK\$196,877,000) and HK2.62 cents (2008: HK1.46 cents) respectively. The substantial increase in profit was mainly attributable to the cost-saving policies adopted by the Group coupled with the higher proportion of self-made key components, which resulted in a reduction of overall cost of sales. For the year ended 31 December 2009, the Group recorded a turnover of approximately HK\$4,824,116,000 (2008: approximately HK\$5,193,278,000). The Group's gross profit margin was approximately 14.5% (2008: approximately 10.3%). Net asset value per share of the Group was HK8.4 cents as at 31 December 2009 (2008: HK5.7 cents).

### Analysis of Major Business Operations

The PRC economy started to rebound since the second quarter of 2009 and concluded the year with a GDP growth of 8.7%. In the aftermath of the US financial crisis, China successfully mitigated the impact of drastic shrinkage in export sales and maintained stable macro-economic conditions by adopting an expansionary fiscal policy and an easing monetary policy. With improved market sentiments, consumer spendings and corporate investments revived. Domestic home appliance consumption sustained stable growth during the year, on the back of real demand in the market. Consumption was also driven by favourable government policies and measures with an aim to encourage retail consumption, increase social security contributions and improve farmers' income. Policies such as "Home Appliances Subsidy Policy for Rural Areas", "Home Appliances Replacement Subsidy Policy" and "Subsidy for Energy Efficient Appliances" have played an important role in driving demand and facilitating structural adjustments.

In 2009, the Group directed its efforts towards sales volume growth, stringent control over inventory, receivables and cash flow as well as cost control optimisation in pursuit of its business objectives to "drive growth, sustain profit and contain risks". The Group operated under sound operating conditions throughout the year and sustained rapid year-on-year growth in the production and sales of its principal products. Air-conditioning motors enjoyed rising profitability, and strong growth was also reported for wave-wheel washing motors. Our initiatives in product mix adjustment and cost reduction were paid off, while the market position of our principal products was further enhanced. In connection with high-end strategic products, breakthrough in terms of commercial production and market entry has been achieved for commercial air-conditioning motors, energy-saving refrigerator compressor motors, direct current motors and

### 業務回顧

截至二零零九年十二月三十一日止年度，本公司的擁有人應佔本集團利潤約港幣353,775,000元（二零零八年：約港幣196,877,000元），及每股盈利為港幣2.62仙（二零零八年：港幣1.46仙）。利潤大幅增長主要為集團實施的降成本政策效益，加上自製關鍵配件比例增加令致整體銷售成本下降。於截至二零零九年十二月三十一日止年度，本集團營業額為約港幣4,824,116,000元（二零零八年：約港幣5,193,278,000元），本集團的毛利率為約14.5%（二零零八年：約10.3%）。於二零零九年十二月三十一日，本集團之每股資產淨值為港幣8.4仙（二零零八年：港幣5.7仙）。

### 主要業務經營情況分析

二零零九年中國經濟從第二季度以來持續反彈，全年GDP增長率達到8.7%。美國金融危機之後，中國成功地用擴張性的財政政策和寬鬆的貨幣政策抵銷了外需急劇萎縮的影響，維持了宏觀經濟之基本穩定，居民的消費意願和企業的投資意願已經止跌回穩。全年在政府鼓勵消費、加大社會保障投入、促進農民增收等政策措施的作下，加之居民剛性需求的支撐，國內家電消費繼續保持平穩的增長。「家電下鄉」、「家電以舊換新」、「節能補貼」等一系列政策在提振需求、促進結構調整方面起到了明顯的作用。

二零零九年本集團圍繞「促增長、保盈利、控風險」的經營方針，努力擴大銷售規模，控制、管理好存貨、應收及現金流，優化成本控制。本集團全年之經營狀況良好，主導產品產銷同比繼續保持快速增長，空調電機盈利水平繼續提升，洗滌波輪電機保持強勁增長。產品結構調整、降成本工作成效逐步顯現，主導產品市場地位進一步提升，商用空調電機、節能冰箱壓縮機電機、直流電機和高轉速串激電機等高端戰略產品在批量生產和市場進入方面拓展取得突破，將成為公司未來幾年盈利新的增長點，其他戰略產品開發與拓展不斷深入。微電機事業部順德、蕪湖生產基地兩地資源整合工作持續推進，

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## 管理層討論與分析（續）

high-speed series motors, which will form a new niche for profit growth of the Company in the coming years. Meanwhile, further inroads were made in product diversification with the development of other strategic products. For the micro motors business, resources integration for the Shunde production base and the Wuhu production base has continued. With effective implementation of production streamlining and capacity upgrade, the Company's manufacturing capability and standard were significantly improved. For the washing motors business, vigorous efforts were made to optimise process set-up and achieve lean production so that our production capability of self-made key components could be enhanced. Moreover, in 2009, we took full advantage of our scale and manufacturing strengths to step up with the development of high-end strategic products, cultivate key technologies, recruit talents for core positions and strengthen our presence in the American market as part of our efforts to ensure sustainable and stable development.

精益製造、產能提升有效開展，企業製造力、製造水平顯著提高。洗滌電機事業部積極優化工藝佈局，深入推行精益生產，關鍵部件自制能力得到提升。同時，二零零九年本集團在不斷深化現有規模、製造優勢基礎上，加快開發高端戰略產品，培育關鍵技術，引進核心人才，加強美洲市場拓展，確保可持續穩健發展。

### (1) Micro Motors Business

Demand for household air-conditioners and commercial air-conditioners declined substantially during the first half of 2009 as a result of the global economic crisis. Sentiments in the air-conditioning market started to improve, however, when the PRC government launched a string of stimulus policies such as "Home Appliances Subsidy Policy for Rural Areas", "Home Appliances Replacement Subsidy Policy" and "Subsidy for Energy Efficient Appliances" in the latter half of the year, while the prolonged hot weather in most regions of the country and the property market boom were also favourable to a pick-up in demand. For the year, sales of the household air-conditioners in PRC was 65,740,000 units (Source: www.chinaOL.com), representing a year-on-year increase of 0.61%. Meanwhile, the decline in sales of commercial air-conditioners was curbed in the second half of the year. The refrigerator industry also benefited from the PRC macro-economic stimulus policies. Second- and third-tier markets grew rapidly with a significant increase in overall market demand.

For the micro motors business, the Group recorded approximately 45,037,000 units of domestic sales and 7,134,000 units of export sales of micro motors for the year ended 31 December 2009. The aggregate sales volume increased by 20% as compared to the same period last year, which was higher than the overall increase rate of the industry. The micro motors business recorded a turnover of HK\$2,444,272,000 for the full year of 2009, which represented a decrease of approximately 9.6% as compared to HK\$2,703,149,000 for the same period in 2008. The decrease in turnover was attributable to the drop in the unit prices of products, which was in

### (1) 微電機業務

受全球經濟危機的負面影響，二零零九上半年家用空調、商用空調市場需求大幅萎縮，下半年在中國政府陸續出台的「家電下鄉」、「家電以舊換新」、「節能補貼」政策效應刺激下，加之中國大部分地區出現了持續高溫天氣，房地產業實現井噴式發展，空調市場開始回暖。全年，中國家用空調銷量同比上升0.61%達到65,740,000台（數據來自產業在線），商用空調在下半年銷量下滑勢頭得到了一定的遏制。冰箱行業亦受益於國家宏觀刺激政策影響，二、三級市場快速增長，市場整體需求增長強勁。

於截至二零零九年十二月三十一日止年度，微電機業務內銷之電機數量約為45,037,000台，出口之電機數量約為7,134,000台，總銷量較去年同期上升20%，高於行業整體上升幅度。微電機業務於二零零九年全年之營業額為港幣2,444,272,000元，比二零零八年同期之營業額為港幣2,703,149,000元，降幅約9.6%。營業額下降原因為上半年受大宗材

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## 管理層討論與分析（續）

tandem with the substantial decline in bulk purchase prices of raw materials. Profit for the micro motors business during 2009 amounted to HK\$167,521,000 which was approximately 246.8% higher as compared to HK\$48,302,000 recorded for the same period in 2008.

In 2009, the development strategy of the micro motors business was further refined with refrigerator compressor motors, commercial air-conditioning motors and direct current motors being confirmed as three core strategic products. In particular, our commercial air-conditioning motors received accreditation for sale in the North American market and an office in America was set up in connection with our move to tap the American commercial motors market. These products are expected to form a new niche for the Company's profit growth in the coming years. In the refrigerator compressor motors business, we were striving to further deepen and strengthen strategic ties with leading enterprises in the industry, in order to enhance sales and sustain strong growth in the coming years. In the direct current motors business, the Group seized opportunities presented by market requirements for the upgrade and replacement of home appliances, Breakthrough in our relationships with key customers paved the way for future development thanks to vigorous marketing efforts, enhanced research and development and introduction of advanced manufacturing equipment. The manufacturing capability and production efficiency of the enterprise was significantly enhanced by adoption of lean production process, improving in manufacturing standards and integration of manufacturing resources of the Shunde and Wuhu bases. The technology development standard raised with the recruitment of more high-calibre personnel with sound knowledge in research and development as well as the optimisation of the composition of our technical staff. Our overall management standards and competitive strengths were enhanced through stringent cost control, reinforced internal control management, operations risk prevention, encouraged innovation and enhancement in staff expertise and efficiency. The volume of sales of household air-conditioning motors grew significantly in 2009, reflecting the combined effect of deepened relationship with existing customers and further exploration of new customers. Remarkable achievements were attained in the marketing development of these three core strategic products, which were ideally positioned to become the principal products of the micro motors business and to contribute significantly to the Company's profit growth in the coming years.

料價格大幅下降影響，產品單價有所降低。微電機業務於二零零九年內利潤為港幣167,521,000元，二零零八年同期為港幣48,302,000元，增幅約246.8%。

二零零九年度，微電機業務進一步清晰戰略發展思路，確立三大戰略產品冰箱壓縮機電機、商用空調電機、直流電機，特別商用空調電機取得北美市場認證，設立美洲辦事處，挺進美洲商用電機市場。期望成為公司未來幾年盈利新的增長點。在冰箱壓縮機電機領域，進一步深化與加強行業內領軍企業戰略合作，以達到提高銷量以及在未來幾年帶來持續可觀的增長動力。在直流電機領域，抓住市場家用產品升級換代機會，加大市場拓展力度，提升研發能力，引進先進製造設備，實現了關鍵客戶的突破，為今後發展奠定了基礎。持續推進精益生產，提升製造水平，整合順德、蕪湖兩地製造資源，企業製造力顯著提高，生產效率顯著提升。引進高端研發人才，促進科技人才結構的優化，提升企業的科技力；嚴格控制成本等手段，加強內控管理，防範經營風險，鼓勵創新，提升員工專業能力和工作效率，提高整體運營管理水平，綜合競爭力得到提高；二零零九年在家用空調電機業務領域，通過現有客戶的深度開發，新客戶廣度擴展，銷量再創歷史新高；三大戰略產品拓展取得較大突破，有望成為未來幾年微電機業務主力產品和顯著提高公司產品盈利水平。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## 管理層討論與分析（續）

### (2) Washing Motors Business

Export sales of washing machines in PRC were adversely affected by the unfavourable market conditions in 2009 with a decrease of 5.05% when compared with the same period last year (Source: www.chinalOL.com), in particular, the European market has been affected the most. In the domestic market, the performance of the washing machine industry remained relatively stable with aggregate sales for 2009 increased by approximately 5.46% (Source: www.chinalOL.com) when compared with the same period last year, as the effects of the macro-economic policies of the PRC government started to materialise, while sales benefited from the cycle of product replacement and upgrade for domestic washing machines and were well supported by the growing maturity of the second- and third-tier domestic markets.

In 2009, the Group recorded approximately 13,431,000 units of domestic sales and approximately 7,415,000 units of export sales for its washing motors. Total sales volume grew approximately 43% as compared to the same period last year. In response to the change of market demand and the adjustment of internal marketing strategies, the product mix of washing motors sales was changed. In 2009, the sales volume of wave-wheel washing motors increased by over 90% while the sales volume of tumble-type washing motors decreased by approximately 2%. The Group started to manufacture small series motors for food processing during the first half of 2009 and achieved sales of more than 1 million units. Despite significant growth in the overall sales volume of washing motors for 2009, the aggregate turnover for the washing motors business increased by approximately 3.6% (approximately HK\$1,635,403,000 for the same period in 2008) to approximately HK\$1,694,340,000, as a result of the change in the composition of product sales and the drop in selling price in tandem with the substantial decline in the bulk purchase prices of raw materials as compared to 2008. Profit for the washing motors business during 2009 amounted to HK\$172,175,000, which was approximately 74.1% higher as compared to HK\$98,905,000 recorded for the same period in 2008.

The overall production efficiency of the washing motor business was significantly improved in 2009 thanks to the adoption of a strategy underpinned by in-depth development, technological innovation and cost control optimisation. Product competitiveness was further enhanced through the adoption of a lean production process and a higher proportion of self-made key components. Further economies of scales were achieved and profitability was considerably enhanced through the development of new products, timely adjustment of

### (2) 洗滌電機業務

二零零九年，受外部環境影響，全年中國洗衣機出口銷量同比下降5.05%（數據來自產業在線），其中以歐洲市場出口所受影響最為嚴重，國內市場中國政府宏觀政策效應逐步顯現，同時國內二三級市場的成熟及國內洗衣機產品更新換代等因素帶動，全年洗衣機產業表現相對穩定，二零零九年洗衣機整體銷量同比上升約5.46%（數據來自產業在線）。

二零零九年，本集團內銷洗滌類電機數量約為13,431,000台，出口洗滌類電機數量約為7,415,000台，總銷量較去年同期上升約43%。受市場整體需求變化及內部市場策略調整影響，洗滌電機產品銷售結構發生變化，二零零九年，本集團波輪洗衣機電機銷量增長超過90%，滾筒洗衣機電機下降約2%；公司上半年進入的食品加工小型串激電機全年銷售超過1,000,000台。雖然二零零九年洗滌電機總體銷量實現大幅增長，但主要受產品銷售結構轉變、產品售價因大宗原材料價格相對二零零八年大幅下調而降低，洗滌電機整體業務之營業額為約港幣1,694,340,000元，二零零八年同期之營業額為約港幣1,635,403,000元，同比上升約3.6%。洗滌電機業務於二零零九年年內利潤為港幣172,175,000元，二零零八年同期為港幣98,905,000元，增幅約74.1%。

二零零九年，洗滌電機事業部以洗衣機電機深度拓展為發展思路，持續推進技術革新，優化成本控制，全年生產效率大幅提升。通過推行精益生產，提高關鍵部件自製比例，產品競爭力進一步提升；開發新產品、及時調整產品結構，提升產品品質，快速的產能提升，規模優勢進一步體現，盈利能力有較好提升。二零零九年洗滌電

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

product mix, enhancement of product quality and swift upgrade of production capacity. The washing motor business established offices in Europe and America in 2009 in order to secure further businesses with major customers and to develop the European and American markets more intensively. The Group's leading position in the washing motors business was reinforced with continued substantial growth in the sales of washing motors for the year. We also maintained our leading position in the domestic market for series motors for washing machines.

### (3) Electronic and Electric Components Business

In 2009, the export sales volume of microwave ovens decreased by 14.3% as compared to the same period last year under the impact of the global financial crisis. Nevertheless, domestic sales increased by 32% over the same period in 2008 (Source: www.chinalOL.com), as a result of the implementation of macro-economic policies in PRC and further realization of the effect of industry integration. The Group recorded 28,897,000 units of sales of its electronic and electric components for the full year, comprising approximately 27,772,000 units in domestic sales and approximately 1,125,000 units in export sales, representing a 4% increase in total as compared to the same period in 2008. Furthermore, the unit prices of products dropped in tandem with the substantial decline in bulk purchase prices of raw materials in the first half of the year. Turnover for electronic and electric components amounted to HK\$679,475,000 which was 14.9% lower as compared to HK\$798,202,000 recorded for the same period in 2008. Profit for electronic and electric components during 2009 amounted to HK\$41,111,000 which was approximately 88.1% higher as compared to HK\$21,858,000 recorded for the same period in 2008.

To cope with the adverse impact of the financial crisis, measures to strengthen operating risk control, optimise product mix, improve production processes, enhance cost control and upgrade product quality were adopted for the electronic and electric components business. Cost reductions were achieved through the adoption of a lean production process, the increase in the proportion of self-made key components and domestic production of parts and components.

## 管理層討論與分析 (續)

機事業部設立歐洲、美洲辦事處，深耕重點客戶，加大歐美市場的深度開發，全年本集團洗滌電機業務銷量持續大幅增長，行業領先地位繼續鞏固，洗衣機用串激電機保持國內第一。

### (3) 電子電器產品業務

二零零九年，受全球金融危機的影響，微波爐出口同比下降14.3%，但是受中國宏觀政策的推動及行業整合效應得進一步顯現，內銷數量與二零零八年同比上升了32%（數據來源自產業在線）。本集團的電子電器產品全年的銷售數量達28,897,000台產品，其中內銷產品約佔27,772,000台，出口產品約佔1,125,000台，總銷量同比二零零八年同期，銷量增加了4%；此外，上半年受大宗材料價格大幅下降影響，產品單價有所降低。電子電器產品營業額為港幣679,475,000元，二零零八年同期的營業額為港幣798,202,000元，同比下降14.9%。電子電器產品於二零零九年年內利潤為港幣41,111,000元，二零零八年同期為港幣21,858,000元，增幅約88.1%。

為應對金融危機的不利影響，電子電器產品業務強化經營風險控制，優化產品結構，改進工藝，提升成本與質量控制能力。通過精益製造、關鍵部件自制，零部件國產化等多方面措施以降低成本。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## 管理層討論與分析(續)

### Financial Review

### 財務回顧

#### Liquidity and Financial Resources

#### 流動資金及財務資源

The Group has maintained a healthy financial and liquidity position with a current ratio of 106% as at 31 December 2009 (2008: 100%). As at 31 December 2009, the Group had a cash and cash equivalents of approximately HK\$257,478,000 (2008: approximately HK\$217,124,000) and the bank borrowings of approximately HK\$629,102,000 (2008: approximately HK\$671,608,000), of which approximately HK\$469,102,000 would be due within one year and approximately HK\$160,000,000 would be due over one year.

本集團之財政及流動資金狀況穩健，於二零零九年十二月三十一日之流動比率為106%（二零零八年：100%）。於二零零九年十二月三十一日，本集團之現金及現金等價物為約港幣257,478,000元（二零零八年：約港幣217,124,000元），銀行貸款約港幣629,102,000元（二零零八年：約港幣671,608,000元），其中約港幣469,102,000元於一年內到期，而約港幣160,000,000元於超過一年後到期。

#### Financial Ratios

#### 財務比率

The following are certain financial ratios of the Group as at the statement of financial position date:

下表載列於所示財務狀況表日本集團的財務比率：

		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日
Inventories turnover (Note 1)	存貨周轉期(附註1)	40 days 日	28 days 日
Current ratio (Note 2)	流動比率(附註2)	1.06 time 倍	1.00 time 倍
Gearing ratio (Note 3)	資本負債比率(附註3)	0.28 time 倍	0.51 time 倍

Notes:

附註:

- Inventories turnover is based on the average of the opening inventory and closing inventory, divided by cost of good sold of the year, and multiplied by total number of days for the year.
- Current ratio is based on year-end current assets divided by year-end current liabilities.
- Gearing ratio is based on net debt divided by total equity. Net debt is calculated as total borrowings (including borrowings as shown in the statement of financial position) less cash and cash equivalents and pledged bank deposits.

- 存貨周轉期是根據年初存貨與年終存貨平均數除以當年銷售貨品成本，再乘以該年的總日數計算。
- 流動比率是根據年終的流動資產除以年終流動負債。
- 資本負債比率是根據債項淨額除以總權益計算，債項淨額為借款總額(包括財務狀況表所示的借款)減去現金及現金等價物及已抵押銀行存款。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## 管理層討論與分析（續）

### Pledge of Assets

As at 31 December 2009, short-term borrowings of the Group were secured by certain property with net book value of approximately HK\$125,081,000 (2008: approximately HK\$133,229,000) and certain leasehold land and land use rights with net book value of approximately HK\$84,026,000 (2008: approximately HK\$85,965,000) of the Group.

### 資產抵押

於二零零九年十二月三十一日，本集團的短期借款以本集團賬面淨值約港幣125,081,000元（二零零八年：約港幣133,229,000元）之若干物業以及賬面淨值約港幣84,026,000元（二零零八年：約港幣85,965,000元）之若干租賃土地及土地使用權作為抵押。

### Contingent Liabilities

As at 31 December 2009, the Group did not have any material contingent liability.

### 或然負債

於二零零九年十二月三十一日，本集團並無任何重大之或然負債。

### Capital Expenditure

For the year ended 31 December 2009, the Group has invested approximately HK\$225,124,000 (2008: approximately HK\$354,468,000) in the addition of property, plant and equipment, leasehold land and land use rights.

### 資本開支

於截至二零零九年十二月三十一日止年內，本集團投資約港幣225,124,000元（二零零八年：約港幣354,468,000元），作添置物業、廠房及設備以及租賃土地及土地使用權之用。

### Derivative Financial Instruments

As at 31 December 2009, the Group's outstanding derivative financial assets and liabilities under various copper and aluminium future contracts and foreign exchange forward contracts amounted to approximately HK\$25,708,000 and HK\$902,000, respectively (2008: derivative financial liabilities of approximately HK\$30,635,000).

### 衍生金融工具

於二零零九年十二月三十一日，本集團訂立若干銅及鋁期貨合約及遠期外匯合約，未到期衍生金融資產約為港幣25,708,000元及未到期衍生金融負債約為港幣902,000元（二零零八年：衍生金融負債約港幣30,635,000元）。

### Exposure to Exchange Rate Fluctuations

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 foreign exchange forward contracts to hedge foreign exchange exposure for certain export trading. 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.

### 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貨商付款，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之交易購買遠期外匯合約對沖匯兌風險。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。

### Capital Commitments

As at 31 December 2009, the Group has contracted capital commitments in respect of the purchase of property, plant and equipment amounting to approximately HK\$35,396,000 (2008: approximately HK\$207,173,000).

### 資本承諾

於二零零九年十二月三十一日，本集團就購買物業、廠房及設備已訂約資本承擔約港幣35,396,000元（二零零八年：約港幣207,173,000元）。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Human Resources

As at 31 December 2009, the Group had approximately 11,770 full time employees in Hong Kong and the PRC. While the Company was supported by a team of young and high-calibre staff team, it also places strong emphasis on the development, management and planning of human resources, with a view to enhancing employee contributions to the Group and forging strategic advantages in human resources by adopting an open, fair and equitable policy on staff selection and deployment and implementing proper human resources management.

The Group has adopted a share option scheme to motivate employees by linking their interests to the future development and expansion of the Group.

The Group currently provides staff with competitive remuneration packages (comprising salary, bonus and benefits), insurance (comprising pension, medical insurance, unemployment insurance and insurance for labour injury) and housing fund. In addition, the Group also provides other benefits, including meal subsidies, housing subsidies, cooperative medical services, assistance fund and group activities.

### Business Prospect

Domestic sales of household appliances are expected to maintain steady growth in 2010 and beyond, given strong support afforded by ongoing urbanisation in the PRC, per capita income growth and improvement in housing conditions. As PRC household appliances are highly complementary to the product structure of many developed as well as developing countries, our comparative advantage is significant. Following the recovery of the world economy, the export of China-made household appliances will rebound in 2010. There are potential threats and interrelated risk factors in the process of industry recovery, such as the USD exchange rate, trends in bulk purchase prices, interim fiscal and monetary policies and their anticipated effect on inflation, the emergence of protectionism, etc. Nevertheless, with the rapid growth of the rural household appliance market driven by the "Home Appliances Subsidy Policy for Rural Areas", and the substantial progress of the "Home Appliances Replacement Subsidy Policy" and the "Subsidy for Energy Efficient Appliances", policy-driven effects will be more obvious in 2010 and the potential of domestic consumption will be further realised, especially in the rural market. As market expansion is expected to continue and development prospects remain sound, the micro motor sector will sustain growth given increasing demand for end-products and industrial upgrade. The theme of the industry will be technology innovation and customization.

## 管理層討論與分析 (續)

### 人力資源

於二零零九年十二月三十一日，本集團於香港及國內共聘用約11,770名全職僱員。公司擁有一支年輕、優秀的員工隊伍的同時，亦充分重視人力資源開發、管理及發展規劃，以期通過公開、公平、公正的選才、用才機制，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。

本集團目前為員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。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。

### 業務展望

隨著中國城鎮化進程的推進、居民收入水平的提高、住房條件的改善都是家電內銷中長期增長的有力保障，二零一零年家電內銷有望繼續保持平穩增長。中國家電產品與許多發達國家和發展中國家的產品結構互補性強，比較優勢明顯，隨著全球經濟的復甦，中國家電出口將在二零一零年出現回升。雖然行業復甦過程仍有隱憂，復甦過程中仍然存在很多相互交織的風險因素，包括美元匯率、大宗水平價格走勢、非常規財政和貨幣政策對通貨膨脹預期的影響，保護主義抬頭等。但是二零一零年「家電下鄉」帶來農村家電市場持續快速成長、「家電以舊換新」和「節能補貼」政策的實質推進，政策刺激力度將進一步加大，內需的消費潛力將會被進一步激發釋放，尤其是農村消費潛能的釋放，市場規模及發展前景依然看好，微電機產業在終端需求增長及行業升級的帶動下將繼續保持增長態勢，技術創新、貼近客戶需求將是行業的主題。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

To grasp the opportunities come out from the PRC government's promotion of energy conservation and product upgrade and replacement, the Group will continue to focus on its micro motors business, emphasising technology innovation and recruitment, internal training and promotion of key technical personnel coupled with in-depth production streamlining and optimisation of cost management with an intention to bolster its core competitiveness and strengthen its market dominance. On the basis of our strengths in production scale and manufacturing technology, we will continue to step up with the development of strategic products and advanced technologies, recruit more talents for core positions and extend expansion for the American market to ensure stable development in the longer term. The Group will strive to position itself as an excellent global expert providing systematic solutions in micro motors to customers with an aim to create sustainable and incremental return to shareholders, sound career development opportunities for its employees and greater value and benefits for the society.

The Group will endeavor to firm up its global leading position in micro motor for household air-conditioning alternating current motors through product sophistication and specialization, with special emphasis on the three strategic products (commercial air-conditioning motors, direct current motors and refrigerator compressor motors), towards which additional investments will be made to enhance their competitiveness so that they may develop into a niche for future profit growth. We will ride on the recent substantial growth in the washing motors business to further expand its wave-wheel motors business, while stepping up with the marketing of high-end series motors and small series motors. Furthermore, the Group will seek to consolidate its market position in the sectors of wave-wheel motors, series motors and dishwasher pumps. Meanwhile, the Group will enhance the marketing of high-end and energy-saving motor products (which include three-phase converter motors, agitator motors and DD motors, all are used in washing machines, and BLDC motors used in direct current dishwashers) with particular emphasis on enlarging market shares in Europe and extending its presence to America, with a view to increasing the overseas market shares and sales weighting of the high-end products. In respect of its electronic and electric components business, besides the strengthening of its global leading position in microwave oven transformers, the Group will also accelerate the development of resistors and shaded pole motors as well as explore and foster new niches for profit growth. In the meantime, we will strive to grow in scale as well as profitability through the increase in self-made key components and further streamlining in production process.

## 管理層討論與分析 (續)

本集團將抓住中國政府倡導節能環保，產品升級換代歷史機遇，持續專注於微電機領域，重視科技創新，加大關鍵技術人才引進力及人才梯隊建設，深入推行精益生產，優化成本管理，提升企業核心競爭力，進一步強化市場地位。在不斷深化現有規模、製造優勢基礎上，加快開發戰略產品，培育關鍵技術，引進核心人才，加強美洲市場拓展，確保長期穩健發展。力爭成為全球卓越的微電機專家，為客戶提供系統的電機解決方案。為股東提供可持續的增長性回報，為員工提供良好的職業發展機遇，為社會創造更大的價值。

微電機業務將進一步做深、做專家用空調交流電機，確保其全球第一的市場地位，重點拓展商用空調電機、直流電機、冰箱壓縮機電機三大戰略產品，加大資源投入，提高產品競爭力，使之成為公司未來盈利增長點。洗衣機電機業務將迎來新一輪可觀增長，繼續擴大波輪電機業務規模，加快高端串激電機、小型串激電機的市場拓展；鞏固並提升波輪、串激電機、洗碗機泵市場地位。積極推進高端及節能的電機產品，包括用於洗衣機的三廂變頻電機、攪拌式電機及DD電機和用於直流洗碗機的BLDC電機等戰略產品拓展力度，重點拓寬歐洲市場、拓展美洲市場；提升高端產品的海外佔有率和銷售比例。電子電器業務將在確保實現微波爐變壓器行業全球領先地位的同時，重點加大電抗器、罩極電機的投入，尋求並培育新的利潤增長點，通過關鍵部件自製及推行精益生產，實現規模與盈利的同步增長。

## CORPORATE GOVERNANCE REPORT

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 2009 except for the deviation from Code Provision E.1.2 of the CG Code which provides that the chairman of the board should attend the annual general meeting and arrange for the chairman of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee failing this his duly appointed delegates, to be available to answer questions at the annual general meeting.

The Chairman of the Board was unable to attend the Company’s 2009 annual general meeting due to another business engagement. The chairman of the audit committee and remuneration committee were unable to attend the Company’s 2009 annual general meeting due to other business engagement. In the absence of the Chairman of the Board, the Chief Executive Officer of the Company was elected by the Directors present at the Company’s 2009 annual general meeting to act as the chairman of the meeting and all other executive Directors and non-executive Director of the Company attended the meeting and were available to answer questions from shareholders.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (“Model Code”) as its 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.

## 企業管治報告

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。

於截至二零零九年十二月三十一日止年度內，除偏離企業管治守則的守則條文第E.1.2條外，本公司一直遵守企業管治守則之守則條文。守則條文第E.1.2條規定，董事會主席須出席股東週年大會，並安排審核委員會、薪酬委員會及提名委員會(倘適用)之主席，或在該等委員會之主席缺席時由另一名委員(或如該名委員未能出席，則其適當委任之代表)在股東週年大會上回答提問。

董事會主席因另有要務未能出席本公司二零零九年股東週年大會。審核委員會及薪酬委員會主席亦因另有要務未能出席本公司二零零九年股東週年大會。在董事會主席缺席之情況下，出席本公司二零零九年股東週年大會之董事選出本公司之首席執行官擔任大會主席，而所有其他本公司執行董事及非執行董事均有出席大會，並可於會上回答股東提問。

### 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，彼等已於本年度內一直遵守標準守則所載之規定準則。

## CORPORATE GOVERNANCE REPORT (Continued)

## 企業管治報告(續)

### 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 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 2009, the Board held four 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 2009 are as follows:

### 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。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。

截至二零零九年十二月三十一日止年度，董事會已舉行四次會議，董事可親身或以電子通訊方式參與該等會議。各董事於截至二零零九年十二月三十一日止年度出席董事會會議之記錄如下：

**Number of meetings  
attended/held during  
the tenure of the  
respective Directors  
各董事於在任期間  
出席次數／各董事於  
在任期間舉行會議次數**

Directors	董事	
<b>Executive Directors</b>	<b>執行董事</b>	
Mr. Cai Qiwu	蔡其武先生	3/4
Mr. Jiang Deqing	姜德清先生	4/4
Mr. Qu Fei	瞿飛先生	4/4
Mr. Gao Fazhong	郜發忠先生	4/4
Ms. Yuan Liquan	袁利群女士	4/4
Mr. Li Jianwei	栗建偉先生	3/4
Mr. Zheng Weikang	鄭偉康先生	4/4
<b>Non-executive Director</b>	<b>非執行董事</b>	
Ms. Tan Xuemei	譚雪梅女士	4/4
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>	
Mr. Tan Jinsong (appointed on 1 August 2009)	譚勁松先生(於二零零九年八月一日獲委任)	2/2
Mr. Lam Ming Yung	林明勇先生	4/4
Ms. Chen Chunhua	陳春花女士	4/4
Mr. Chan Wai Dune (resigned on 31 July 2009)	陳維端先生(於二零零九年七月三十一日辭任)	2/2

## CORPORATE GOVERNANCE REPORT (Continued)

For each of the Board meetings held during the year ended 31 December 2009, 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 2009, 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 meetings. For each of the Board meetings held during the year ended 31 December 2009, 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 2009, appropriate insurance cover in respect of legal action against the Directors was arranged.

## 企業管治報告(續)

於截至二零零九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，使其可於將要舉行的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。截至二零零九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。

全體董事均可向公司秘書取得意見及服務，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。於截至二零零九年十二月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。

截至二零零九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。

## CORPORATE GOVERNANCE REPORT (Continued)

### 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 positions of the Chairman and the Chief Executive Officer are held by Mr. Cai Qiwu and Mr. Jiang Deqing respectively. 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.

### Board Composition

The Board currently comprises eleven Directors, including seven executive Directors, namely, Mr. Cai Qiwu (Chairman), Mr. Jiang Deqing, Mr. Qu Fei, Mr. Gao Fazhong, Ms. Yuan Liqun, Mr. Li Jianwei and Mr. Zheng Weikang, one non-executive Director, namely, Ms. Tan Xuemei and three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, in order to maintain a balanced composition with a strong independent element on the Board.

Mr. Chan Wai Dune resigned as an independent non-executive Director with effect from 31 July 2009. Mr. Tan Jinsong was appointed in replacement of Mr. Chan with effect from 1 August 2009.

The biographies of each of the current Directors are set out in pages 30 to 33 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.

## 企業管治報告 (續)

### 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。主席及首席執行官之職位分別由蔡其武先生及姜德清先生擔任。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。

### 董事會之組成

董事會現時由十一名董事組成，包括七名執行董事蔡其武先生(主席)、姜德清先生、瞿飛先生、鄒發忠先生、袁利群女士、栗建偉先生及鄭偉康先生、一名非執行董事譚雪梅女士及三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士，以維持董事會之均衡組合及充足獨立元素。

陳維端先生於二零零九年七月三十一日起辭任獨立非執行董事。譚勁松先生獲委任替代陳先生之職位，自二零零九年八月一日起生效。

現任董事之個人履歷載於本年報第30頁至33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。

## CORPORATE GOVERNANCE REPORT (Continued)

### 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 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 2009, 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 Ms. Tan Xuemei, a non-executive Director, for a term commencing on 22 May 2009 and ending on the date of the Company's next annual general meeting, as their respective then existing letters of appointment expired on 22 May 2009. On 1 August 2009, the Company entered into a letter of appointment with Mr. Tan Jinsong for a term commencing on the date of his appointment as an independent non-executive Director and ending on the date of the Company's next annual general meeting. All these 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 Chairman.

## 企業管治報告(續)

### 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。

於截至二零零九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)以及譚雪梅女士(為非執行董事)訂立委任書,任期由二零零九年五月二十二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二零零九年五月二十二日屆滿。於二零零九年八月一日,本公司與譚勁松先生訂立委任書,任期由其獲委任為獨立非執行董事日期開始至本公司下屆股東週年大會日期止。所有該等委任書可由任何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主席後終止。

## CORPORATE GOVERNANCE REPORT (Continued)

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.

The Board has examined and gave advice on the employment terms of senior management for the year ended 31 December 2009. 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 corporate 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 (including the independent 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.

## 企業管治報告 (續)

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。

截至二零零九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企業管治政策。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(包括獨立非執行董事)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。

## CORPORATE GOVERNANCE REPORT (Continued)

### 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 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, namely, Ms. Chen Chunhua (chairman), Mr. Tan Jinsong and Mr. Lam Ming Yung and two executive Directors, namely Mr. Cai Qiwu and Mr. Zheng Weikang.

On 31 July 2009, Mr. Chan Wai Dune ceased to be a member of the Remuneration Committee following his resignation as an independent non-executive Director of the Company. Mr. Tan Jinsong was appointed as a member of the Remuneration Committee in replacement of Mr. Chan with effect from 1 August 2009.

## 企業管治報告 (續)

### 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）、譚勁松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。

於二零零九年七月三十一日，陳維端先生辭任本公司獨立非執行董事後不再為薪酬委員會成員。譚勁松先生獲委任替代陳先生出任薪酬委員會成員，自二零零九年八月一日起生效。



## CORPORATE GOVERNANCE REPORT (Continued)

## 企業管治報告(續)

The primary duties of the Remuneration Committee include the followings:

薪酬委員會之主要職務包括：

- (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
- (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.

- (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
- (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 one meeting during the year ended 31 December 2009, members participated the meeting either in person or through electronic means of communication. The attendance record of each member at the Remuneration Committee meeting is set out as follows:

截至二零零九年十二月三十一日止年度，薪酬委員會已舉行一次會議，委員會成員可親身或以電子通訊方式參與該會議。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次數/ 各委員會成員於在任期間舉行會議次數
Ms. Chen Chunhua ( <i>chairman</i> )	陳春花女士(主席)	1/1
Mr. Tan Jinsong (appointed as a member on 1 August 2009)	譚勁松先生(於二零零九年八月一日獲委任為成員)	1/1
Mr. Lam Ming Yung	林明勇先生	1/1
Mr. Cai Qiwu	蔡其武先生	1/1
Mr. Zheng Weikang	鄭偉康先生	1/1
Mr. Chan Wai Dune (ceased to be a member on 31 July 2009)	陳維端先生(於二零零九年七月三十一日辭任成員)	N/A 不適用

During the year ended 31 December 2009, the Remuneration Committee had performed the following works:

截至二零零九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 (except the Chairman) and senior management after consultations with the Chairman;

- (i) 經諮詢主席後，審閱及批准執行董事(主席除外)及高級管理人員之薪酬待遇；

## CORPORATE GOVERNANCE REPORT (Continued)

- (ii) reviewed and approved the remuneration packages of the Chairman in a committee meeting at which the Chairman abstained from voting in respect of the resolutions approving his own remuneration packages; and
- (iii) reviewed and made recommendations to the Board on the remuneration and terms of appointment of non-executive Directors (including independent 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 ended 31 December 2009. 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 audited 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 2009 are set out in Note 27 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, namely, Mr. Tan Jinsong (chairman), Mr. Lam Ming Yung and Ms. Chen Chunhua.

On 31 July 2009, Mr. Chan Wai Dune ceased to be the chairman of the Audit Committee following his resignation as an independent non-executive Director of the Company. Mr. Tan Jinsong was appointed as the chairman of the Audit Committee in replacement of Mr. Chan with effect from 1 August 2009.

## 企業管治報告 (續)

- (ii) 於一次委員會會議中審閱及批准主席之薪酬待遇，主席已就批准其本身薪酬待遇之決議案放棄表決；及
- (iii) 審閱非執行董事(包括獨立非執行董事)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，於截至二零零九年十二月三十一日止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，以及本公司按經審核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。

截至二零零九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27。

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譚勁松先生(主席)、林明勇先生及陳春花女士所組成。

於二零零九年七月三十一日，陳維端先生辭任本公司獨立非執行董事後不再為審核委員會主席。譚勁松先生獲委任替代陳先生出任審核委員會主席，自二零零九年八月一日起生效。

## CORPORATE GOVERNANCE REPORT (Continued)

## 企業管治報告(續)

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 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.

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。

The Audit Committee held three meetings during the year ended 31 December 2009, 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:

截至二零零九年十二月三十一日止年度,審核委員會已舉行三次會議,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:

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次數/ 各委員會成員於在任期間舉行會議次數
Mr. Tan Jinsong ( <i>chairman</i> ) (appointed as the chairman on 1 August 2009)	譚勁松先生(主席) (於二零零九年八月一日獲委任為主席)	2/2
Mr. Lam Ming Yung	林明勇先生	3/3
Ms. Chen Chunhua	陳春花女士	3/3
Mr. Chan Wai Dune (ceased to be the chairman on 31 July 2009)	陳維端先生 (於二零零九年七月三十一日辭任主席)	1/1

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.

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。

During the year ended 31 December 2009, the Audit Committee had performed the following works:

截至二零零九年十二月三十一日止年度,審核委員會已進行下列工作:

- |  |                                   |
|--|-----------------------------------|
| (i) reviewed the Company's 2008 annual report and 2009 interim report;                                   | (i) 審閱本公司之二零零八年年報及二零零九年中期報告;      |
| (ii) reviewed and advised on the terms of engagement and other matters relating to the external auditor; | (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; |

## CORPORATE GOVERNANCE REPORT (Continued)

## 企業管治報告(續)

- (iii) reviewed the effectiveness of the system of internal controls and risk management of the Group;
- (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.

- (iii) 檢討本集團內部監控及風險管理系統之成效；
- (iv) 審閱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。

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

審核委員會獲提供足夠資源以履行職責。

The Audit Committee has reviewed the Group's 2009 consolidated financial statements, including the accounting principles and policies adopted by the Group, in conjunction with the Company's external auditor and recommended to the Board for approval of the consolidated financial statements for the year ended 31 December 2009. The annual report of the Company for the year ended 31 December 2009 has been reviewed by the Audit Committee.

審核委員會已聯同本公司外聘核數師審閱本集團之二零零九年綜合財務報表，包括本集團採用之會計原則及政策，並向董事會建議，以批准截至二零零九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二零零九年十二月三十一日止年度之年報。

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 2010. The recommendation will be put forward for shareholders' approval at the forthcoming annual general meeting of the Company.

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二零一零年之外聘核數師。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。

During the year ended 31 December 2009, the remuneration paid to the Company's external Hong Kong auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

截至二零零九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 and review of continuing connected transactions

核數服務及審閱持續關連交易

2,258

### 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。

## CORPORATE GOVERNANCE REPORT (Continued)

### 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.

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 50 to 51 of this annual report.

### 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 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 2009 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.

## 企業管治報告 (續)

### 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。

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50頁至51頁之獨立核數師報告內。

### 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。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。於截至二零零九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。

## CORPORATE GOVERNANCE REPORT (Continued)

During the Year, the Group further streamlined some of the internal control processes of certain divisions of the Group after taking into account the recommendations and advices from independent professional consultant as a result of the internal control review conducted last year to further enhance and improve the internal control system of the Group.

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 will be available at annual general meeting to answer questions raised by shareholders. Members of the independent board committee will be 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.

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)

於本年度，經考慮獨立專業顧問於去年為進一步提升及改進本集團內部監控系統而作出之推薦意見及建議後，本集團已進一步精簡其若干部門之內部監控程序。

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將於股東週年大會上解答股東提問。獨立董事委員會成員將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。

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

## 董事及高級管理人員履歷

### Executive Directors

**Mr. CAI Qiwu**, aged 46, 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"), 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 40, 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 36, 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 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.

### 執行董事

**蔡其武先生**，46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」)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。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**，40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**，36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，於本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。

**BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT (Continued)****董事及高級管理人員履歷(續)**

**Mr. GAO Fazhong**, aged 41, 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 40, 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 is a director of GD Midea. She previously was a supervisor of GD Midea. 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 43, 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 officer of Midea Group. He is also a director of GD Midea. He is also a director of certain subsidiaries of the Company. Mr. Li holds a Master of Business Administration Degree from Fudan University.

**鄧發忠先生**，41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。鄧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。鄧先生亦為本公司多間附屬公司之董事。鄧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**，40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。彼為廣東美的之董事。彼之前曾任廣東美的之監事長。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**，43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。彼亦為廣東美的之董事。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。



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

**Mr. ZHENG Weikang**, aged 41, 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 41, 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. TAN Jinsong**, aged 44, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee of the Company on 1 August 2009. Mr. Tan is a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants. He was approved as a PRC registered accountant in June 1995 and has become a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants since January 2003. He possesses over 24 years of experience in the profession of accounting and financial management. Mr. Tan is currently a professor of the School of Management of the Sun Yat-sen University and was the Head of Department of the Faculty of Accountancy and the Vice Dean of the School of Management of the Sun Yat-sen University.

Mr. Tan is an independent director of Sundiro Holding Co., Ltd. and Yihua Real Estate Co., Ltd. (both companies are listed on the Shenzhen Stock Exchange) and Cosco Shipping Co., Ltd (a company listed on the Shanghai Stock Exchange). He was an independent director of a number of PRC listed companies, including Huafa Industrial Share Co., Ltd. and Guangdong Guanhao High-Tech Co., Ltd., both companies are listed on the Shanghai Stock Exchange, and GD Midea Holding Co., Ltd. and Guangdong Ronsen Super Mirco-Wire Co., Ltd., both companies are listed on the Shenzhen Stock Exchange.

## 董事及高級管理人員履歷 (續)

**鄭偉康先生**，41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多間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**，41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

**譚勁松先生**，44歲，於二零零九年八月一日獲委任為本公司獨立非執行董事、審核委員會主席及薪酬委員會委員。譚先生現為廣東省註冊會計師協會的非執業會員。彼於一九九五年六月獲批准為中國註冊會計師，並由二零零三年一月起為廣東省註冊會計師協會的非執業會員。彼於會計及財務管理方面擁有逾二十四年經驗。譚先生現為中山大學管理學院教授，並曾任中山大學會計系主任及管理學院副院長。

譚先生現時為新大洲控股股份有限公司及宜華地產股份有限公司(均於深圳證券交易所上市)以及中遠航運股份有限公司(於上海證券交易所上市)的獨立董事。彼亦曾於多間中國上市公司擔任獨立董事，包括於上海證券交易所上市的珠海華發實業股份有限公司及廣東冠豪高新技術股份有限公司，以及於深圳證券交易所上市的廣東美的電器股份有限公司及廣東蓉勝超微線材股份有限公司。

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

## 董事及高級管理人員履歷(續)

**Mr. LAM Ming Yung**, aged 46, 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 in 1986. 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).

**林明勇先生**，46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。

**Ms. CHEN Chunhua**, aged 46, was appointed as an independent non-executive director of the Company on 22 December 2004. Ms. Chen is the chairman of the Remuneration Committee and a member of the Audit 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 specialty 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.

**陳春花女士**，46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。

### Senior Management

### 高級管理人員

**Mr. ZHOU Xiangyang**, aged 37, joined the Group in July 1996. Mr. Zhou is the general manager of the micro motors division of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. Mr. Zhou holds a Bachelor Degree in Electrical Engineering from Harbin Institute of Technology.

**周向陽先生**，37歲，於一九九六年七月加盟本集團。周先生現時擔任本集團微電機事業部總經理。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、推廣及業務運作管理擁有豐富經驗。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。

**Mr. ZENG Yong**, aged 38, joined the Group in June 1999. Mr. Zeng is the general manager of the electronic and electric component division of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. Mr. Zeng holds a Bachelor Degree in Electrical Engineering from Zhejiang University.

**曾勇先生**，38歲，於一九九九年六月加盟本集團。曾先生現時擔任本集團電子電器事業部總經理。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、推廣及業務運作管理擁有豐富經驗。曾先生持有由浙江大學頒發的電機及其控制專業學士學位。

## REPORT OF THE DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2009.

### 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 55 to 56.

The Directors recommend the payment of a final dividend of HK0.5 cent per share for the Year to the shareholders of the Company whose names appear on the register of members of the Company on 18 May 2010. Subject to the approval from shareholders of the Company at the Annual General Meeting to be held on 18 May 2010, the proposed final dividend will be paid on 3 June 2010.

### Reserves

Details of movements in reserves of the Company and the Group during the Year are set out in Note 19 to the consolidated financial statements.

### 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.

### Share Capital

Details of the movements in share capital of the Company during the Year are set out in Note 18(a) 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二零零九年十二月三十一日止年度之報告及經審核綜合財務報表。

### 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55頁至56頁之綜合收益表內。

董事建議派發本年度末期股息每股港幣0.5仙予於二零一零年五月十八日在本公司股東名冊上已登記之本公司股東。經本公司股東於二零一零年五月十八日舉行之股東週年大會上批准後，建議末期股息將於二零一零年六月三日派發。

### 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19。

### 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。

### 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18(a)。

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

### Subsequent Event

On 29 March 2010, Midea Holding (Cayman Islands) Limited (“Midea (Cayman Islands)”), the controlling shareholder of the Company (as defined under the Listing Rules), entered into a placing agreement with the Company and the placing agent, pursuant to which Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 existing shares of the Company owned by Midea (Cayman Islands) to not less than six independent placees at the placing price of HK\$0.42 per share (the “Placing”).

On 29 March 2010, Midea (Cayman Islands) entered into a subscription agreement with the Company, pursuant to which Midea (Cayman Islands) agreed to subscribe for 600,000,000 new shares of the Company (the “Subscription Shares”) at the subscription price of HK\$0.42 per share subject to the completion of the Placing and the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares (the “Subscription”).

As the date of this report, the transactions relating to the Placing and the Subscription have not been completed. Details of the Placing and the Subscription are disclosed in the Company’s announcement dated 29 March 2010.

### Distributable Reserves

As at 31 December 2009, the Company had distributable reserves amounting to HK\$104,785,000 (2008: HK\$106,094,000).

### 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 156. This summary does not form part of the audited consolidated financial statements.

### Purchase, Sale or Redemption of Listed 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.

### 日後事項

於二零一零年三月二十九日，本公司之控股股東(定義見上市規則)美的控股(開曼群島)有限公司(「美的(開曼群島)」)與本公司及配售代理訂立配售協議，據此，美的(開曼群島)同意通過配售代理按配售價每股股份港幣0.42元，向不少於六名獨立承配人配售美的(開曼群島)所擁有的1,200,000,000股本公司現有股份(「配售」)。

於二零一零年三月二十九日，美的(開曼群島)與本公司訂立認購協議，據此，美的(開曼群島)同意按認購價每股股份港幣0.42元認購600,000,000股本公司的新股份(「認購股份」)，惟須待配售完成及聯交所上市委員會批准認購股份上市及買賣後，方告完成(「認購」)。

於本報告日期，與配售及認購有關之交易尚未完成。配售及認購之詳情本公司已於二零一零年三月二十九日之公告中披露。

### 可供分派之儲備

於二零零九年十二月三十一日，本公司可供分派之儲備為港幣104,785,000元(二零零八年：港幣106,094,000元)。

### 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156頁。本摘要並不構成經審核綜合財務報表之一部分。

### 購買、出售或贖回上市證券

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)

## 董事會報告 (續)

### Share Option Scheme

Details of the share option scheme of the Company adopted on 27 June 2003 (the "Share Option Scheme") are disclosed in Note 18(b) to the consolidated financial statements.

### 購股權計劃

本公司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」)之詳情於綜合財務報表附註18(b)披露。

### Directors

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

### 董事

於本年度及截至本年報日期在任之董事如下：

#### 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

#### 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

#### Non-executive Director

Ms. TAN Xuemei

#### 非執行董事

譚雪梅女士

#### Independent non-executive Directors

Mr. TAN Jinsong (appointed on 1 August 2009)  
Mr. LAM Ming Yung  
Ms. CHEN Chunhua  
Mr. CHAN Wai Dune (resigned on 31 July 2009)

#### 獨立非執行董事

譚勁松先生(於二零零九年八月一日獲委任)  
林明勇先生  
陳春花女士  
陳維端先生(於二零零九年七月三十一日辭任)

In accordance with article 87 of the Company's articles of association, Mr. Tan Jinsong will retire at the forthcoming annual general meeting and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

根據本公司之組織章程第87條，譚勁松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。

In accordance with article 91 of the Company's articles of association, Mr. Cai Qiwu, Mr. Qu Fei, Ms. Yuan Liqun and Mr. Zheng Weikang will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

根據本公司之組織章程第91條，蔡其武先生、瞿飛先生、袁利群女士及鄭偉康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。

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

### Directors' Service Contracts

### 董事服務合約

On 22 May 2009, the Company entered into the letters of appointment with the non-executive Director, Ms. Tan Xuemei and each of the then three independent non-executive Directors, namely, Mr. Chan Wai Dune, Mr. Lam Ming Yung and Ms. Chen Chunhua for a term commencing on 22 May 2009 and ending on the date of the Company's next annual general meeting as their respective letters of appointment had expired on 22 May 2009.

於二零零九年五月二十二日，本公司與非執行董事譚雪梅女士，以及當時三名獨立非執行董事陳維端先生、林明勇先生及陳春花女士各自訂立委任書，任期由二零零九年五月二十二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二零零九年五月二十二日屆滿。

On 1 August 2009, the Company entered into a letter of appointment with Mr. Tan Jinsong for a term commencing on his appointment as an independent non-executive Director on 1 August 2009 and ending on the date of the Company's next annual general meeting.

於二零零九年八月一日，本公司與譚勁松先生訂立委任書，任期由其於二零零九年八月一日獲委任為獨立非執行董事開始至本公司下屆股東週年大會日期止。

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.

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。

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.

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。

On 31 July 2009, the letter of appointment entered into between the Company and Mr. Chan Wai Dune was terminated upon his resignation as an independent non-executive Director of the Company.

於二零零九年七月三十一日，本公司與陳維端先生訂立之委任書於陳先生辭任本公司獨立非執行董事生效後終止。

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.

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。

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

### 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.

### 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。

### Remuneration Policy

The remuneration 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.

### 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。

The remuneration 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.

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。

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

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。

### Pension Schemes

Details of the pension schemes set up by the Group are set out in Note 27 to the consolidated financial statements.

### 退休金計劃

本集團設立之退休金計劃詳情載於綜合財務報表附註27。

### Directors' Interests In Contracts

Save as disclosed in Note 37 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.

### 董事之合約權益

除綜合財務報表附註37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。

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

### Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and Senior Management of the Company are set out on pages 30 to 33.

### 董事及高級管理人員之個人履歷

董事及本公司高級管理人員之個人簡歷載於第30頁至33頁。

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

As at 31 December 2009, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or 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 by the Company under Section 352 of the SFO or which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

### 董事及最高行政人員於股本證券或債務證券之權益

於二零零九年十二月三十一日，董事及本公司最高行政人員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，擁有須記入本公司根據證券及期貨條例第352條所述而存置之登記冊之權益及淡倉，或根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例該董事或最高行政人員擁有或被當作視為擁有之權益及淡倉)，或根據聯交所證券上市規則(「上市規則」)中上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：



## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

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

## 於本公司之購股權權益 (好倉)

During the Year, the movement of the share options granted to the Directors under the Share Option Scheme were as follows:

於本年度，根據購股權計劃授予董事之購股權變動如下：

Name		Date of grant	Options held at 1 January 2009	Options granted during the year	Options exercised during the year	Options held at 31 December 2009	Exercise price per option	Exercisable period	Closing price immediately before the date of grant
姓名		授出日期	於二零零九年一月一日持有之購股權	於本年度內授出之購股權	於本年度內行使之購股權	於二零零九年十二月三十一日持有之購股權	每份購股權行使價	可行使期限	緊接授出日期前股份收市價
							HK\$ 港幣		HK\$ 港幣
<b>Directors</b>	<b>董事</b>								
Mr. Cai Qiwu	蔡其武先生	09/01/2009	—	68,000,000	—	68,000,000	0.157	01/04/2010– 31/03/2017 (Note) (附註)	0.151
Mr. Jiang Deqing	姜德清先生	09/01/2009	—	36,000,000	—	36,000,000	0.157	01/04/2010– 31/03/2017 (Note) (附註)	0.151
Mr. Qu Fei	瞿飛先生	09/01/2009	—	22,000,000	—	22,000,000	0.157	01/04/2010– 31/03/2017 (Note) (附註)	0.151
Mr. Gao Fazhong	鄧發忠先生	09/01/2009	—	25,000,000	—	25,000,000	0.157	01/04/2010– 31/03/2017 (Note) (附註)	0.151
Ms. Tan Xuemei	譚雪梅女士	09/01/2009	—	5,000,000	—	5,000,000	0.157	01/04/2010– 31/03/2017 (Note) (附註)	0.151
Mr. Chan Wai Dune (resigned on 31 July 2009)	陳維端先生 (於二零零九年 七月三十一日辭任)	30/07/2007	2,000,000	—	—	2,000,000	0.78	30/07/2007– 29/07/2017	0.77
		09/01/2009	—	5,000,000	—	5,000,000	0.157	1/04/2010– 31/03/2017 (Note) (附註)	0.151
Mr. Lam Ming Yung	林明勇先生	30/07/2007	2,000,000	—	—	2,000,000	0.78	30/07/2007– 29/07/2017	0.77
		09/01/2009	—	5,000,000	—	5,000,000	0.157	01/04/2010– 31/03/2017 (Note) (附註)	0.151
Ms. Chen Chunhua	陳春花女士	30/07/2007	2,000,000	—	—	2,000,000	0.78	30/07/2007– 29/07/2017	0.77
		09/01/2009	—	5,000,000	—	5,000,000	0.157	01/04/2010– 31/03/2017 (Note) (附註)	0.151

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告(續)

## Notes:

The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

1. the first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
2. the second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
3. the third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
4. the remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

Details of the Share Option Scheme are disclosed in Note 18(b) to the consolidated financial statements.

Save as disclosed above, at no time during the year ended 31 December 2009 was the Company, its subsidiaries, its associated corporations (within the meaning of the SFO), its fellow subsidiaries or its holding company, a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of the shares in, or debentures of, the Company or its associated corporation (within the meaning of the SFO), or had exercised any such right during the Year.

## 附註:

上述授出購股權之代價為港幣1元。於二零零九年一月九日授出的購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

1. 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自自己終止經營業務之業績)(「二零零八年純利」)之100%；
2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

購股權計劃之詳情於綜合財務報表附註18(b)披露。

除上文所披露者外，於截至二零零九年十二月三十一日止年度內，本公司、其附屬公司、其相聯法團(定義見證券及期貨條例)、其同系附屬公司或其控股公司概無參與任何安排，致使董事或本公司最高行政人員藉購入本公司或其相聯法團(定義見證券及期貨條例)之任何股份或債券而獲益，或於本年度內行使任何該等權利。

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

Other than those interests disclosed above, as at 31 December 2009, none of the Directors and the chief executive of the Company (including their spouses or children under the age of 18 years old) had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which is required to be recorded and kept in the register in accordance with section 352 of the SFO, or notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露之權益外，於二零零九年十二月三十一日，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)並無擁有本公司或其相關法團(定義見證券及期貨條例)之股份、相關股份或債券之任何權益或淡倉而須根據證券及期貨條例第352條記入及存置於登記冊內，或須根據標準守則知會本公司及聯交所。

### Directors' Interest in Competing Businesses

As at 31 December 2009, 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.

### 董事於競爭業務之權益

截至二零零九年十二月三十一日止年度，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。

### Substantial Shareholders' Interests

As at 31 December 2009, 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:

### 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，於二零零九年十二月三十一日，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)") (Note 1) 美的控股(開曼群島)有限公司(「美的(開曼群島)」)(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)****董事會報告 (續)**

## 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 Holding was deemed to be 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 in which Mr. He Xiangjian was deemed to be interested.

Save as disclosed above, as at 31 December 2009, the Company is not aware of any other person who has an interest or a short position in the shares or underlying shares of the Company which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company pursuant to section 336 of the SFO.

**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.

## 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控股被視為擁有權益之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。

除上文披露者外，於二零零九年十二月三十一日，本公司並不知悉任何其他人士於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部知會本公司及記入本公司根據證券及期貨條例第336條須存置之登記冊內。

**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)

## 董事會報告 (續)

### Major Customers and Suppliers

Sales to the Group's five largest customers together accounted for 42.9% of the Group's total sales during the Year. The five largest customers are set out below:

1. 11.0% from Foshan Shunde Midea Microwave Electrical Appliances Manufacturing Co., Ltd. which is a company controlled by a substantial shareholder of Midea.
2. 9.1% from Guangdong Midea Refrigeration Appliances Co., Ltd. of which a Director of the Company is director and it is controlled by Midea.
3. 7.2% from Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd. of which a Director of the Company is director and it is controlled by Midea.
4. 6.2% from Hefei Rongshida Washing Equipment Manufacturing Co., Ltd. of which certain Directors of the Company are directors and it is controlled by Midea.
5. The remaining largest customer accounted for 9.4% 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 less than 30% of the Group's total purchase during the Year.

### 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42.9%。五大客戶載列如下：

1. 11.0%來自佛山市順德區美的微波電器製造有限公司，其為美的的主要股東控制的公司。
2. 9.1%來自廣東美的製冷設備有限公司，本公司一名董事為該公司董事及受美的的控制。
3. 7.2%來自廣東美的集團蕪湖製冷設備有限公司，本公司一名董事為該公司董事及受美的的控制。
4. 6.2%來自合肥榮事達洗衣設備製造有限公司，本公司若干董事為該公司董事及受美的的控制。
5. 餘下之大客戶佔本年度之銷售總額9.4%，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低於30%。

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

### Connected Transaction and Continuing Connected Transactions

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

#### Connected Transaction

On 23 April 2009, the Company through its wholly-owned subsidiary, Guangdong Welling Motor Manufacturing Co., Ltd., (“GD Welling”) entered into a capital contribution agreement with Midea Group Co., Ltd. (“Midea”, the controlling shareholder of the Company and hence a connected person of the Company) and GD Midea Holding Co., Ltd. (“GD Midea”, a company in which Midea has a 42.49% interest) for the establishment of a finance company in the name of Midea Group Finance Co., Ltd. (“Finance Company”) to be owned as to 5% by the Company, 55% by Midea and 40% by GD Midea. The initial registered capital of the Finance Company would be RMB500 million which shall be contributed by each of GD Welling, Midea and GD Midea in proportion to each of their shareholdings in the Finance Company. The Finance Company shall provide a range of financial services as approved by the China Banking Regulatory Commission (“CBRC”) to its members.

The Finance Company was granted approval for its establishment by the CBRC on 2 July 2009. All the required documents in connection with the application for commencement of business of the Finance Company have been submitted to the relevant regulatory authorities.

#### Continuing Connected Transactions

- (1) On 22 February 2008, the Company entered into the framework agreement with Midea (“Midea Framework Agreement”) 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 from or through members of Midea Group during the period from 31 March 2008 to 31 December 2010.

The Midea Framework Agreement 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.

### 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

於二零零九年四月二十三日，本公司透過其全資附屬公司廣東威靈電機製造有限公司（「廣東威靈」）與美的集團有限公司（「美的」，為本公司之控股股東，故為本公司關連人士）及廣東美的電器股份有限公司（「廣東美的」，一家由美的擁有42.49%權益之公司）訂立出資協議，以成立名為「美的集團財務有限公司」之財務公司（「財務公司」），本公司、美的及廣東美的分別擁有其5%、55%及40%權益。財務公司之初步註冊資本將為人民幣500,000,000元，由廣東威靈、美的及廣東美的按彼等各自於財務公司之股權百分比出資。財務公司將向其成員公司提供一系列中國銀行業監督管理委員會（「中國銀監會」）批准之財務服務。

中國銀監會已於二零零九年七月二日批准財務公司註冊成立，而有關財務公司申請開業的所有必須文件亦已提交有關的監管機關。

#### 持續關連交易

- (1) 於二零零八年二月二十二日，本公司與美的訂立框架協議（「美的框架協議」），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，同時向美的集團成員公司或透過美的集團成員公司購買原材料。

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及其項下擬進行之持續關連交易。

## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

Sale of motors and electronic and electric components by members of the Group to Midea Group for the year ended 31 December 2009 amounted to HK\$2,504,855,000 (equivalent to approximately RMB2,207,276,000), which is within the 2009 annual cap of RMB2,500,000,000 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 2009 amounted to HK\$164,290,000 (equivalent to approximately RMB144,773,000), which is within the 2009 annual cap of RMB310,000,000 as set out in the Company's announcement dated 22 February 2008.

- (2) On 17 April 2009, the Company entered into a logistic service agreement ("Logistic Service Agreement") with Wuhu Annto Logistics Co., Ltd. ("Annto", a subsidiary of Midea and therefore a connected person of the Company) in respect of the provision of logistic services by Annto or its subsidiaries to members of the Group during the term of one year commencing on 1 January 2009. The annual cap set for the service fees payable by the Group under the logistic service agreement was RMB10,000,000. For the year ended 31 December 2009, the aggregate amount of service fee paid by the Group to Annto and its subsidiaries amounted to HK\$2,111,000 (equivalent to approximately RMB1,860,000).

截至二零零九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電子電器產品之銷售額為港幣2,504,855,000元(相等於約人民幣2,207,276,000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二零零九年度上限人民幣2,500,000,000元之內。

截至二零零九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164,290,000元(相等於約人民幣144,773,000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二零零九年度上限人民幣310,000,000元之內。

- (2) 於二零零九年四月十七日，本公司與蕪湖安得物流股份有限公司(「安得」，為美的之附屬公司，故為本公司關連人士)就安得或其附屬公司向本集團成員公司提供物流服務訂立物流服務協議(「物流服務協議」)，期限由二零零九年一月一日起，為期一年。本集團根據物流服務協議支付之服務費年度上限為人民幣10,000,000元。截至二零零九年十二月三十一日止年度，本集團向安得及其附屬公司支付之服務費總額為港幣2,111,000元(約相等於人民幣1,860,000元)。

**REPORT OF THE DIRECTORS (Continued)****董事會報告 (續)**

Details of the significant related party transactions entered into by certain members of the Group during the year ended 31 December 2009 pursuant to the agreements mentioned-above, which constituted connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules, are disclosed in Note 37 to the consolidated financial statements.

本集團若干成員公司根據上述協議於截至二零零九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章構成本公司關連交易或持續關連交易)詳情，於綜合財務報表附註37披露。

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:

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) 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.

- (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。

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 2009, the continuing connected transactions of the Group:

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，並確認於截至二零零九年十二月三十一日止年度，本集團之持續關連交易：

- (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.

- (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。

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

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。



## REPORT OF THE DIRECTORS (Continued)

## 董事會報告 (續)

### 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.

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 2009 ("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 2009.

### 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 17 to 29 for the compliance with the Model Code for Securities Transactions by the 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.

### 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。

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）已於截至二零零九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二零零九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之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之標準守則及企業管治常規守則，請參閱載於第17頁至29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。

**REPORT OF THE DIRECTORS (Continued)****董事會報告 (續)****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

**Welling Holding Limited**

**CAI Qiwu**

*Chairman*

Hong Kong, 29 March 2010

**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

**威靈控股有限公司**

**蔡其武**

*主席*

香港，二零一零年三月二十九日

## 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 52 to 155, which comprise the consolidated and company statement of financial position as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, 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.

#### 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.

### 獨立核數師報告 致威靈控股有限公司股東

*(於香港註冊成立的有限公司)*

本核數師(以下簡稱「我們」)已審核列載於第52至155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二零零九年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,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;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

#### 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。

## INDEPENDENT AUDITOR'S REPORT (Continued) 獨立核數師報告 (續)

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.

### 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 2009 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, 29 March 2010

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。

審核涉及執行情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，但並非為對公司的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。

### 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 貴集團於二零零九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，二零一零年三月二十九日

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

AS AT 31 DECEMBER 2009  
於二零零九年十二月三十一日

		As at 31 December 於十二月三十一日	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 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>		
Leasehold land and land use rights	租賃土地及土地使用權	124,496	127,436
Property, plant and equipment	物業、廠房及設備	699,543	571,345
Investment properties	投資物業	—	—
Goodwill	商譽	22,408	22,410
Investments in associates	聯營公司投資	206,966	—
Deferred income tax assets	遞延所得稅資產	21,856	7,887
Available-for-sale financial assets	可供出售金融資產	28,393	—
Prepayment for investments in associates	預付聯營公司投資款項	—	82,463
Prepayment for property, plant and equipment	預付物業、廠房及設備款項	3,816	22,392
		<b>1,107,478</b>	<b>833,933</b>
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	669,192	243,888
Trade and other receivables	貿易及其他應收款	1,241,138	929,579
Due from related companies	應收關聯公司款項	1,248,138	1,074,328
Derivative financial instruments	衍生金融工具	25,708	—
Pledged bank deposits	已抵押銀行存款	49,081	61,020
Cash and cash equivalents	現金及現金等價物	257,478	217,124
		<b>3,490,735</b>	<b>2,525,939</b>
<b>Total assets</b>	<b>總資產</b>	<b>4,598,213</b>	<b>3,359,872</b>
<b>EQUITY</b>	<b>權益</b>		
<b>Capital and reserves attributable to owners of the Company</b>	<b>本公司擁有人應佔股本及儲備</b>		
Share capital	股本	1,347,931	1,347,931
Other reserves	其他儲備	272,043	227,921
Accumulated losses	累計虧損		
Others	其他	(552,655)	(805,210)
Proposed final dividend	建議末期股息	67,397	—
<b>Total equity</b>	<b>權益總額</b>	<b>1,134,716</b>	<b>770,642</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)****綜合財務狀況表 (續)**AS AT 31 DECEMBER 2009  
於二零零九年十二月三十一日

		As at 31 December 於十二月三十一日	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
LIABILITIES	負債	Note 附註	
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借款	20	60,000
Deferred income tax liabilities	遞延所得稅負債	23	6,305
			<b>185,235</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款	21	1,705,350
Due to related companies	應付關聯公司款項	37(c)	174,032
Derivative financial instruments	衍生金融工具	22	902
Current income tax liabilities	即期所得稅負債		1,300
Borrowings	借款	20	611,608
Provision for warranty	產品保養撥備	24	—
			<b>3,278,262</b>
<b>Total liabilities</b>	<b>總負債</b>		<b>3,463,497</b>
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>4,598,213</b>
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>212,473</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,319,951</b>

The notes on pages 62 to 155 are an integral part of these financial statements.

於第62至155頁之附註為此財務報表之一部分。

The financial statements on pages 52 to 155 were approved by the Board of Directors on 29 March 2010 and were signed on its behalf.

董事會於二零一零年三月二十九日批准於第52至155頁之財務報表，並代表董事會簽署。

Director  
董事  
**CAI Qiwu**  
蔡其武

Director  
董事  
**GAO Fazhong**  
鄒發忠

## STATEMENT OF FINANCIAL POSITION

### 財務狀況表

AS AT 31 DECEMBER 2009  
於二零零九年十二月三十一日

		As at 31 December 於十二月三十一日	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
	Note 附註		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	44	87
Investments in subsidiaries	10	4,862,049	4,517,215
		<b>4,862,093</b>	<b>4,517,302</b>
<b>Current assets</b>			
Prepayments and other receivables	14	1,335	1,346
Dividend receivable		15,000	350,000
Cash and cash equivalents	17	217	2,149
		<b>16,552</b>	<b>353,495</b>
<b>Total assets</b>		<b>4,878,645</b>	<b>4,870,797</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	18	1,347,931	1,347,931
Other reserves	19	3,423,894	3,414,179
Retained profits			
Others		37,388	106,094
Proposed final dividend	32	67,397	—
<b>Total equity</b>		<b>4,876,610</b>	<b>4,868,204</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals and other payables	21	2,035	2,593
<b>Total liabilities</b>		<b>2,035</b>	<b>2,593</b>
<b>Total equity and liabilities</b>		<b>4,878,645</b>	<b>4,870,797</b>
<b>Net current assets</b>		<b>14,517</b>	<b>350,902</b>
<b>Total assets less current liabilities</b>		<b>4,876,610</b>	<b>4,868,204</b>

The notes on pages 62 to 155 are an integral part of these financial statements.

於第62至155頁之附註為此財務報表之一部分。

The financial statements on pages 52 to 155 were approved by the Board of Directors on 29 March 2010 and were signed on its behalf.

董事會於二零一零年三月二十九日批准於第52至155頁之財務報表，並代表董事會簽署。

Director  
董事  
CAI Qiwu  
蔡其武

Director  
董事  
GAO Fazhong  
郜發忠

**CONSOLIDATED INCOME STATEMENT****綜合收益表**

FOR THE YEAR ENDED 31 DECEMBER 2009

截至二零零九年十二月三十一日止年度

		<b>Year ended 31 December</b>	
		<b>截至十二月三十一日止年度</b>	
		2009	2008
		二零零九年	二零零八年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	Note 附註		
<b>Continuing operations:</b>			
Revenue		4,824,116	5,193,278
Cost of goods sold		(4,124,667)	(4,655,951)
<b>Gross profit</b>		<b>699,449</b>	<b>537,327</b>
Other gains/(losses) — net		39,717	(80,362)
Selling and marketing costs		(101,739)	(91,383)
Administrative expenses		(200,507)	(144,299)
<b>Operating profit</b>		<b>436,920</b>	<b>221,283</b>
Finance income		4,341	8,240
Finance costs		(23,035)	(37,109)
Finance costs — net		(18,694)	(28,869)
Share of profits of associates		4,808	—
<b>Profit before income tax</b>		<b>423,034</b>	<b>192,414</b>
Income tax expense		(69,259)	(28,810)
<b>Profit for the year from continuing operations</b>		<b>353,775</b>	<b>163,604</b>
<b>Discontinued operations:</b>			
Profit for the year from discontinued operations		—	32,575
<b>Profit for the year</b>		<b>353,775</b>	<b>196,179</b>



**CONSOLIDATED INCOME STATEMENT (Continued)****綜合收益表 (續)**

FOR THE YEAR ENDED 31 DECEMBER 2009  
截至二零零九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	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
		Note 附註	
<b>Attributable to:</b>	<b>以下人士應佔：</b>		
Owners of the Company	本公司擁有人		353,775
Minority interests	少數股東權益		196,877
			—
			(698)
			<b>353,775</b>
			196,179
<b>Earnings per share for profit from continuing operations attributable to the owners of the Company, expressed in HK cents per share</b>	<b>本公司擁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	— 基本	31	2.62
— diluted	— 攤薄	31	2.61
<b>Earnings per share for profit attributable to the owners of the Company, expressed in HK cents per share</b>	<b>本公司擁有人應佔利潤之每股盈利，以每股港仙列示</b>		
— basic	— 基本	31	2.62
— diluted	— 攤薄	31	2.61

Details of proposed final dividend payable to owners of the Company are set out in Note 32.

應付本公司擁有人建議末期股息之詳情載於附註32。

The notes on pages 62 to 155 are an integral part of these financial statements.

於第62至155頁之附註為此財務報表之一部分。

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****綜合全面收益表**

FOR THE YEAR ENDED 31 DECEMBER 2009

截至二零零九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	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
<b>Profit for the year</b>	<b>年度利潤</b>	<b>353,775</b>	196,179
<b>Other comprehensive income:</b>	<b>其他全面收入：</b>		
Currency translation differences	貨幣匯兌差異	30	225
<b>Other comprehensive income for the year, net of tax</b>	<b>扣除稅項後之年度其他全面收入</b>	<b>30</b>	225
<b>Total comprehensive income for the year</b>	<b>年度全面收入總額</b>	<b>353,805</b>	196,404
<b>Attributable to:</b>	<b>以下人士應佔：</b>		
— Owners of the Company	— 本公司擁有人	353,805	197,102
— Minority interest	— 少數股東權益	—	(698)
<b>Total comprehensive income for the year</b>	<b>年度全面收入總額</b>	<b>353,805</b>	196,404

The notes on pages 62 to 155 are an integral part of these financial statements.

於第62至155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 2009  
截至二零零九年十二月三十一日止年度

		Attributable to owners of the Company					Minority interests 少數股東	Total equity 權益總額
		本公司擁有人應佔			Total 合計	Total 合計		
		Share capital 股本	Other reserves 其他儲備	Accumulated losses 累計虧損				
Note 附註	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元		
<b>Balance at 1 January 2008</b>	<b>於二零零八年 一月一日之結餘</b>		1,347,931	(152,003)	(978,602)	217,326	55,930	273,256
Comprehensive income:	全面收入：							
Profit/(loss) for the year	年度利潤／(虧損)		—	—	196,877	196,877	(698)	196,179
Other comprehensive income:	其他全面收入：							
Currency translation differences	貨幣匯兌差異		—	225	—	225	—	225
<b>Total comprehensive income</b>	<b>全面收入總額</b>		—	225	196,877	197,102	(698)	196,404
Transaction with owners:	與擁有人進行交易：							
Transfer to statutory reserves	轉撥至法定儲備		—	23,485	(23,485)	—	—	—
Disposal of the Disposed Group	出售已出售集團							
— Disposal of subsidiaries	— 出售附屬公司	36(a)	—	(48,137)	—	(48,137)	(55,232)	(103,369)
— Deemed contribution arising from the Transaction	— 該項交易產生之 視作貢獻	36(a)	—	404,351	—	404,351	—	404,351
<b>Total transaction with owners</b>	<b>與擁有人進行之 交易總額</b>		—	379,699	(23,485)	356,214	(55,232)	300,982
<b>Balance at 31 December 2008</b>	<b>於二零零八年 十二月三十一日 之結餘</b>		1,347,931	227,921	(805,210)	770,642	—	770,642
Representing:	相當於：							
2008 proposed final dividend	二零零八年建議末期 股息				—			
Others	其他				(805,210)			
Accumulated losses at 31 December 2008	於二零零八年十二月 三十一日之累計 虧損				(805,210)			

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)****綜合權益變動表 (續)**

FOR THE YEAR ENDED 31 DECEMBER 2009

截至二零零九年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔				Minority interests 少數股東	Total equity
		Share capital	Other reserves	Accumulated losses	Total		
		股本 HK\$'000 港幣千元	其他儲備 HK\$'000 港幣千元	累計虧損 HK\$'000 港幣千元	合計 HK\$'000 港幣千元	權益 HK\$'000 港幣千元	權益總額 HK\$'000 港幣千元
<b>Balance at 1 January 2009</b>	<b>於二零零九年 一月一日之結餘</b>	1,347,931	227,921	(805,210)	770,642	—	770,642
Comprehensive income:	全面收入：						
Profit for the year	年度利潤	—	—	353,775	353,775	—	353,775
Other comprehensive income:	其他全面收入：						
Currency translation differences	貨幣匯兌差異	—	30	—	30	—	30
<b>Total comprehensive income</b>	<b>全面收入總額</b>	—	30	353,775	353,805	—	353,805
Transaction with owners:	與擁有人進行交易：						
Transfer to statutory reserves	轉撥至法定儲備	—	33,823	(33,823)	—	—	—
Employee share option scheme — value of services provided	僱員購股權計劃 — 所提供服務之 價值	—	10,269	—	10,269	—	10,269
<b>Total transaction with owners</b>	<b>與擁有人進行之 交易總額</b>	—	44,092	(33,823)	10,269	—	10,269
<b>Balance at 31 December 2009</b>	<b>於二零零九年 十二月三十一日 之結餘</b>	1,347,931	272,043	(485,258)	1,134,716	—	1,134,716
Representing:	相當於：						
2009 proposed final dividend	二零零九年建議末期 股息			67,397			
Others	其他			(552,655)			
Accumulated losses at 31 December 2009	於二零零九年十二月 三十一日之累計 虧損			(485,258)			

The notes on pages 62 to 155 are an integral part of these financial statements. 於第62至155頁之附註為此財務報表之一部分。

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2009  
截至二零零九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	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
		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	33(a)	465,092
Interest paid	已付利息		(22,869)
Interest received	已收利息		4,341
Income tax paid	已付所得稅		(34,753)
Net cash generated from operating activities	經營活動產生之現金淨額		411,811
<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		(166,547)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	33(b)	8,474
Increase in construction-in-progress	在建工程增加		(58,577)
Payment for leasehold land and land use rights	租賃土地及土地使用權付款		—
Net cash outflow for disposal of subsidiaries	出售附屬公司之現金流出淨額	36	—
Decrease/(increase) in prepayment for property, plant and equipment	預付物業、廠房及設備款項減少/(增加)		18,576
Decrease/(increase) in prepayment for investments in associates	預付聯營公司投資款項減少/(增加)		82,463
Purchase of available-for-sale financial assets	購買可供出售金融資產		(28,393)
Acquisition of associates	收購聯營公司		(202,158)
Increase in other non-current assets	其他非流動資產增加		—
Receipts of government grants	收取政府補貼	25	5,272
Net cash used in investing activities	投資活動所用之現金淨額		(340,890)

**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)****綜合現金流量表 (續)**

FOR THE YEAR ENDED 31 DECEMBER 2009

截至二零零九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	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
		Note 附註	
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Proceeds from borrowings	借款所得款項	788,191	704,225
Repayment of borrowings	償還借款	(830,697)	(431,811)
Decrease in pledged bank deposits	已抵押銀行存款減少	11,939	43,558
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(30,567)	315,972
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加/(減少)淨額</b>	40,354	(279,918)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	217,124	497,042
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等價物</b>	257,478	217,124
		17	

The notes on pages 62 to 155 are an integral part of these financial statements.

於第62至155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”) and its subsidiaries (together the “Group”) manufacture, distribute and sell motors and electronic and electric components for electrical household appliances and trade raw materials in the People’s Republic of China (the “PRC”) and overseas.

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 31 March 2008, upon completion of a very substantial disposal and very substantial acquisition transaction (the “Transaction”) as described as follows, the Company: (i) disposed 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”) and their respective subsidiaries (together, the “Disposed Group”) to Welling Electric Holding (Cayman Islands) Limited (now known as Midea Holding (Cayman Islands) Limited) (the “Vendor”), the wholly owned subsidiary of Midea Group Co. Ltd. (“Midea”); (ii) acquired Welling Holding (BVI) Limited (the “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 Group has become a manufacturer and distributor of micro motors, washing motors and electronic and electric components in the PRC and overseas.

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.

#### 1 一般資料

威靈控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在中華人民共和國(「中國」)及海外製造、分銷及出售家用電器之電機及電子電器產品，以及買賣原材料。

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。

於二零零八年三月三十一日，誠如下文所述完成一項非常重大出售及非常重大收購交易(「該項交易」)後，本公司(i)向美的集團有限公司(「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」)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」)及其各自之附屬公司(統稱「已出售集團」)之全部權益；(ii)收購威靈控股(BVI)有限公司(「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，本集團轉型為在中國及海外從事微電機、洗滌電機及電子電器產品之製造商及分銷商。

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。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 1 General Information (Continued)

These financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 29 March 2010.

#### 2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These 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"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets 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.

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).

#### 1 一般資料(續)

除另有註明外，本財務報表以港幣（「港幣」）呈列。董事會於二零一零年三月二十九日批准刊發本財務報表。

#### 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根據香港財務報告準則（「香港財務報告準則」）編製。綜合財務報表乃按歷史成本法編製，並就重估投資物業、可供出售金融資產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。

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。



## 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)

There is no gain or loss from the Transaction because the resulting differences are regarded as distribution to the owners of the Company and debited to the equity of the Group. As a result, the accumulated losses for 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 of the Group. The deemed distribution arising from the Transaction of approximately HK\$3,219,525,000 (Note 19(d)) was debited to the equity of the Group.

### Changes in accounting policy and disclosures

#### (a) New and amended standards adopted by the Group

The Group has adopted the following new and amended HKFRSs as of 1 January 2009:

- HKFRS 7 'Financial Instruments — Disclosures' (amendment) — effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.
- HKAS 1 (revised) 'Presentation of financial statements' — effective 1 January 2009. The revised standard prohibits 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 in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

## 2 主要會計政策概要（續）

### 2.1 編製基準（續）

該項交易並無產生損益，因為最終差異被視為給予本公司擁有人之分派，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，並已計入本集團之累計虧損內。該項交易產生之視作分派約港幣3,219,525,000元（附註19(d)）於本集團權益中扣除。

### 會計政策及披露之變動

#### (a) 本集團已採納之新訂及經修訂準則

本集團已於二零零九年一月一日採納下列新訂及經修訂香港財務報告準則：

- 香港財務報告準則第7號「金融工具 — 披露」(修訂本) — 自二零零九年一月一日起生效。此項修訂本要求提高有關公平值計量及流動性風險之披露。此項修訂本特別要求按公平值之計量架構披露公平值計量。由於會計政策之改變僅導致額外披露，故此對每股盈利並無影響。
- 香港會計準則第1號(經修訂)「財務報表的呈列」 — 自二零零九年一月一日起生效。此項經修訂準則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於全面收益表。因此，本集團在綜合權益變動表中呈列全部擁有人之權益變動，而全部非擁有人之權益變動則在綜合全面收益表中呈列。比較數字已重新呈列，以符合經修訂準則。由於會計政策之改變僅影響呈列方面，故此對每股盈利並無影響。

## 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)

#### *Changes in accounting policy and disclosures (Continued)*

##### (a) *New and amended standards adopted by the Group (Continued)*

- HKFRS 2 (amendment), 'Share-based payment' (effective 1 January 2009) 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. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group and Company has adopted HKFRS 2 (amendment) from 1 January 2009. The amendment does not have a material impact on the Group's or Company's financial statements.
- HKFRS 8, 'Operating segments' (effective 1 January 2009). HKFRS 8 replaces HKAS 14, 'Segment reporting'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has no impact on the Group's financial statements, as the Group has already been using the principles, which are presentation of HKFRS 8, in presenting segment information of the Group.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### *會計政策及披露之變動(續)*

##### (a) *本集團已採納之新訂及經修訂準則(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)處理歸屬條件及註銷。此項修訂本闡明了歸屬條件僅指服務條件及表現條件。以股份支付支出的其他特徵不是歸屬條件。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的公平值內；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。本集團及本公司已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)。此項修訂本對本集團及本公司之財務報表並無重大影響。
- 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」。此項新準則規定須遵從「管理方法」，據此分部資料須按照內部報告所採用之相同基準呈列。香港財務報告準則第8號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)

#### *Changes in accounting policy and disclosures (Continued)*

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

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but the Group has not early adopted them:

- HK(IFRIC) – Int 17 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation is part of the HKICPA's annual improvements project published in May 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The Group and Company will apply HK(IFRIC) 17 from 1 January 2010, but it is not expected to have any material impact on the Group's or Company's financial statements.

## 2 主要會計政策概要（續）

### 2.1 編製基準（續）

#### *會計政策及披露之變動（續）*

(b) *尚未生效且未獲本集團提早採納之準則、修訂及現有準則之詮釋*

以下為已公佈的準則和現有準則的修訂，而本集團必須在二零一零年一月一日或之後開始的會計期間或較後期間採納，但本集團並無提早採納：

- 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或之後生效）。此項詮釋為香港會計師公會在二零零九年五月公佈的年度改進項目的一部分。此項詮釋就實體向股東分派非現金資產作為儲備分派或股利的安排的會計處理提供指引。香港財務報告準則第5號亦已被修改，規定資產只能夠在其現有狀況下及很可能分派時才可分類為持作分派。本集團及本公司將由二零一零年一月一日起應用香港（國際財務報告詮釋委員會）詮釋第17號，預期不會對本集團或本公司的財務報表造成重大影響。

## 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)

#### *Changes in accounting policy and disclosures (Continued)*

(b) *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 minority interest 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 minority interest from 1 January 2010.
- 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 income statement. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority 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)

#### *會計政策及披露之變動(續)*

(b) *尚未生效且未獲本集團提早採納之準則、修訂及現有準則之詮釋(續)*

- 香港會計準則第27號(經修訂)「綜合財務報表及獨立財務報表」(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，則與少數股東權益進行的所有交易的影響必須在權益中列報，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的會計處理方法。在實體內的任何剩餘權益按公平值重新計量，並在利潤表中確認盈虧。本集團將會由二零一零年一月一日起對與少數股東權益進行的交易應用香港會計準則第27號(經修訂)。
- 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應用收購法，但有些重大更改。例如，收購業務的所有款項必須按收購日期的公平值記錄，而分類為債務的或有付款其後須在收益表重新計量。被收購方的少數股東權益可選擇按收購基準以公平值或少數股東權益應佔被收購方資產淨值的比例計量。所有與收購相關成本必須支銷。本集團將會由二零一零年一月一日起對所有業務合併應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)

#### *Changes in accounting policy and disclosures (Continued)*

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

- HKAS 38 (amendment), 'Intangible Assets' (effective from 1 July 2009). The amendment is part of the HKICPA's annual improvements project published in May 2009 and the Group and Company will apply HKAS 38 (amendment) from the date HKFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. It is not expected to have material impact on the Group's or Company's financial statements.
- HKFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held for sale'. The amendment is part of the HKICPA's annual improvements project published in May 2009. The amendment provides clarification that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1. The Group and Company will apply HKFRS 5 (amendment) from 1 January 2010. It is not expected to have a material impact on the Group's or the Company's financial statements.

## 2 主要會計政策概要（續）

### 2.1 編製基準（續）

#### *會計政策及披露之變動（續）*

(b) *尚未生效且未獲本集團提早採納之準則、修訂及現有準則之詮釋（續）*

- 香港會計準則第38號(修訂本)「無形資產」(由二零零九年七月一日起生效)。此修訂本為香港會計師公會在二零零九年五月公佈的年度改進項目的一部分，而本集團和本公司將由香港財務報告準則第3號(經修訂)採納日期起應用香港會計準則第38號(修訂本)。此修訂本澄清了在業務合併中購買的無形資產的公平值的計量指引，並容許假若每項資產的可使用年期相近，可將無形資產組合為單一資產。此修訂本不會對本集團或本公司的財務報表造成重大影響。
- 香港財務報告準則第5號(修訂本)「持有待售非流動資產(或處置組)的計量」。此修訂本為香港會計師公會在二零零九年五月公佈的年度改進項目的一部分。此修訂本澄清了香港財務報告準則第5號說明分類為持有待售非流動資產(或處置組)和已終止經營業務規定的有關披露。此修訂本亦澄清了香港會計準則第1號的一般規定仍然適用，尤其是第15節(達致公允表達)和第125節(估計來源的不確定性)。本集團和本公司將會由二零一零年一月一日起應用香港財務報告準則第5號(修訂本)，預期不會對本集團或本公司的財務報表造成重大影響。

## 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)

#### Changes in accounting policy and disclosures (Continued)

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

- HKAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the HKICPA's annual improvements project published in April/May 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group and Company will apply HKAS 1 (amendment) from 1 January 2010. It is not expected to have a material impact on the Group's or Company's financial statements.
- HKFRS 2 (amendments), 'Group cash-settled share-based payment transactions' (effective from 1 January 2010). In addition to incorporating HK(IFRIC) – Int 8, 'Scope of HKFRS 2', and HK(IFRIC) – Int 11, HKFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by the interpretation. The new guidance 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)

#### 會計政策及披露之變動(續)

(b) *尚未生效且未獲本集團提早採納之準則、修訂及現有準則之詮釋(續)*

- 香港會計準則第1號(修訂本)「財務報表的呈列」。此修訂本為香港會計師公會於二零零九年四月/五月公佈的年度改進項目的一部分。此修訂本澄清了意圖透過發行權益而結算一項負債，與該項負債被分類為流動或非流動是沒有關係的。透過修改流動負債的定義，此修訂本容許一項負債被分類為非流動(假若實體可無條件，透過轉讓現金或其他資產，將其負債結算遞延至會計期後最少12個月)，則不論交易對方是否可能要求實體隨時以股份結算。本集團和本公司將會由二零一零年一月一日起應用香港會計準則第1號(修訂本)，預期不會對本集團或本公司的財務報表造成重大影響。
- 香港財務報告準則第2號(修訂本)「集團以現金結算的以股份支付支出交易」(由二零一零年一月一日起生效)。除了納入香港(國際財務報告詮釋委員會) – 詮釋第8號「香港財務報告準則第2號的範圍」和香港(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 – 集團和庫存股份交易」外，此修訂本亦擴闊了國際財務報告解釋委員會第11號的指引，針對未為該詮釋所涵蓋有關集團安排的分類。此項新指引預期不會對本集團的財務報表造成重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.2 Consolidation

#### (a) Subsidiaries

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as 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 recognised directly in the income statement (Note 2.6).

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

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.7). The results of subsidiaries are accounted for 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

#### (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(包括特別用途實體)，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。

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2.6)。

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作出變動，以確保與本集團採納之政策一致。

在本公司之財務狀況表內，附屬公司投資乃按成本扣除減值虧損撥備列賬(附註2.7)。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 and are recorded in the 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.

#### (c) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.7 for the impairment of non-financial assets including goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are 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 does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 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。

#### (c) 聯營公司

聯營公司為本集團可對其施加重大影響力但非控制權之所有實體，一般持有其投票權20%至50%。聯營公司投資採用權益會計法列賬，並初步按成本值確認。本集團之聯營公司投資包括收購時辨識之商譽（經扣除任何累計減值虧損）。有關非金融資產（包括商譽）之減值，請參閱附註2.7。

本集團分佔聯營公司收購後利潤或虧損於收益表確認，而其應佔收購後儲備變動則於儲備內確認。累計收購後變動就投資賬面值作出調整。倘本集團分佔聯營公司虧損等於或多於其於聯營公司之權益（包括任何其他無抵押應收款），本集團不會進一步確認虧損，除非其已產生負債或代聯營公司付款。

本集團與其聯營公司間交易之未變現收益予以對銷，並以本集團於聯營公司之權益為限。未變現虧損亦作對銷，除非交易提供所轉讓資產出現減值之證據。聯營公司之會計政策已在必要情況下作出變動，以確保與本集團所採納之政策一致。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.2 Consolidation (Continued)

#### (c) Associates (Continued)

Dilution gains and losses arising in investments in associates are recognised in the income statement.

In the Company's statement of financial position the investments in associates are stated at cost less provision for impairment losses (Note 2.7). The results of associates are accounted for by the Company on the basis of dividend received and receivable.

### 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

### 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 ("HK\$"), which is different from the Company's functional currency of Renminbi ("RMB").

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 and qualifying net investment hedges.

## 2 主要會計政策概要(續)

### 2.2 綜合賬目(續)

#### (c) 聯營公司(續)

聯營公司投資所產生之攤薄收益及虧損於收益表確認。

在本公司之財務狀況表中，聯營公司投資以成本減除減值虧損撥備入賬(見附註2.7)。聯營公司之業績由本公司按已收及應收股息基準列賬。

### 2.3 分部報告

營運分部之報告方式須與主要營運決策者獲提供之內部報告之方式一致。作出決策之董事會是主要經營決策者，其負責分配資源並且評核營運分部之表現。

### 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(「港幣」)(與本公司之功能貨幣人民幣(「人民幣」)不同)呈列。

#### (b) 交易及結餘

外幣交易按交易日期或估值日期(倘重新計量項目)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。

## 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 (Continued)

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

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the available for sale reserve in equity.

#### (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 statement of financial position presented are translated at the closing rate at end of the reporting period;
- (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 rate on the dates of the transactions); and

## 2 主要會計政策概要(續)

### 2.4 外幣換算(續)

#### (b) 交易及結餘(續)

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

以外幣列值及分類為可供出售之貨幣證券之公平值變動，將在其證券攤銷成本變動所產生之換算差額與證券賬面值變動之間予以分析。與攤銷成本變動相關之換算差額，會在損益內確認，而其他賬面值之變動則在權益中確認。

非貨幣金融資產及負債(例如按公平值透過損益記賬之權益)之換算差額，將於損益確認為公平值盈虧之一部分。非貨幣金融資產(例如分類為可供出售之權益)之換算差額於權益之可供出售儲備內列賬。

#### (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) 每份財務狀況表之資產及負債均按報告期間完結時之收市匯率換算；
- (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

## 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)

- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 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 recognised 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 charged to the income statement during the financial period in which they are incurred.

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:

		<b>Estimated useful lives</b>
		<b>估計可使用年期</b>
Buildings:	樓宇：	
— Decorations	— 裝飾	3 years 年
— Factories, offices and others	— 工廠、辦公室及其他	10–30 years 年
Plant and machinery	廠房及機器	10–20 years 年
Motor vehicles	汽車	5–10 years 年
Electronic and other equipment	電子及其他設備	3–5 years 年

## 2 主要會計政策概要（續）

### 2.4 外幣換算（續）

#### (c) 集團公司（續）

- (iii) 所有產生之匯兌差異均呈列為權益之獨立項目。

於綜合賬目時，換算海外業務之投資淨額、借款及其他用作對沖有關投資之貨幣工具所產生之匯兌差額均計入股東權益。當部分出售或出售海外業務時，有關匯兌差額於收益表之權益內確認，入賬列為出售收益或虧損之一部分。

收購海外實體所產生之商譽及公平值調整均視為海外實體之資產及負債，並按收市匯率換算。

### 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扣除。

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：

## 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)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction-in-progress represents the direct costs of construction incurred and machinery pending to 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.

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 2.7).

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

### 2.6 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 is tested annually 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 主要會計政策概要(續)

### 2.5 物業、廠房及設備(續)

資產之剩餘價值及可使用年期在每個報告期終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。

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2.7)。

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

### 2.6 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。商譽就減值進行年度測試，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。

## 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 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life, for example goodwill, 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in subsidiaries or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2 主要會計政策概要（續）

### 2.7 附屬公司、聯營公司投資及非金融資產之減值

沒有確定使用年期之資產（如商譽）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。

倘附屬公司投資或聯營公司投資收取之股息超過附屬公司或聯營公司於股息宣派期間之全面收入總額，或獨立財務報表中之投資賬面值超過投資公司資產淨值（包括商譽）於綜合財務報表中之賬面值，須對附屬公司或聯營公司之投資進行減值測試。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.8 Financial assets

#### 2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivable, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(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.

(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 end of the reporting period. 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 statement of financial position (Notes 2.13 and 2.14).

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

## 2 主要會計政策概要（續）

### 2.8 金融資產

#### 2.8.1 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、貸款及應收款以及可供出售金融資產。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。

(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。

(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，惟由報告期終起計十二個月後方到期之項目則列作非流動資產。本集團之貸款及應收款均計入財務狀況表之「貿易及其他應收款」及「現金及現金等價物」(附註2.13及2.14)。

(c) *可供出售金融資產*

可供出售金融資產為指定為此類別或並無歸入任何其他類別之非衍生工具。該類別資產乃列入非流動資產，惟投資到期或管理層有意於報告期終起計十二個月內出售之投資則除外。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.8 Financial assets (Continued)

#### 2.8.2 Recognition and measurement

Regular 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 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. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

### 2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## 2 主要會計政策概要(續)

### 2.8 金融資產(續)

#### 2.8.2 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。可供出售金融資產及按公平值透過損益記賬之金融資產其後則按公平值列賬。貸款及應收款期後利用實際利息法按攤銷成本列賬。

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。

分類為可供出售之證券在售出或減值時，則於權益確認之累計公平值之調整將列入收益表之「投資證券收益及虧損」內。

當本集團確立收款之權利時，可供出售股權工具之股息在收益表確認為其他收入之一部分。

### 2.9 抵銷金融工具

金融資產及負債於擁有法律可強制權抵銷已確認金額及於擬按淨值基準結算或同時變現資產及結算負債時予以抵銷；有關淨額則於財務狀況表內列賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.10 Impairment of financial assets

#### (a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

## 2 主要會計政策概要(續)

### 2.10 金融資產減值

#### (a) *以攤銷成本列賬之資產*

本集團在各報告期終評估是否有客觀證據顯示一項或一組金融資產出現減值。於初始確認資產後，必須要發生一件或多件事件導致產生減值之客觀證據（「虧損事件」），而該等虧損事件對可靠地估計該項或該組金融資產之估計未來現金流量構成影響，則該項或該組金融資產將被視作減值及出現減值虧損。

本集團用作釐定是否出現減值虧損之客觀證據之標準包括：

- 發行人或欠債人遇到嚴重財政困難；
- 違約，例如逾期或拖欠利息或本金還款；
- 借款人有可能破產或進行其他財務重組。

本集團首先評估是否出現減值之客觀證據。

虧損金額按資產賬面值與估計未來現金流量（不包括未產生之未來信貸虧損），並經該金融資產原有實際利率貼現之差額計量。資產之賬面值調低，則於綜合收益表內確認虧損金額。倘一項貸款或持有至到期日投資按可變動利率計算，用於計量任何減值虧損之貼現率則為合約下釐定之現時實際利率。實務上，本集團可採用可觀察之市值作為工具之公平值基準計量減值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.10 Impairment of financial assets (Continued)

- (a) *Assets carried at amortised cost (Continued)*  
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.
- (b) *Assets classified as available for sale*  
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the separate consolidated income statement. Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the separate consolidated income statement.

### 2.11 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. 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)

### 2.10 金融資產減值(續)

- (a) *以攤銷成本列賬之資產(續)*  
若在其後期間，減值虧損之金額減少，而該減少是可客觀地與確認減值後發生之事件相關(例如債務人信貸評級有所改善)，則之前確認之減值虧損撥回會於綜合收益表中確認。
- (b) *分類為可供出售之資產*  
本集團在各報告期終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權證券，證券之公平值大幅或持續下跌至低於其成本值亦為資產出現減值之證據。倘有證據顯示可供出售金融資產出現減值，其累計虧損(以收購成本與現時公平值之差額計量)減該金融資產以往於損益內確認之任何減值虧損則於權益撤銷，並於獨立綜合收益表內確認。於獨立綜合收益表內確認之股權工具減值虧損不會透過獨立綜合收益表撥回。倘於其後期間，被分類為可供出售之債務工具之公平值增加，而該增加可客觀地與減值虧損於損益確認後出現之事件有關，減值虧損則可透過獨立綜合收益表中撥回。

### 2.11 衍生金融工具

衍生工具初步按衍生工具合約訂立日之公平值確認，其後按公平值重新計量。該等衍生工具之公平值變動，即時於綜合收益表中「其他收益／(虧損) — 淨額」內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) 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.

### 2.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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.

### 2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### 2.15 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 主要會計政策概要(續)

### 2.12 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。

### 2.13 貿易及其他應收款

貿易應收款是在一般營業過程中銷售商品而應收客戶之款項。倘貿易及其他應收款預期將在一年或一年以內收回（或倘更長期間，則在業務正常營運週期內之時間），則分類為流動資產。否則，則呈列為非流動資產中。

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。

### 2.14 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。

### 2.15 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。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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 end of the reporting period.

### 2.18 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates 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.

## 2 主要會計政策概要（續）

### 2.16 貿易應付款

貿易應付款是在日常業務過程中自供應商購買商品或接受服務而支付之責任。倘應付賬目在一年或一年內到期付款（倘更長期間，則在業務正常營運週期內），則分類為流動負債。否則，呈列為非流動負債。

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。

### 2.17 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收益表中確認。

除非本集團有權無條件將債項之償還日期延長至報告期間完結後最少十二個月，否則借款分類為流動負債。

### 2.18 當期及遞延所得稅

本年度之稅項開支包括當期及遞延稅項。稅項在收益表中確認，但與其他全面收益或直接在權益中確認之項目有關者則除外。在此情況下，稅項亦分別在其他全面收入或權益中確認。

當期所得稅支出根據本公司之附屬公司及聯營公司經營及產生應課稅收入之國家於報告期間完結時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。

## 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 Current and deferred income tax (Continued)

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 is not accounted for if it 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 substantively enacted by the end of the reporting period 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.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2 主要會計政策概要（續）

### 2.18 當期及遞延所得稅（續）

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。遞延所得稅以於報告期間完結時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。

遞延所得稅按附屬公司及聯營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。

當有依法強制執行權將即期稅項資產與即期稅項負債互相抵銷，且遞延所得稅資產及負債與同一稅務機關對同一應繳稅實體或者不同應繳稅實體徵收之所得稅有關，且有意按淨額基準將結餘結算，則可將遞延所得稅資產與負債相互抵銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.19 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.

The Group has no further payment obligations once the contributions have been paid.

#### (b) 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 the end of the reporting period are discounted to their present value.

## 2 主要會計政策概要（續）

### 2.19 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。

本集團一經繳付供款後再無進一步付款責任。

#### (b) 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。在報告期終後超過十二個月支付之福利貼現至現值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.20 Share-based payments

The Group operates an equity-settled, share-based compensation scheme, 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;

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

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 the end of each reporting period, 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 income statement, with a corresponding adjustment to equity.

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity.

## 2 主要會計政策概要（續）

### 2.20 以股份支付支出

本集團推行多項按權益結算、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；

- 包括任何市場表現狀況；
- 不包括任何服務及非市場表現歸屬條件（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；及
- 不包括任何非歸屬條件（例如挽留僱員之規定）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。於各報告期終，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。

購股權獲行使時，認購已發行股份之現金計入股本（面值）及股份溢價，扣除任何直接交易成本。

本公司向本集團附屬企業之僱員授出股本工具購股權，應視為注資。就僱員提供服務之公平值（參照授出日期之公平值）乃於歸屬期確認為附屬公司投資增加，並相應計入股益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.21 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 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.

(b) *Interest income*

Interest income is recognised 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 and receivables are recognised using the original effective interest rate.

(c) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

### 2.22 Operating leases

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.

## 2 主要會計政策概要（續）

### 2.21 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。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。

(b) *利息收入*

利息收入採用實際利息法確認。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），並繼續解除貼現作為利息收入。減值貸款及應收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。

### 2.22 經營租賃

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。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

## 2 Summary of Significant Accounting Policies (Continued)

### 2.23 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.

### 2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

## 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 its business activities are denominated in foreign currencies, primarily with respect to HK\$, United States dollar ("USD") and Euro ("EUR").

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.

## 2 主要會計政策概要（續）

### 2.23 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。

### 2.24 股息分派

分派予本公司股東之股息在股息獲得本公司股東批准之期間內，在本公司之財務報表中確認為本集團之負債。

## 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、美元（「美元」）及歐元（「歐元」））列值，故本集團面對外匯風險。

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。



## 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 2009, 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\$3,016,000 (2008: HK\$2,248,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of HK\$-denominated trade and other receivables and trade and other payables and due from/to related companies.

At 31 December 2009, 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\$2,332,000 (2008: HK\$15,065,000) 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 2009, 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\$2,112,000 (2008: HK\$4,915,000) 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）

於二零零九年十二月三十一日，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3,016,000元（二零零八年：港幣2,248,000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。

於二零零九年十二月三十一日，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2,332,000元（二零零八年：港幣15,065,000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。

於二零零九年十二月三十一日，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2,112,000元（二零零八年：港幣4,915,000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 2009.

At 31 December 2009, 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\$58,000 (2008: HK\$13,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

###### (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.

### 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，於二零零九年十二月三十一日，本項風險並不重大。

於二零零九年十二月三十一日，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58,000元(二零零八年：港幣13,000元)，主要由於浮息借款之利息開支增加／減少。

###### (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之靈活性。

## 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 (Continued)

At 31 December 2009, 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\$1,163,000 (2008: HK\$1,143,000) higher/lower, representing the change in fair value of copper and aluminium derivatives at the end of the reporting period.

The Group is not exposed to equity securities price risk.

##### (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)

##### (a) 市場風險 (續)

###### (iii) 價格風險 (續)

於二零零九年十二月三十一日，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1,163,000元(二零零八年：港幣1,143,000元)，即銅及鋁衍生產品於報告期間完結時之公平值變動。

本集團並無面臨股本證券價格風險。

##### (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 non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period 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。

下表分析本集團於報告期間完結至合約到期日的餘下期間按有關到期組別之非衍生金融負債。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 2009	於二零零九年十二月三十一日			
Bank borrowings	銀行借款	471,721	62,559	101,497
Trade and other payables	貿易及其他應付款	2,598,798	—	—
Due to related companies	應付關聯公司款項	178,615	—	—
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	—	—

## 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

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.

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 pledged bank deposits and cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position.

During the year ended 31 December 2009, the Group's strategy was to further improve the gearing ratio. The gearing ratios as at 31 December 2009 and 2008 were as follows:

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Total borrowings (Note 20)	借款總額(附註20)	629,102	671,608
Less: Pledged bank deposits (Note 16)	減：已抵押銀行存款(附註16)	(49,081)	(61,020)
Cash and cash equivalents (Note 17)	現金及現金等價物(附註17)	(257,478)	(217,124)
Net debt	債項淨額	322,543	393,464
Total capital	資本總額	1,134,716	770,642
Gearing ratio (%)	資本負債比率(%)	28	51

The decrease in gearing ratio resulted primarily from the profit generated from the operations of the Group during the year ended 31 December 2009.

### 3 財務風險管理(續)

#### 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。

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已抵押銀行存款和現金及現金等價物。資本總額計算為權益(如綜合財務狀況表所列示)。

於截至二零零九年十二月三十一日止年度，本集團旨在進一步改善資本負債比率。於二零零九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，主要由於截至二零零九年十二月三十一日止年度營運產生利潤所致。

## 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

Effective 1 January 2009, the Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2009.

### 3 財務風險管理 (續)

#### 3.3 公平值估計

自二零零九年一月一日起，本集團就於財務狀況表中按公平值計量之金融工具採納香港財務報告準則第7號之修訂，此項修訂要求採用下列公平值計量機制對公平值計量分級作出披露：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除包括在第一級之報價外，資產或負債之可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定之資產或負債之輸入資料(即不可觀察之輸入資料)(第三級)。

下表呈列本集團於二零零九年十二月三十一日按公平值計量之資產及負債。

		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
<b>Assets</b>	<b>資產</b>				
Derivatives financial instruments	衍生金融工具				
— future commodity contracts	— 期貨商品合約	21,270	—	—	21,270
— forward foreign exchange contracts	— 遠期外匯合約	—	4,438	—	4,438
Available-for-sale financial assets	可供出售金融資產				
— Equity investment	— 股權投資	—	—	28,393	28,393
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具				
— foreign exchange forward contracts	— 遠期外匯合約	—	902	—	902

## 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 (Continued)

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

The fair value of financial instruments that are not traded in an active market (for example, the forward foreign exchange contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The available-for-sale financial asset is the capital contribution made by the Group into a private company on 28 December 2009 as detailed in Note 12. As this company was under pre-operating stage, the fair value of the equity investment approximate its carrying value as at 31 December 2009.

### 3 財務風險管理（續）

#### 3.3 公平值估計（續）

在活躍市場買賣之金融工具之公平值，是根據報告期間完結時之市場所報價格為基準。倘報價可隨時或定期從交易市場、交易商、經紀、產業集團、股價服務機構或監管機關獲得，並且該等價格指真實、按公平基準之定期市場交易，則該市場被視為活躍市場。本集團持有之金融資產所用之市場報價為當時買入價。該等工具獲納入第一級。獲納入第一級之工具包括期貨商品合約。

並非在活躍市場買賣之金融工具（例如遠期外匯合約）之公平值，則利用估值技術釐定。該等估值技術盡用可獲得之可觀察市場數據，從而盡量減少對實體特定估計之依賴程度。倘按公平值計量一項工具之所有重大輸入數據均可觀察獲得，則該項工具獲納入第二級。

倘一個或多個重大輸入數據並非根據可觀察市場數據釐定，則該項工具獲納入第三級。

可供出售金融資產乃本集團於二零零九年十二月二十八日向私人公司作出之注資，詳情載於附註12。由於該公司正處於營運前階段，於二零零九年十二月三十一日股權投資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）

#### 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.

###### (a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7. 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 micro motors business had been 1% higher than management's estimates (i.e. 16% instead of 15%), the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would 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.

If the estimated dividend paid out rate had been 1% lower than management's estimates (i.e. 2% instead of 3%), the fair value of the options granted at the grant date would have been approximately HK\$1,839,000 higher, and the profit before tax of the Group for the year ended 31 December 2009 would have been approximately HK\$714,000 lower.

#### 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。

###### (a) 商譽減值

本集團每年按照附註2.7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。

倘適用於微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%（即16%代替15%），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。

倘估計派息率較管理層估計者低1%（即2%代替3%），則於授出日期授獲之購股權之公平值將增加約港幣1,839,000元，而本集團截至二零零九年十二月三十一日止年度之稅前利潤將會減少約港幣714,000元。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 5 Segment Information

The principal activities of the Group are manufacturing, distribution and selling motors and electronic and electric components for electrical household appliance and trading of raw materials in the PRC and overseas.

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, the board of directors, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the management considers the business from both product and geographic perspective. From a product perspective, the Group organised into the following main business segments:

Micro motors business	— manufacture and distribution of motors for air-conditioner and refrigerator compressor
Washing motors business	— manufacture and distribution of motors for washing machine, dish washer and food processing
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
Discontinued operations	— manufacture and distribution of refrigerators, air-conditioner and mini-refrigerator

The chief operating decision-maker assesses the performance of the operating segments based on the profit before income tax for the year.

#### 5 分部資料

本集團之主要業務為在中國及海外製造、分銷及出售家用電器之電機及電子電器產品，以及從事買賣原材料。

根據本集團提交予負責分配資源、評估營運分部表現及作出策略性決定之主要經營決策的董事會之內部財務報告，管理層認為可從產品及地域兩方面考慮業務狀況。在產品方面，本集團經營以下主要業務分部：

微電機業務	— 製造及分銷空調及冰箱壓縮機之電機
洗滌電機業務	— 製造及分銷洗衣機、洗碗碟機及食品加工之電機
電子電器產品業務	— 製造及分銷變壓器、電抗器、單極電機及電動自行車電機
原材料業務	— 買賣原材料
已終止經營業務	— 製造及分銷冰箱、空調及小型冰箱

主要經營決策者根據年內扣除所得稅前利潤評估營運分部之表現。

## 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

The segment information for the year ended 31 December 2009 are as follows:

#### 5 分部資料(續)

##### 5.1 主要報告形式 – 業務分部

截至二零零九年十二月三十一日止年度之分部資料如下：

		Micro motors business 微電機業務 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 原材料業務 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	The Group Total 本集團 合計 HK\$'000 港幣千元
Gross segment revenue	總分部收益	2,445,370	1,695,186	681,706	1,943,627	—	6,765,889
Inter-segment revenue	分部間收益	(1,098)	(846)	(2,231)	(1,937,598)	—	(1,941,773)
Revenue (from external customers)	收益 (來自外來客戶)	2,444,272	1,694,340	679,475	6,029	—	4,824,116
Operating profit/(loss)	經營利潤/(虧損)	199,492	192,748	44,730	17,058	(17,108)	436,920
Finance costs	融資成本	(6,489)	(1,850)	—	(12,950)	(1,746)	(23,035)
Finance income	融資收入	2,784	1,537	16	1	3	4,341
Finance (cost)/income — net	融資(成本)/ 收入 — 淨額	(3,705)	(313)	16	(12,949)	(1,743)	(18,694)
Share of profits of associates	佔聯營公司利潤	—	—	—	—	4,808	4,808
Profit/(loss) before income tax	扣除所得稅前 利潤/(虧損)	195,787	192,435	44,746	4,109	(14,043)	423,034
Income tax expense	所得稅開支	(28,266)	(20,260)	(3,635)	(1,532)	(15,566)	(69,259)
Profit/(loss) for the year	年度利潤/(虧損)	167,521	172,175	41,111	2,577	(29,609)	353,775
Segment assets	分部資產	2,149,876	1,481,234	386,572	349,854	1,855	4,369,391
Deferred income tax assets	遞延所得稅資產						21,856
Investments in associates	聯營公司投資						206,966
Total assets	總資產						4,598,213
Segment liabilities	分部負債	1,562,746	1,272,586	263,317	337,580	2,033	3,438,262
Deferred income tax liabilities	遞延所得稅負債						25,235
Total liabilities	總負債						3,463,497
Addition of property, plant and equipment and leasehold land and land use right	添置物業、廠房及 設備和租賃土 地及土地使用 權	139,205	78,127	7,786	—	6	225,124
<b>Material non-cash expenses/ (income)</b>	<b>重大非現金開支/ (收入)</b>						
Depreciation and amortisation	折舊及攤銷	40,012	29,194	9,231	—	54	78,491
(Reversal)/provision for inventory obsolescence	存貨跌價及殘次準 備(撥回)/ 撥備	(902)	274	(105)	(609)	—	(1,342)
Provision/(reversal) for impairment of trade and other receivables	貿易及其他應收款 減值撥備/ (撥回)	1,496	1,751	(685)	—	—	2,562
Fair value gain on derivative financial instruments	衍生金融工具 公平值收益	(4,661)	(20,126)	—	—	—	(24,787)



## 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 is domiciled in the PRC. The Group's revenue from external customers located in PRC and outside PRC are presented as follows:

		Micro motors business	Washing motors business	Electronic and electric components business	Raw material business	Group Total
		微電機業務	洗滌 電機業務	電子電器 產品業務	原材料業務	本集團 合計
		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
For the year ended 31 December 2009	截至二零零九年 十二月三十一日止年度					
Revenue from external customers in PRC	來自中國境內外來客戶之收益	2,027,556	912,658	637,703	6,029	3,583,946
Revenue from external customers outside PRC	來自中國境外外來客戶之收益	416,716	781,682	41,772	—	1,240,170
		2,444,272	1,694,340	679,475	6,029	4,824,116

		Micro motors business	Washing motors business	Electronic and electric components business	Raw material business	Continuing operations Total	Group Discontinued operations
		微電機業務	洗滌 電機業務	電子電器 產品業務	原材料業務	經營業務 合計	已終止 經營業務
		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
For the year ended 31 December 2008	截至二零零八年 十二月三十一日 止年度						
Revenue from external customers in PRC	來自中國境內外來客戶之收益	2,142,381	813,544	723,132	56,524	3,735,581	1,146,717
Revenue from external customers outside PRC	來自中國境外外來客戶之收益	560,768	821,859	75,070	—	1,457,697	233,338
		2,703,149	1,635,403	798,202	56,524	5,193,278	1,380,055

No geographical segment analysis on non-current assets other than financial instruments, deferred income tax assets is prepared as substantially all of the Group's assets were located in the PRC.

#### 5 分部資料(續)

##### 5.2 從屬報告形式 – 地區分部

本集團駐於中國。本集團來自中國境內及境外之外來客戶之收益，呈列如下：

由於本集團絕大部份資產皆位於中國，故並無編製非流動資產(除金融工具、遞延所得稅資產外)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 values 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	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
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	124,496	127,436

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Opening net book amount	年初賬面淨值	127,436	193,012
Additions	添置	—	30,680
Amortisation of prepaid operating lease payments	預付經營租賃款項攤銷	(2,923)	(2,773)
Exchange difference	匯兌差異	(17)	10,642
Disposal of subsidiaries (Note 36(a))	出售附屬公司(附註36(a))	—	(104,125)
Closing net book amount	年終賬面淨值	124,496	127,436

At 31 December 2009, leasehold land and land use rights with net book value of approximately HK\$84,026,000 (2008: HK\$85,965,000) have been pledged as security for the Group's short-term bank borrowings (Note 20).

於二零零九年十二月三十一日，賬面淨值約港幣84,026,000元(二零零八年：港幣85,965,000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20)。

## 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 HK\$'000 港幣千元	樓宇 HK\$'000 港幣千元	廠房及機器 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	電子及 其他設備 HK\$'000 港幣千元	合計 HK\$'000 港幣千元
At 1 January 2008	於二零零八年一月一日						
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 36(a))	出售附屬公司(附註36(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	賬面淨值	59,360	242,811	246,151	4,905	18,118	571,345
Year ended 31 December 2009	截至二零零九年十二月三十一日 止年度						
Opening net book amount	年初賬面淨值	59,360	242,811	246,151	4,905	18,118	571,345
Additions	添置	58,577	10,689	143,495	2,638	9,725	225,124
Exchange difference	匯兌差異	(7)	(40)	(65)	—	(12)	(124)
Disposals	出售	(4,495)	(7)	(14,528)	(249)	(1,955)	(21,234)
Transfer	轉撥	(49,738)	14,086	34,450	—	1,202	—
Depreciation	折舊	—	(18,208)	(47,077)	(1,401)	(8,882)	(75,568)
Closing net book amount	年終賬面淨值	63,697	249,331	362,426	5,893	18,196	699,543
At 31 December 2009	於二零零九年十二月三十一日						
Cost	成本	63,697	334,216	650,122	10,228	41,360	1,099,623
Accumulated depreciation	累計折舊	—	(84,885)	(287,696)	(4,335)	(23,164)	(400,080)
Net book amount	賬面淨值	63,697	249,331	362,426	5,893	18,196	699,543

Depreciation expense of HK\$64,467,000 (2008: HK\$64,169,000) has been charged in cost of goods sold, HK\$47,000 (2008: HK\$53,000) in selling and marketing costs and HK\$11,054,000 (2008: HK\$5,698,000) in administrative expenses.

At 31 December 2009, property, plant and equipment with net book value of HK\$125,081,000 (2008: HK\$133,229,000) were pledged as security for the Group's short-term bank borrowings (Note 20).

#### 7 物業、廠房及設備

##### (a) 本集團

折舊開支港幣64,467,000元(二零零八年:港幣64,169,000元)已計入銷售貨品成本,港幣47,000元(二零零八年:港幣53,000元)已計入銷售及市場推廣成本,而港幣11,054,000元(二零零八年:港幣5,698,000元)則已計入行政開支。

於二零零九年十二月三十一日,賬面淨值港幣125,081,000元(二零零八年:港幣133,229,000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20)。

## 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)

In 2009, the Group did not recognise any impairment provision (2008: HK\$92,000) in its consolidated financial statements.

##### (b) Company

#### 7 物業、廠房及設備（續）

##### (a) 本集團（續）

於二零零九年，本集團於綜合財務報表中並無確認任何減值撥備（二零零八年：港幣92,000元）。

##### (b) 本公司

		<b>Electronic and other equipment 電子及 其他設備 HK\$'000 港幣千元</b>
At 1 January 2008	於二零零八年一月一日	
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
Disposals	出售	(43)
Depreciation	折舊	(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
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	87
Depreciation	折舊	(43)
Closing net book amount	年終賬面淨值	44
At 31 December 2009	於二零零九年十二月三十一日	
Cost	成本	284
Accumulated depreciation	累計折舊	(240)
Net book amount	賬面淨值	44

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 8 Investment Properties

#### 8 投資物業

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
At 1 January	於一月一日	—	106,800
Fair value gain	公平值收益	—	2,198
Exchange difference	匯兌差異	—	4,895
Disposal of subsidiaries (Note 36(a))	出售附屬公司(附註36(a))	—	(113,893)
At 31 December	於十二月三十一日	—	—

The investment properties represented 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 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重估。估值乃根據所有物業之活躍市場現價以投資法進行。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 Goodwill

#### 9 商譽

		Group 本集團 HK\$'000 港幣千元
At 1 January 2008	於二零零八年一月一日	
Cost and net book amount	成本及賬面淨值	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
Exchange difference	匯兌差異	1,330
Closing net book amount	年終賬面淨值	22,410
At 1 January 2009	於二零零九年一月一日	
Cost and net book amount	成本及賬面淨值	22,410
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	22,410
Exchange difference	匯兌差異	(2)
		22,408
At 31 December 2009	於二零零九年十二月三十一日	
Cost and net book amount	成本及賬面淨值	22,408

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 micro motor business 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.

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微電機業務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。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 9 Goodwill (Continued)

The key assumptions used for value-in-use calculations are as follows:

#### 9 商譽（續）

使用價值計算之主要假設如下：

		2009 二零零九年	2008 二零零八年
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	10%	8%
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	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)	1%	3%
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	15%	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 micro motors business. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

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。增長率並未超越微電機業務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。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 10 Investments in Subsidiaries

The amount represents investments in equity interests in subsidiaries of the Company. Details are as follows:

#### 10 附屬公司投資

下列款項指本公司附屬公司之股權投資。詳情如下：

		Company 本公司	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Investments in subsidiaries:	附屬公司投資：		
— investments in equity interests — at cost, unlisted	— 股權投資 — 按成本值，非上市	4,500,000	4,500,000
— investments arising from share-based payments (i)	— 以股份支付支出產生之投資(i)	4,048	—
— loans to a subsidiary (ii)	— 附屬公司貸款(ii)	98,000	—
— amounts due from subsidiaries (iii)	— 應收附屬公司款項(iii)	325,907	—
— amounts due to subsidiaries (iii)	— 應付附屬公司款項(iii)	(143,082)	(60,477)
— exchange difference	— 匯兌差異	77,176	77,692
		<b>4,862,049</b>	<b>4,517,215</b>

(i) The amount represents share-based payments arising from the grant of share options of the Company to employees of the subsidiaries for their services provided to the subsidiaries.

(ii) The loans to a subsidiary is unsecured, interest bearing, denominated in HK\$ and repayable on 28 December 2012. The fair value of loans to subsidiaries approximate its carrying value, which are based on cash flow discounted using a rate based on the borrowing rate of 3%, which has no material difference to HIBOR plus appropriate credit rating.

(iii) The amounts due from/(to) subsidiaries are unsecured, interest-free and with no fixed term of repayment, non-trade related, aged within one year and not past due.

(i) 該款項指就附屬公司之僱員向附屬公司提供服務而向彼等授出本公司購股權產生之以股份支付支出。

(ii) 附屬公司貸款為無抵押、計息、以港幣列值，並須於二零一二年十二月二十八日償還。附屬公司貸款之公平值與其賬面值相若，乃根據借款利率3%，按現金流量貼現計算。貼現率與香港銀行同業拆息率另加適當之信貸評級並無重大差異。

(iii) 應收／（應付）附屬公司款項為無抵押、免息及無固定還款期、非貿易相關、賬齡少於一年且無逾期。

## 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 2009 are:

#### 10 附屬公司投資 (續)

附屬公司於二零零九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	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	所持權益
<b>Directly held:</b>				
<b>直接持有：</b>				
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	100%
<b>Indirectly held:</b>				
<b>間接持有：</b>				
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	100%
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	100%
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	100%
Welling (Wuhu) Motor Manufacturing Co., Ltd.	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD17,680,000	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 17,680,000美元	100%
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	100%
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	100%
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	100%
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	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 11 Investments in Associates

#### 11 聯營公司投資

		Group 本集團 HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	—
Acquisition of associates	收購聯營公司	202,158
Share of associates' post acquisition result after tax	佔聯營公司收購後稅後業績	4,808
Including:	包括：	
Negative goodwill	負商譽	3,974
Share of associates' post acquisition profit after tax	佔聯營公司收購後扣除稅後利潤	834
At 31 December 2009	於二零零九年十二月三十一日	206,966

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 a third party independent to the Group (the "Domestic Vendor"). The Target Companies are engaged in manufacturing of casting products.

As at 31 December 2008, the Group paid an amount of HK\$82,463,000 in accordance with the PRC JV Agreement as capital contribution for the formation of a joint venture company, namely Shanxi Huaxiang Investment Co., Ltd, incorporated in Shanxi Province, the PRC. The joint venture company was held by the Group and the Domestic Vendor as to 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 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.

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，本集團之獨立第三方（「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金額港幣82,463,000元，以為成立於中國山西省註冊成立之合資企業山西華翔投資有限公司提供資金。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)

#### 11 Investments in Associates (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 amount paid of HK\$82,463,000 (Note 14) was recognised as prepayment for investments in associates in the consolidated statement of financial position as at 31 December 2008.

The Acquisition was completed on 28 October 2009. The total consideration of HK\$202,158,000 is recognised as the cost for the investments in associates, and the Group's investments in associates are accounted for using the equity method of accounting as described in Note 2.2(c).

The analysis of the negative goodwill and acquisition cost are as follows:

#### 11 聯營公司投資 (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，故所支付之金額港幣82,463,000元(附註14)於二零零八年十二月三十一日之綜合財務狀況表中確認為預付聯營公司投資款項。

收購事項於二零零九年十月二十八日完成。港幣202,158,000元之總代價獲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(於附註2.2(c)詳述)列賬。

負商譽及收購成本之分析如下：

		Fair value 公平值 HK\$'000 港幣千元
Fair value of net assets acquired	所收購資產淨值之公平值	206,132
Negative goodwill	負商譽	(3,974)
Total purchase consideration	總收購代價	202,158
Representing:	代表：	
— Consideration paid by cash	— 以現金支付之代價	202,158

The summarised financial information of the Group's principal associates, all of which are unlisted, including the aggregated gross amounts of assets, liabilities, revenues and profit, is as follows:

本集團主要聯營公司(全部均為非上市)之財務資料(包括資產、負債、收益及利潤總額)概述如下：

Name 名稱	Place of incorporation/ establishment 註冊成立/成立地點	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Revenues 收益 HK\$'000 港幣千元	Profit 利潤 HK\$'000 港幣千元	Effective interest held 所持有有效權益
Shanxi Huaxiang Investment Co., Ltd. 山西華翔投資有限公司	PRC 中國	805,148	389,312	65,071	3,700	49%
Linkgo-HK Limited 香港林柯有限公司	Hong Kong 香港	13,307	71	—	809	49%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 12 Available-for-sale Financial Assets

#### 12 可供出售金融資產

		Group 本集團 HK\$'000 港幣千元
Addition during the year	本年度添置	28,393
At 31 December 2009	於二零零九年十二月三十一日	28,393

In April 2009, the wholly-owned subsidiary of the Company, Guangdong Welling Motor Manufacturing Co., Ltd., ("GD Welling") entered into an investment agreement with Midea and Guangdong Midea Holding Co., Ltd. ("GD Midea", a company of which 42.49% interest is held by Midea) for the purpose of incorporation of Midea Group Finance Co., Ltd. (the "Finance Company"). The initial registered capital of the Finance Company is RMB500 million which shall be contributed by each of GD Welling, Midea and GD Midea in a proportion 5%, 55% and 40%, respectively. The Finance Company shall provide a range of financial services as approved by the China Banking Regulatory Commission ("CBRC"). The Finance Company was approved by CBRC to prepare its establishment in six months from 2 July 2009. GD Welling has made capital contribution of HK\$28,393,000 (equivalent to RMB25,000,000) into the Finance Company on 28 December 2009. As at 31 December 2009, the Finance Company has not yet commenced any operation.

於二零零九年四月，本公司之全資附屬公司廣東威靈電機製造有限公司（「廣東威靈」）與美的及廣東美的電器股份有限公司（「廣東美的」，美的擁有當中42.49%權益）訂立投資協議，以註冊成立美的集團財務有限公司（「財務公司」）。財務公司之初步註冊資本為人民幣500,000,000元，由廣東威靈、美的及廣東美的各按比例分別出資5%、55%及40%。財務公司可提供一系列經中國銀行業監督管理委員會（「中國銀監會」）批准之財務服務。財務公司經中國銀監會批准於二零零九年七月二日起計六個月籌備成立。於二零零九年十二月二十八日，廣東威靈向財務公司注資港幣28,393,000元（相等於人民幣25,000,000元）。於二零零九年十二月三十一日，財務公司並未開始營運。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 13 Inventories

#### 13 存貨

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Raw materials	原材料	219,867	103,895
Work-in-progress	在製品	45,294	19,749
Finished goods (Note (a))	製成品(附註(a))	404,031	120,244
		<b>669,192</b>	<b>243,888</b>

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$3,607,671,000 (2008: HK\$4,451,476,000) for continuing operations.

No cost of inventories was recognised as expense or included in cost of goods sold for discontinued operations (2008: HK\$1,205,061,000).

During the year, the Group reduced a provision for inventory of HK\$1,342,000 (2008: charged HK\$420,000). The reversal has been included as a reduction of cost of goods sold in the consolidated income statement.

(a) As at 31 December 2009, the Group had finished goods that are in store at the customers' location amounted to approximately HK\$333,224,000 (2008: HK\$79,086,000). No sales have been recognised for these finished goods as the risks and rewards have not been passed to the customers.

持續經營業務之存貨成本港幣3,607,671,000元(二零零八年:港幣4,451,476,000元)已確認為開支並計入銷售貨品成本內。

並無就已終止經營業務之存貨成本(二零零八年:港幣1,205,061,000元)已確認為開支或計入銷售貨品成本內。

於年內,本集團減少存貨撥備港幣1,342,000元(二零零八年:支銷港幣420,000元)。撥回已減少綜合收益表之銷售貨品成本。

(a) 於二零零九年十二月三十一日,本集團存放在客戶地點的製成品約港幣333,224,000元(二零零八年:港幣79,086,000元)。由於風險及回報未轉嫁予客戶,故該等製成品的銷售並未獲確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 14 Trade and Other Receivables

#### 14 貿易及其他應收款

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Trade receivables (Note (a))	貿易應收款(附註(a))	471,640	407,876	—	—
Less: provision for impairment (Note (c))	減：減值撥備(附註(c))	(23,353)	(18,818)	—	—
Trade receivables — net	貿易應收款 — 淨額	448,287	389,058	—	—
Notes receivable (Notes (a),(d))	應收票據(附註(a)、(d))	404,349	394,629	—	—
Prepayments and other receivables	預付款及其他應收款	357,577	211,794	1,335	1,346
Less: provision for impairment of other receivables (Note (c))	減：其他應收款減值撥備 (附註(c))	(445)	(89)	—	—
Prepaid value-added tax — net (Note 15)	預付增值稅 — 淨額 (附註15)	35,186	39,042	—	—
		1,244,954	1,034,434	1,335	1,346
Less: non-current portion:	減：非即期部分：				
— Prepayment for investments in associates (Note 11)	— 預付聯營公司投資 款項(附註11)	—	(82,463)	—	—
— Prepayment for property, plant and equipment	— 預付物業、廠房及設備 款項	(3,816)	(22,392)	—	—
		1,241,138	929,579	1,335	1,346

As at 31 December 2009 and 2008, the fair values of trade and other receivables of the Group and the Company approximate their carrying amounts.

於二零零九年及二零零八年十二月三十一日，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）

#### 14 Trade and Other Receivables (Continued)

As at 31 December 2009 and 2008, prepayments and other receivables of the Company are denominated in Hong Kong dollars. Trade and other receivables of the Group as at 31 December 2009 and 2008 are denominated in the following currencies:

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
RMB	人民幣	964,850	544,048
USD	美元	184,432	363,623
EUR	歐元	94,324	125,356
HK\$	港幣	1,348	1,407
		<b>1,244,954</b>	<b>1,034,434</b>

(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 2009 and 2008, the ageing analysis of the gross trade receivables and notes receivable respectively are as follows:

(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。於二零零九年及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：

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
<b>Gross trade receivables:</b>	<b>貿易應收款總額：</b>		
Within 3 months	三個月以內	437,480	355,331
3 to 6 months	三至六個月	25,672	51,713
Over 6 months	六個月以上	8,488	832
		<b>471,640</b>	<b>407,876</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 14 Trade and Other Receivables (Continued)

(a) (Continued)

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
<b>Notes receivables:</b>	<b>應收票據：</b>		
Within 3 months	三個月以內	184,709	192,752
3 to 6 months	三至六個月	219,640	201,877
		<b>404,349</b>	<b>394,629</b>

(b) As at 31 December 2009 and 2008, no trade receivables were past due but not impaired.

(c) As at 31 December 2009, trade and other receivables of approximately HK\$352,066,000 (2008: HK\$239,307,000) were impaired. The provision in relation thereto was approximately HK\$23,798,000 (2008: HK\$18,907,000) in 2009. 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:

#### 14 貿易及其他應收款（續）

(a) (續)

(b) 於二零零九年及二零零八年十二月三十一日，概無貿易應收款逾期但沒有減值。

(c) 於二零零九年十二月三十一日，貿易及其他應收款約港幣352,066,000元（二零零八年：港幣239,307,000元）已減值。於二零零九年之有關撥備約港幣23,798,000元（二零零八年：港幣18,907,000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：

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Within 3 months	三個月以內	324,622	187,147
3 to 6 months	三至六個月	18,956	51,328
Over 6 months	六個月以上	8,488	832
		<b>352,066</b>	<b>239,307</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 14 Trade and Other Receivables (Continued)

(c) (Continued)

Movements on the provision for impairment of trade receivables and other receivables are as follows:

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Beginning of the year	年初	18,907	83,251
Provision for impairment	減值撥備	15,755	15,066
Bad debts written off	壞賬撇銷	(176)	(2,373)
Provisions written back	撥回撥備	(13,193)	(6,168)
Exchange difference	匯兌差異	2,505	5,260
Disposal of subsidiaries	出售附屬公司	—	(76,129)
End of the year	年終	23,798	18,907

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated income statement (Note 26). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The provisions written back 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.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

#### 15 Prepaid Value-added Tax – Net

The Group has paid input value-added taxes ("VAT") to the State Tax Bureau for the 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 2009 and 2008 represented net input VAT after offsetting the output VAT payable by the Group for the domestic sales made during the year.

#### 14 貿易及其他應收款(續)

(c) (續)

貿易應收款及其他應收款之減值撥備變動如下：

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Beginning of the year	年初	18,907	83,251
Provision for impairment	減值撥備	15,755	15,066
Bad debts written off	壞賬撇銷	(176)	(2,373)
Provisions written back	撥回撥備	(13,193)	(6,168)
Exchange difference	匯兌差異	2,505	5,260
Disposal of subsidiaries	出售附屬公司	—	(76,129)
End of the year	年終	23,798	18,907

新增及解除之應收款減值撥備已計入綜合收益表之行政開支內(附註26)。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。

撥回撥備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票據。

於報告日期之最大信貸風險為上述各類應收款之公平值。本集團並無持有任何抵押品作抵押。

#### 15 預付增值稅 — 淨額

本集團為購自供應商之貨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。於二零零九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年內就國內銷售而應付之銷項增值稅後之淨額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 16 Pledged Bank Deposits

Certain bank balances were pledged against bank acceptance notes issued by the Group 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 of 1.98% per annum (2008: ranging from 1.98% to 3.78% per annum). All pledged bank deposits are denominated in RMB.

#### 16 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票據之抵押，而該等存款將於發出之銀行承兌票據到期日解除。該等已抵押銀行存款按銀行存款年利率1.98% (二零零八年：年利率介乎1.98%至3.78%不等) 計息。所有已抵押銀行存款以人民幣計值。

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Total pledged bank deposits	已抵押銀行存款總額	141,127	145,698
Less: Maturity period within 3 months (Note 17)	減：三個月以內到期 (附註17)	(92,046)	(84,678)
Maturity period over 3 months and less than 9 months	三個月以上但少於九個月到期	49,081	61,020

#### 17 Cash and Cash Equivalents

#### 17 現金及現金等價物

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Bank deposits and cash on hand	銀行存款及手頭現金	165,432	132,446	217	2,149
Pledged bank deposits with maturity period within 3 months (Note 16)	三個月以內到期之已抵押銀行存款 (附註16)	92,046	84,678	—	—
		257,478	217,124	217	2,149

At 31 December 2009, cash at banks and pledged bank deposits with maturity period within 3 months of the Group in the total amount of HK\$244,618,000 (2008: HK\$190,610,000) were kept in bank accounts of PRC banks of which the remittance of funds were subject to foreign exchange control.

The effective interest rate on bank deposits was 1.25% per annum (2008: 1.19% per annum).

於二零零九年十二月三十一日，本集團之銀行存款及三個月內到期之已抵押銀行存款總額港幣244,618,000元 (二零零八年：港幣190,610,000元)，乃存放於在中國銀行之銀行賬戶中，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1.25% (二零零八年：年利率1.19%)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 18 Share Capital and Share Options

##### (a) Share capital

		<b>Authorised Ordinary shares of HK\$0.1 each 法定股本 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 2008	於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 and 31 December 2009	於二零零八年十二月三十一日及 二零零九年十二月三十一日	20,000,000	2,000,000

		<b>Issued and fully paid Ordinary shares of HK\$0.1 each 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 2008, 31 December 2008 and 31 December 2009	於二零零八年一月一日、 二零零八年十二月三十一日及 二零零九年十二月三十一日	13,479,314	1,347,931

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 18 Share Capital and Share Options (Continued) 18 股本及購股權 (續)

##### (a) Share capital (Continued)

##### (a) 股本(續)

		Company Issued and fully paid Ordinary shares of HK\$0.1 each 本公司 已發行及繳足股本 每股面值港幣0.1元之普通股	
		Number of shares (‘000) 股份數目 (千股)	HK\$’000 港幣千元
At 1 January 2008	於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 and 31 December 2009	於二零零八年十二月三十一日及 二零零九年十二月三十一日	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.

(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, 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 19(d)) using the principles of merger accounting as prescribed in HKAG 5 in the consolidated financial statement of the Group.

(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。

(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。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19(d))。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 18 Share Capital and Share Options (Continued) 18 股本及購股權（續）

##### (b) Share options

The Company adopted a share option scheme as approved by the shareholders of the Company at an extraordinary general meeting held on 27 June 2003 (the "Share Option Scheme").

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 the 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 the date of adoption of the Share Option Scheme, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under the Share Option Scheme.

##### (b) 購股權

本公司採納經由本公司股東於二零零三年六月二十七日舉行之股東特別大會上批准之購股權計劃（「購股權計劃」）。

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合共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購股權採納日期已發行股份之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）

#### 18 Share Capital and Share Options (Continued) 18 股本及購股權（續）

##### (b) Share options (Continued)

The total number of shares issued and to be issued upon exercise of the share options granted under the 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 of the Company in issue at the date of grant. Any further grant of share options in excess of such 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 offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than 10 years from the date of the offer of the share options.

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 The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 the Stock Exchange'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 Company's share.

##### (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。

承授人可於授出購股權當日起計28日內，支付象徵式代價港幣1元接納有關購股權。購股權之行使期可由董事釐定，由授出購股權當日起計10年內到期。

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），本公司股份在香港聯合交易所有限公司（「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)本公司股份之面值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 18 Share Capital and Share Options (Continued)

##### (b) Share options (Continued)

On 30 July 2007, 9,500,000 share options were granted to certain directors and employees at an exercise price of HK\$0.78 per share. The share options were exercisable immediately on the date of grant and will expire on 29 July 2017.

Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 9 December 2008, the 10% limit under the Share Option Scheme was refreshed ("Refreshment"). Upon the approval of the Refreshment, a maximum of 1,347,931,411 shares of the Company, being 10% of the issued share capital of the Company as at the date of approval of the Refreshment, may be issued upon exercise of the share options to be granted under the Share Option Scheme and all other share option schemes of the Company.

On 9 January 2009, 375,000,000 share options were granted to certain directors and employees at an exercise price of HK\$0.157 per share subject to a vesting scale in four tranches of 25% each and the achievement of the Company's performance target as set out in the note below and these options will expire on 31 March 2017.

During the year, no share options were exercised by Directors of the Company or employees of the Group and 25,000,000 share options were lapsed upon termination of employment of an employee. As at 31 December 2009, a total of 359,500,000 share options granted to certain Directors of the Company and employees of the Group were outstanding (2008: 9,500,000 share options).

#### 18 股本及購股權 (續)

##### (b) 購股權 (續)

於二零零七年七月三十日，若干董事及僱員獲授9,500,000份購股權，行使價為每股港幣0.78元。該等購股權於授出當日起即可行使，並將於二零一七年七月二十九日到期。

根據本公司股東於二零零八年十二月九日舉行之股東特別大會上通過之普通決議案，購股權計劃項下之10%限額已獲更新（「更新」）。批准更新後，本公司可於根據購股權計劃及本公司所有其他購股權計劃授出之購股權獲行使後，發行最高達1,347,931,411股本公司股份，即批准更新當日本公司已發行股本之10%。

於二零零九年一月九日，若干董事及僱員獲授375,000,000份購股權，行使價為每股港幣0.157元，惟需按四期各25%比例歸屬及達至本公司之表現目標（載於下文附註），而該等購股權將於二零一七年三月三十一日到期。

本公司董事或本集團僱員於年內並無行使購股權，而25,000,000份購股權於終止僱傭合約時失效。於二零零九年十二月三十一日，本公司若干董事及本集團僱員獲授合共359,500,000份購股權（二零零八年：9,500,000份購股權）尚未行使。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 18 Share Capital and Share Options (Continued) 18 股本及購股權 (續)

##### (b) Share options (Continued)

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2009 were as follows:

##### (b) 購股權 (續)

於截至二零零九年十二月三十一日止年度內，根據購股權計劃授出之購股權變動如下：

Name	Date of grant	Options held at 1 January 2009	Options granted during the year (note)	Options lapsed during the year	Options held at 31 December 2009	Exercise price per option	Exercisable period	Closing price immediately before the date of grant	
姓名	授出日期	於二零零九年一月一日持有之購股權	於年內授出之購股權 (附註)	於年內失效之購股權	於二零零九年十二月三十一日持有之購股權	每份購股權之行使價	行使期	緊接授出日期前之收市價	
						HK\$ 港幣		HK\$ 港幣	
<b>Directors 董事</b>									
Mr. Chan Wai Dune (resigned on 31 July 2009)	陳維端先生 (於二零零九年七月三十一日辭任)	30/07/2007 09/01/2009	2,000,000 —	— 5,000,000	— —	2,000,000* 5,000,000*	0.78 0.157	30/07/2007–29/07/2017 01/04/2010–31/03/2017	0.77 0.151
Mr. Lam Ming Yung	林明勇先生	30/07/2007 09/01/2009	2,000,000 —	— 5,000,000	— —	2,000,000 5,000,000	0.78 0.157	30/07/2007–29/07/2017 01/04/2010–31/03/2017	0.77 0.151
Ms. Chen Chunhua	陳春花女士	30/07/2007 09/01/2009	2,000,000 —	— 5,000,000	— —	2,000,000 5,000,000	0.78 0.157	30/07/2007–29/07/2017 01/04/2010–31/03/2017	0.77 0.151
Mr. Cai Qiwu	蔡其武先生	09/01/2009	—	68,000,000	—	68,000,000	0.157	01/04/2010–31/03/2017	0.151
Mr. Jiang Deqing	姜德清先生	09/01/2009	—	36,000,000	—	36,000,000	0.157	01/04/2010–31/03/2017	0.151
Mr. Qu Fei	瞿飛先生	09/01/2009	—	22,000,000	—	22,000,000	0.157	01/04/2010–31/03/2017	0.151
Mr. Gao Fazhong	郜發忠先生	09/01/2009	—	25,000,000	—	25,000,000	0.157	01/04/2010–31/03/2017	0.151
Ms. Tan Xuemei	譚雪梅女士	09/01/2009	—	5,000,000	—	5,000,000	0.157	01/04/2010–31/03/2017	0.151
<b>Employees 僱員</b>									
In aggregate	合共	30/07/2007 09/01/2009	3,500,000 —	— 204,000,000	— (25,000,000)	3,500,000 179,000,000	0.78 0.157	30/07/2007–29/07/2017 01/04/2010–31/03/2017	0.77 0.151
Total	合計		9,500,000	375,000,000	(25,000,000)	359,500,000			

\* The options were lapsed on 1 February 2010.

Notes:

The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

- The first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");

\* 該等購股權於二零一零年二月一日失效。

附註：

上述授出購股權之代價為港幣1元。於二零零九年一月九日授出之購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

- 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自自己終止經營業務之業績)(「二零零八年純利」)之100%；

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 18 Share Capital and Share Options (Continued) 18 股本及購股權 (續)

##### (b) Share options (Continued)

2. The second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
3. The third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
4. The remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

The fair value of the options are determined used the "Binomial Valuation model" (the "Model"). Key assumptions of the Model are set out below:

Date of Grant:	9 January 2009
Risk-free rate:	1.299%
Expected dividend yield:	3%
Expected volatility of the market price of the Company's shares:	52.34%
Expected option life:	8.2 years
Fair value as at the date of grant (approximately):	HK\$25,229,000

The Model requires the input of subjective assumptions, including the volatility of share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the Model does not necessarily provide a reliable single measure of the fair value of share options.

##### (b) 購股權 (續)

2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

購股權之公平值採用「二項式估值模型」(「該模型」)釐定。該模型所採用之主要假設載列如下：

授出日期：	二零零九年一月九日
無風險利率：	1.299%
預期股息率：	3%
本公司股份市價	52.34%
預期波幅：	
預期購股權期限：	8.2年
授出日期之公平值(約數)：	港幣25,229,000元

該模型包括股價波幅等主觀假設成份。由於主觀假設之變更會嚴重影響估計公平值，故董事認為，該模型未必能為購股權公平值提供可靠之單一計算方法。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 19 Other Reserves

##### (a) Group

		Share premium	Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Exchange reserve	Merger reserve	Total
		股份溢價	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) 附註(c)	Note (c) 附註(c)	Note (c) 附註(c)			Note (d) 附註(d)	
<b>Balance at 1 January 2008</b>	<b>於二零零八年一月一日結餘</b>	3,336,373	663	73,436	70,775	7,578	(1,579)	(3,639,249)	(152,003)
Disposal of subsidiaries (Note 36(a))	出售附屬公司(附註36(a))	—	—	(31,179)	(16,958)	—	—	—	(48,137)
Deemed contribution arising from the Transaction (Note 36(a))	該項交易產生之視作貢獻 (附註36(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
<b>Balance at 1 January 2009</b>	<b>於二零零九年一月一日結餘</b>	3,336,373	663	59,192	60,367	7,578	(1,354)	(3,234,898)	227,921
Employee share option scheme — value of services provided	僱員購股權計劃 — 所提供 服務之價值	—	—	—	—	10,269	—	—	10,269
Translation difference	匯兌差異	—	—	—	—	—	30	—	30
Transfer to statutory reserve	轉撥至法定儲備	—	1,477	21,272	11,074	—	—	—	33,823
<b>Balance at 31 December 2009</b>	<b>於二零零九年 十二月三十一日結餘</b>	3,336,373	2,140	80,464	71,441	17,847	(1,324)	(3,234,898)	272,043

#### 19 其他儲備

##### (a) 本集團

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 19 Other Reserves (Continued)

##### (b) Company

		Share premium	Share option reserve	Exchange reserve	Total other reserve	Retained earnings	Total
		股份溢價	購股權儲備	匯兌儲備	其他儲備總額	保留盈利	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
Balance at 1 January 2008	於二零零八年一月一日結餘	587,829	7,578	—	595,407	(1,116,676)	(621,269)
Profit for the year	年度利潤	—	—	—	—	1,222,770	1,222,770
Translation difference	匯兌差異	—	—	70,228	70,228	—	70,228
Issue of consideration shares (Note 18(a))	發行代價股份(附註18(a))	2,748,544	—	—	2,748,544	—	2,748,544
Balances 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	106,094	3,502,273
Representing:	相當於:						
2008 proposed final dividend	二零零八年建議末期股息					—	
Others	其他					106,094	
Retained earnings as at 31 December 2008	於二零零八年十二月三十一日之保留盈利					106,094	
Balance at 1 January 2009	於二零零九年一月一日結餘	3,336,373	7,578	70,228	3,414,179	106,094	3,520,273
Loss for the year	年度虧損	—	—	—	—	(1,309)	(1,309)
Employee share option scheme — value of services provided	僱員購股權計劃 — 所提供服務之價值	—	10,269	—	10,269	—	10,269
Translation difference	匯兌差異	—	—	(554)	(554)	—	(554)
Balances at 31 December 2009	於二零零九年十二月三十一日結餘	3,336,373	17,847	69,674	3,423,894	104,785	3,528,679
Representing:	相當於:						
2009 proposed final dividend	二零零九年建議末期股息					67,397	
Others	其他					37,388	
Retained earnings as at 31 December 2009	於二零零九年十二月三十一日之保留盈利					104,785	

#### 19 其他儲備(續)

##### (b) 本公司

(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.

(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，均自扣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關當局批准後始可用作抵銷累計虧損或增加資本。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 19 Other Reserves (Continued)

- (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 owners 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 18(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 36(a)) as part of the consideration of the Transaction .

#### 19 其他儲備(續)

- (d) 合併儲備指在共同控制下收購所付之代價與本公司擁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約港幣3,623,876,000元(附註18(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36(a))。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 20 Borrowings

#### 20 借款

		<b>Group 本集團</b>	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
<b>Non-current</b>	<b>非即期</b>		
Long-term bank borrowings, secured	長期銀行借款 — 有抵押	160,000	60,000
<b>Current</b>	<b>即期</b>		
Short-term bank borrowings, secured	短期銀行借款 — 有抵押	469,102	611,608
		<b>629,102</b>	<b>671,608</b>

At 31 December 2009, the Group's bank borrowings were repayable as follows:

於二零零九年十二月三十一日，本集團銀行借款之還款情況如下：

		<b>Group 本集團</b>	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Within one year	一年以內	469,102	611,608
1 to 2 years	一至兩年	60,000	60,000
2 to 3 years	兩至三年	100,000	—
		<b>629,102</b>	<b>671,608</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 20 Borrowings (Continued)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are as follows:

#### 20 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：

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
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	453,928	306,062
6 months to 1 year	六個月至一年	—	159,019
		<b>453,928</b>	465,081
Borrowings with floating rate as:	浮息借款：		
6 months or less	六個月或以下	175,174	206,527
		<b>629,102</b>	671,608

The effective interest rates of the above floating rate borrowings at the end of the reporting period were 4.29% per annum (2008: 6.66% per annum).

於報告期間完結時，上述浮息借款之實際年利率為4.29% (二零零八年：年利率6.66%)。

Property, plant and equipment with net book value of HK\$125,081,000 (2008: HK\$133,229,000) and leasehold land and land use right with net book value of HK\$84,026,000 (2008: HK\$85,965,000) have been pledged as security for the Group's short-term bank borrowings (Note 6 and Note 7).

賬面淨值港幣125,081,000元 (二零零八年：港幣133,229,000元) 之物業、廠房及設備，以及賬面淨值港幣84,026,000元 (二零零八年：港幣85,965,000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）

#### 20 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 1.63% (2008: 2.45%). The carrying amounts of the borrowings are denominated in the following currencies.

#### 20 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1.63%（二零零八年：2.45%），按現金流量貼現計算。借款之賬面值以下列貨幣列值。

		<b>Group</b> <b>本集團</b>	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
RMB	人民幣	453,928	601,382
HK\$	港幣	160,000	60,000
USD	美元	15,174	10,226
		<b>629,102</b>	<b>671,608</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 21 Trade and Other Payables

#### 21 貿易及其他應付款

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Trade payables (Note (a))	貿易應付款(附註(a))	1,932,767	1,202,757	—	—
Notes payable (Notes (a), (b))	應付票據(附註(a)、(b))	399,944	369,342	—	—
		<b>2,332,711</b>	1,572,099	—	—
Provision for staff welfare and bonus	員工福利及花紅撥備	79,884	44,824	—	—
Accruals	預提費用	32,875	13,046	1,596	2,154
Advances from customers	預收客戶賬款	12,882	6,136	—	—
Others	其他	140,446	69,245	439	439
		<b>2,598,798</b>	1,705,350	<b>2,035</b>	2,593

(a) At 31 December 2009, the ageing analysis of the trade payables and notes payable of the Group was as follows:

(a) 於二零零九年十二月三十一日，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	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Within 3 months	三個月以內	1,582,283	828,682
3 to 6 months	三至六個月	691,986	607,377
Over 6 months	六個月以上	58,442	136,040
		<b>2,332,711</b>	1,572,099

(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 2009, certain notes payable were pledged by bank deposits of approximately HK\$141,127,000 (2008: HK\$145,698,000) (Note 16).

(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。於二零零九年十二月三十一日，若干應付票據以銀行存款約港幣141,127,000元（二零零八年：港幣145,698,000元）作為抵押（附註16）。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 22 Derivative Financial Instruments

#### 22 衍生金融工具

	2009 二零零九年		2008 二零零八年	
	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元
Commodity future contracts (a) 商品期貨合約(a)	21,270	—	—	22,862
Foreign exchange forward contracts (b) 外匯遠期合約(b)	4,438	902	—	7,773
	25,708	902	—	30,635

(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 amounting to approximately HK\$21,253,000 (Note 25), were credited to the income statement during the year (2008: HK\$22,862,000 charged to the income statement).

The notional principal amounts of outstanding commodity future contract at 31 December 2009 were HK\$198,455,000 (2008: HK\$48,584,000).

(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 amounting to approximately HK\$3,534,000 (Note 25), were credited to the income statement during the year (2008: HK\$7,773,000 charged to the income statement).

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2009 were HK\$574,874,000 (2008: HK\$219,072,000).

The carrying amounts of the commodity future contracts and foreign exchange forward contracts are the same as their fair values.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statement of financial position.

(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。非作對沖之銅及鋁期貨合約之公平值變動約港幣21,253,000元(附註25)，於年內計入收益表(二零零八年：港幣22,862,000元在收益表扣除)。

於二零零九年十二月三十一日並未結算商品期貨合約之名義本金金額為港幣198,455,000元(二零零八年：港幣48,584,000元)。

(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。非作對沖之外匯遠期合約之公平值變動約港幣3,534,000元(附註25)，於年內計入收益表(二零零八年：港幣7,773,000元在收益表扣除)。

於二零零九年十二月三十一日並未結算外匯遠期合約之名義本金金額為港幣574,874,000元(二零零八年：港幣219,072,000元)。

商品期貨合約及外匯遠期合約之賬面值與其公平值相若。

於報告日期之最大信貸風險為衍生資產於綜合財務狀況表之公平值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 23 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:

#### 23 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	Fair value gain 公平值 收益 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2008	於二零零八年一月一日	—	—	—
Charged to consolidated income statement	於綜合收益表內 扣除	6,305	—	6,305
At 31 December 2008	於二零零八年十二月三十一日	<b>6,305</b>	<b>—</b>	<b>6,305</b>
Charged to consolidated income statement	於綜合收益表內 扣除	<b>15,565</b>	<b>3,350</b>	<b>18,915</b>
Exchange differences	匯兌差異	<b>12</b>	<b>3</b>	<b>15</b>
At 31 December 2009	於二零零九年十二月三十一日	<b>21,882</b>	<b>3,353</b>	<b>25,235</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 23 Deferred Income Tax – Group (Continued)

Deferred income tax assets to be recovered within 12 months:

#### 23 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 減值虧損 HK\$'000 港幣千元	Fair value losses 公平值虧損 HK\$'000 港幣千元	Unpaid accruals 未付預提費用 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2008	於二零零八年一月一日	—	—	—	—
Credited to consolidated income statement	於綜合收益表計入	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
Credited/(charged) to consolidated income statement	於綜合收益表計入/ (扣除)	928	(4,150)	17,181	13,959
Exchange differences	匯兌差異	—	(3)	13	10
At 31 December 2009	於二零零九年 十二月三十一日	4,526	136	17,194	21,856

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 24 Provision for Warranty

The movement of warranty provision was analysed as follows:

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Beginning of the year	年初	—	73,003
Charge for the year (Note 26)	年度計提(附註26)	—	38,129
Exchange difference	匯兌差異	—	3,014
Less: Amounts utilised	減: 已動用款項	—	(4,202)
Less: Disposal of subsidiaries (Note 36(a))	減: 出售附屬公司(附註36(a))	—	(109,944)
End of the year	年終	—	—

#### 24 產品保養撥備

產品保養撥備之變動分析如下:

#### 25 Other Gains/(Losses) — Net

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Government grants (i)	政府補貼(i)	5,272	1,413
Derivative financial instruments:	衍生金融工具:		
— fair value gain/(losses) on commodity future contracts not qualified for hedge accounting (Note 22)	— 不符合資格作對沖會計處理之商品期貨合約公平值收益/(虧損)(附註22)	21,253	(22,862)
— fair value gain/(losses) on foreign exchange forward contracts not qualified for hedge accounting (Note 22)	— 不符合資格作對沖會計處理之遠期外匯合約公平值收益/(虧損)(附註22)	3,534	(7,773)
— realised gain/(loss) on commodity future contracts (ii)	— 已變現之商品期貨合約收益/(虧損)(ii)	25,267	(35,957)
— realised gain on foreign exchange forward contracts (iii)	— 已變現之遠期外匯合約收益(iii)	370	25,770
Exchange loss	匯兌虧損	(5,498)	(44,807)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(12,760)	(2,907)
Penalty income	罰款收入	1,408	2,423
Others	其他	871	4,338
		39,717	(80,362)

#### 25 其他收益/(虧損) — 淨額

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 25 Other Gains/(Losses) – Net (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 copper and aluminum future contracts to manage the fluctuation of commodity price which did not meet the criteria for hedge accounting. Realised gain on commodity future contracts amounted to HK\$25,267,000 represented the gain relating to the copper and aluminum future contracts settled during the year (2008: realised loss HK\$35,957,000).
- (iii) 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\$370,000 (2008: HK\$25,770,000).

#### 26 Expenses by Nature

Expenses included in cost of goods sold, selling and marketing costs, administrative expenses and other operating expenses and profit for the year from discontinued operation are analysed as follows:

##### (a) From continuing operations

#### 25 其他收益／(虧損)－淨額(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收益為港幣25,267,000元，指年內與已結算之銅及鋁期貨合約有關之收益(二零零八年：已變現虧損港幣35,957,000元)。
- (iii) 本集團已訂立多項遠期外匯合約，藉以管理外匯波動，但不符合資格作對沖會計處理。已變現之遠期外匯合約收益為港幣370,000元(二零零八年：港幣25,770,000元)。

#### 26 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及已終止經營業務年度利潤內之開支分析如下：

##### (a) 來自持續經營業務

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Cost of inventories recognised as expense (Note 13)	確認為開支之存貨成本(附註13)	3,607,671	4,451,476
Employee benefit expenses (Note 27)	僱員福利開支(附註27)	414,145	347,444
Depreciation (Note 7)	折舊(附註7)	75,568	54,909
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
Provision/(reversal) for impairment of trade and other receivables	貿易及其他應收款減值撥備／(撥回)	2,562	(3,880)
(Reversal)/provision for inventory obsolescence	存貨跌價及殘次準備(撥回)／撥備	(1,342)	269
Operating leases rental for land and buildings	土地及樓宇經營租賃租金	2,765	2,362
Auditors' remuneration	核數師酬金	3,171	4,687
Research and development costs	研究及開發成本	4,171	3,458



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 26 Expenses by Nature (Continued)

##### (b) From discontinued operations

#### 26 按性質分類之開支（續）

##### (b) 來自已終止經營業務

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Cost of inventories recognised as expense (Note 13)	確認為開支之存貨成本(附註13)	—	1,205,061
Employee benefit expenses	僱員福利開支	—	27,113
Depreciation (Note 7)	折舊(附註7)	—	15,011
Provision for warranty (Note 24)	產品保養撥備(附註24)	—	38,129
Provision for impairment of trade and other receivables	貿易及其他應收款減值撥備	—	12,778
Provision for inventory obsolescence	存貨跌價及殘次準備撥備	—	151
Operating leases rental for land and buildings	土地及樓宇之經營租賃租金	—	2,788
Auditors' remuneration	核數師酬金	—	9
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
Research and development costs	研究及開發成本	—	334

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 27 Employee Benefit Expenses

(a)

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	330,674	259,692
Termination benefits	終止服務福利	—	2,502
Pension costs (i)	退休金成本(i)	21,617	24,213
Medical benefits	醫療福利	12,312	14,827
Share options granted to directors and employees	授予董事及僱員之購股權	10,269	—
Other allowances and benefits	其他津貼及福利	39,273	46,210
		<b>414,145</b>	<b>347,444</b>

(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.

#### 27 僱員福利開支

(a)

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	330,674	259,692
Termination benefits	終止服務福利	—	2,502
Pension costs (i)	退休金成本(i)	21,617	24,213
Medical benefits	醫療福利	12,312	14,827
Share options granted to directors and employees	授予董事及僱員之購股權	10,269	—
Other allowances and benefits	其他津貼及福利	39,273	46,210
		<b>414,145</b>	<b>347,444</b>

(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）

#### 27 Employee Benefit Expenses (Continued)

##### (b) Directors' and senior managements' emoluments

The remuneration of the directors for the year ended 31 December 2009 is set out below:

#### 27 僱員福利開支（續）

##### (b) 董事及高級管理人員酬金

董事於截至二零零九年十二月三十一日止年度之酬金載列如下：

Name of Director		Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution	Total
						to pension scheme	
董事姓名		袍金	薪金	酌情花紅	其他福利(i)	退休金計劃之僱主供款	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
<b>Executive Directors</b>	<b>執行董事</b>						
Mr. Cai Qiwu (iv)	蔡其武先生(iv)	—	817	1,362	2,024	8	4,211
Mr. Jiang Deqing	姜德清先生	—	371	454	1,071	8	1,904
Mr. Qu Fei	瞿飛先生	—	305	227	655	8	1,195
Mr. Gao Fazhong	郜發忠先生	—	304	193	744	8	1,249
Ms. Yuan Liqun	袁利群女士	—	—	—	—	—	—
Mr. Li Jianwei	栗建偉先生	—	—	—	—	—	—
Mr. Zheng Weikang	鄭偉康先生	—	—	—	—	—	—
<b>Non-executive Director</b>	<b>非執行董事</b>						
Ms. Tan Xuemei	譚雪梅女士	—	—	—	149	—	149
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>						
Mr. Tan Jinsong (ii)	譚勁松先生(ii)	75	—	—	—	—	75
Mr. Lam Ming Yung	林明勇先生	180	—	—	149	—	329
Ms. Chen Chunhua	陳春花女士	180	—	—	149	—	329
Mr. Chan Wai Dune (iii)	陳維端先生(iii)	105	—	—	—	—	105
		540	1,797	2,236	4,941	32	9,546

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 27 Employee Benefit Expenses (Continued)

##### (b) Directors' and senior managements' emoluments (Continued)

The remuneration of the directors for the year ended 31 December 2008 is set out below:

Name of Director	Fees	Salary	Discretionary bonuses	Employer's contribution to pension scheme	Total	
董事姓名	袍金	薪金	酌情花紅	僱主供款	合計	
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
<b>Executive Directors</b> <b>執行董事</b>						
Mr. Jiang Deqing (vii)	姜德清先生(vii)	—	455	765	8	1,228
Mr. Qu Fei (ix)	瞿飛先生(ix)	—	354	540	8	902
Mr. Gao Fazhong (ix)	郜發忠先生(ix)	—	354	540	8	902
Ms. Yuan Liqun	袁利群女士	—	—	—	—	—
Mr. Li Jianwei	栗建偉先生	—	—	—	—	—
Mr. Zheng Weikang (ix)	鄭偉康先生(ix)	—	—	—	—	—
Mr. Wu Zhiqiang (viii)	吳志強先生(viii)	—	472	1,498	4	1,974
Mr. Fang Hongbo (x)	方洪波先生(x)	—	—	—	—	—
Mr. Zhang Quan (x)	張權先生(x)	—	—	—	—	—
Mr. Li Donglai (x)	李東來先生(x)	—	—	—	—	—
<b>Non-executive Directors</b> <b>非執行董事</b>						
Mr. Cai Qiwu (ix)	蔡其武先生(ix)	—	—	—	—	—
Ms. Tan Xuemei (v)	譚雪梅女士(v)	—	—	—	—	—
Mr. Zhang Xinhua (vi)	張新華先生(vi)	—	—	—	—	—
<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	—	—	—	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

(i) Other benefits include leave pay and share based payments.

(ii) Mr. Tan Jinsong was appointed on 1 August 2009.

(iii) Mr. Chan Wai Dune resigned on 31 July 2009.

#### 27 僱員福利開支 (續)

##### (b) 董事及高級管理人員酬金 (續)

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	Fees	Salary	Discretionary bonuses	Employer's contribution to pension scheme	Total	
董事姓名	袍金	薪金	酌情花紅	僱主供款	合計	
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
<b>Executive Directors</b> <b>執行董事</b>						
Mr. Jiang Deqing (vii)	姜德清先生(vii)	—	455	765	8	1,228
Mr. Qu Fei (ix)	瞿飛先生(ix)	—	354	540	8	902
Mr. Gao Fazhong (ix)	郜發忠先生(ix)	—	354	540	8	902
Ms. Yuan Liqun	袁利群女士	—	—	—	—	—
Mr. Li Jianwei	栗建偉先生	—	—	—	—	—
Mr. Zheng Weikang (ix)	鄭偉康先生(ix)	—	—	—	—	—
Mr. Wu Zhiqiang (viii)	吳志強先生(viii)	—	472	1,498	4	1,974
Mr. Fang Hongbo (x)	方洪波先生(x)	—	—	—	—	—
Mr. Zhang Quan (x)	張權先生(x)	—	—	—	—	—
Mr. Li Donglai (x)	李東來先生(x)	—	—	—	—	—
<b>Non-executive Directors</b> <b>非執行董事</b>						
Mr. Cai Qiwu (ix)	蔡其武先生(ix)	—	—	—	—	—
Ms. Tan Xuemei (v)	譚雪梅女士(v)	—	—	—	—	—
Mr. Zhang Xinhua (vi)	張新華先生(vi)	—	—	—	—	—
<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	—	—	—	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

(i) 其他福利包括有薪假期及以股份支付支出。

(ii) 譚勁松先生於二零零九年八月一日獲委任。

(iii) 陳維端先生於二零零九年七月三十一日辭任。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 27 Employee Benefit Expenses (Continued)

##### (b) Directors' and senior managements' emoluments (Continued)

- (iv) Mr. Cai Qiwu, who was a non-executive Director, was redesignated as an executive Director on 1 January 2009.
- (v) Ms. Tan Xuemei was appointed on 17 December 2008.
- (vi) Mr. Zhang Xinhua resigned on 17 December 2008.
- (vii) Mr. Jiang Dejing was appointed on 31 August 2008.
- (viii) Mr. Wu Zhiqiang was appointed on 31 March 2008 and resigned on 31 August 2008.
- (ix) Mr. Qu Fei, Mr. Gao Fazhong, Mr. Zheng Weikang and Mr. Cai Qiwu were appointed on 31 March 2008.
- (x) Mr. Fang Hongbo, Mr. Zhang Quan and Mr. Li Donglai resigned on 31 March 2008.

##### (c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three directors (2008: four) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2008: one) individuals during the year are as follows:

#### 27 僱員福利開支（續）

##### (b) 董事及高級管理人員酬金（續）

- (iv) 蔡其武先生為非執行董事，於二零零九年一月一日調任為執行董事。
- (v) 譚雪梅女士於二零零八年十二月十七日獲委任。
- (vi) 張新華先生於二零零八年十二月十七日辭任。
- (vii) 姜德清先生於二零零八年八月三十一日獲委任。
- (viii) 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。
- (ix) 瞿飛先生、郜發忠先生、鄭偉康先生及蔡其武先生於二零零八年三月三十一日獲委任。
- (x) 方洪波先生、張權先生及李東來先生於二零零八年三月三十一日辭任。

##### (c) 五名最高薪酬人士

本年度集團內五名最高薪酬人士包括三名(二零零八年：四名)董事，其酬金已載於上文分析。本年度應付餘下兩名(二零零八年：一名)人士之酬金如下：

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	3,711	1,608
Contribution to pension schemes	退休金計劃供款	51	8
		<b>3,762</b>	<b>1,616</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 27 Employee Benefit Expenses (Continued)

##### (c) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

Emolument bands 酬金組別		Number of individuals 人數	
		2009 二零零九年	2008 二零零八年
HK\$1,000,000–HK\$2,000,000	港幣1,000,000元–港幣2,000,000元	1	1
HK\$2,000,001–HK\$2,500,000	港幣2,000,001元–港幣2,500,000元	1	—

#### 27 僱員福利開支 (續)

##### (c) 五名最高薪酬人士(續)

酬金屬以下組別之人數如下：

#### 28 Finance Costs – Net

#### 28 融資成本 – 淨額

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Interest expense	利息開支	(22,869)	(42,461)
Exchange (loss)/gain – net	匯兌(虧損)/收益 – 淨額	(166)	5,352
Finance cost	融資成本	(23,035)	(37,109)
Finance income – interest income on bank deposit	融資收入 – 銀行存款之利息收入	4,341	8,240
Net finance costs	融資成本淨額	(18,694)	(28,869)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 29 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.

#### 29 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。

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
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	64,303	30,392
		64,303	30,392
Deferred tax	遞延稅項		
— Deferred tax assets recognised (Note 23)	— 已確認遞延稅項資產(附註23)	(13,959)	(7,887)
— Deferred tax liabilities recognised (Note 23)	— 已確認遞延稅項負債(附註23)	18,915	6,305
		4,956	(1,582)
Income tax expense	所得稅開支	69,259	28,810

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 29 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:

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Profit before taxation	扣除稅前利潤	423,034	192,414
Calculated at the PRC statutory tax rate of 25% (2008: 25%)	按中國法定稅率25%計算 (二零零八年: 25%)	105,759	48,104
Effect of difference in applicable tax rates	適用稅率差異之影響	(35,588)	(20,400)
Income not subject to tax	毋須課稅之收入	(5,148)	—
Expenses not deductible for taxation purposes	不可扣稅之開支	4,236	1,106
Income tax expense	所得稅開支	69,259	28,810

PRC corporate income tax is provided for on 25% (2008: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

Profits tax for other locations has not been provided as the Group did not have any assessable profits in those locations.

#### 30 (Loss)/Profit Attributable to Owners of the Company

The loss attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$1,309,000 (2008: profit of HK\$1,222,770,000).

#### 29 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：

中國企業所得稅乃按中國法定財務呈報利潤之25%(二零零八年: 25%)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。

#### 30 本公司擁有人應佔(虧損)/利潤

計入本公司財務報表之本公司擁有人應佔虧損約為港幣1,309,000元(二零零八年: 利潤港幣1,222,770,000元)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 31 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.

#### 31 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。

		2009 二零零九年	2008 二零零八年
<b>Continuing operations</b>			
Profit for the year from continuing operations attributable to owners of the Company (HK\$'000)	持續經營業務 本公司擁有人應佔 持續經營業務之年度利潤 (港幣千元)	353,775	163,604
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	13,479,314
Basic earnings per share (HK cents)	每股基本盈利(港仙)	2.62	1.21
<b>Discontinued operations</b>			
Profit for the year from discontinued operations attributable to owners of the Company (HK\$'000)	已終止經營業務 本公司擁有人應佔 已終止經營業務之年度利潤 (港幣千元)	—	33,273
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
Basic earnings per share (HK cents)	每股基本盈利(港仙)	—	0.25
Profit for the year attributable to owners of the Company (HK\$'000)	本公司擁有人應佔 年度利潤(港幣千元)	353,775	196,877
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	13,479,314
Basic earnings per share (HK cents)	每股基本盈利(港仙)	2.62	1.46

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 18(a)), 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.

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18(a))。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。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 31 Earnings Per Share (Continued)

##### (b) Diluted

For the year ended 31 December 2009, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are performance-based share options. For the share options, a calculation is done to determine the number of shares that could have been issued based on the attainment of the performance target at the end of the year. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the year ended 31 December 2008, the outstanding share options granted by the Company has no dilutive effect.

#### 31 每股盈利(續)

##### (b) 攤薄

截至二零零九年十二月三十一日止年度，每股攤薄盈利乃透過對已發行普通股之加權平均數作出調整而計算，並假設轉換所有潛在攤薄普通股。本公司之潛在攤薄普通股為以表現掛鉤之購股權。就購股權而言，已作出按照年終達到表現目標以釐定應可發行之股份數目之計算。上文計算之股份數目與假設購股權獲行使而已發行之股份數目已作出比較。

截至二零零八年十二月三十一日止年度，本公司授出之未獲行使購股權並無攤薄影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 31 Earnings Per Share (Continued)

##### (b) Diluted (Continued)

#### 31 每股盈利(續)

##### (b) 攤薄(續)

		2009 二零零九年	2008 二零零八年
<b>Continuing operations</b>			
Profit for the year from continuing operations attributable to owners of the Company (HK\$'000)	持續經營業務 本公司擁有人應佔 持續經營業務之年度利潤 (港幣千元)	353,775	163,604
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	13,479,314
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	85,343	—
		13,564,657	13,479,314
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	2.61	1.21
<b>Discontinued operations</b>			
Profit for the year from discontinued operations attributable to owners of the Company (HK\$'000)	已終止經營業務 本公司擁有人應佔 已終止經營業務之年度利潤 (港幣千元)	—	33,273
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
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	—	—
		—	13,479,314
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	—	0.25
Profit for the year attributable to owners of the Company (HK\$'000)	本公司擁有人應佔 年度利潤(港幣千元)	353,775	196,877
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	13,479,314
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	85,343	—
		13,564,657	13,479,314
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	2.61	1.46

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 32 Dividends

#### 32 股息

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Proposed final dividend, of HK0.5 cent (2008: nil) per ordinary share	建議末期股息每股普通股 港幣0.5仙(二零零八年：無)	67,397	—

At a meeting held on 29 March 2010, the Directors proposed a final dividend of HK0.5 cent per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

於二零一零年三月二十九日舉行之會議上，董事建議宣派末期股息每股普通股港幣0.5仙。此項建議股息並未在該等綜合財務報表內反映為應付股息。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 33 Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of profit before income tax to cash generated from operations:

#### 33 綜合現金流量表附註

(a) 扣除所得稅前利潤與經營產生之現金對賬表：

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
<b>Profits before income tax</b>	<b>扣除所得稅前利潤</b>		
— Continuing operations	— 持續經營業務	423,034	192,414
— Discontinued operations	— 已終止經營業務	—	33,200
		<b>423,034</b>	<b>225,614</b>
<b>Adjustments for:</b>	<b>調整：</b>		
— Depreciation	— 折舊	75,568	69,920
— Amortisation of leasehold land and land use right	— 租賃土地及土地使用權攤銷	2,923	2,773
— Impairment of property, plant and equipment	— 物業、廠房及設備減值	—	92
— Fair value gain on investment properties	— 投資物業公平值收益	—	(2,198)
— Loss on disposals of property, plant and equipment	— 出售物業、廠房及設備虧損	12,760	3,091
— Fair value (gain)/losses on financial instruments	— 金融工具之公平值(收益)/虧損	(55,441)	30,635
— Share-based payment expenses	— 以股份支付支出開支	10,269	—
— Share of profits of associates	— 佔聯營公司利潤	(4,808)	—
— Government grants	— 政府補貼	(5,272)	(1,413)
— Interest income	— 利息收入	(4,341)	(10,390)
— Interest expense	— 利息開支	22,869	50,881
— Effect on exchange translation	— 外幣匯兌影響	173	(31,778)
<b>Changes in working capital:</b>	<b>營運資金變動：</b>		
— Inventories	— 存貨	(425,304)	211,580
— Due from related companies	— 應收關聯公司款項	(173,810)	(981,619)
— Trade and other receivables	— 貿易及其他應收款	(311,559)	218,107
— Provision for warranty	— 產品保養撥備	—	33,927
— Due to related companies	— 應付關聯公司款項	4,583	(192,626)
— Trade and other payables	— 貿易及其他應付款	893,448	511,100
Cash generated from operations	經營產生之現金	<b>465,092</b>	<b>137,696</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 33 Notes to the Consolidated Statement of Cash Flows (Continued)

(b) In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Net book value disposed (Note 7)	出售之賬面淨值(附註7)	21,234	24,799
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(12,760)	(3,091)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	8,474	21,708

#### 34 Contingent Liabilities

As at 31 December 2009, the Group and the Company did not have any material contingent liabilities (2008: nil).

#### 33 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：

#### 34 或然負債

於二零零九年十二月三十一日，本集團及本公司並無任何重大或然負債(二零零八年：無)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 35 Commitments

##### (a) Capital commitments

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
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	35,396	87,455
— investments in associates	— 聯營公司投資	—	119,718
		<b>35,396</b>	<b>207,173</b>

##### (b) Operating lease commitments — Group as the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Not later than one year	不超過一年	1,580	1,419
Later than one year and not later than five years	超過一年但不超過五年	1,120	2,101
		<b>2,700</b>	<b>3,520</b>

#### 35 承擔

##### (a) 資本承擔

##### (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：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 36 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 profit of the Disposed Group 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.

The results and cash flows for the discontinued operations were as follows:

#### 36 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的全部股權（附註1）。已出售集團截至二零零八年三月三十一日止三個月之經營利潤約港幣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。

已終止經營業務之業績及現金流量如下：

		2008 二零零八年 HK\$'000 港幣千元
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>	
Revenue	收益	1,380,055
Cost of goods sold	銷售貨品成本	(1,248,750)
<b>Gross profit</b>	<b>毛利</b>	131,305
Other gains – net	其他收益 – 淨額	10,470
Selling and marketing costs	銷售及市場推廣成本	(57,470)
Administrative expenses	行政開支	(39,403)
Other operating expenses	其他經營開支	(274)
<b>Operating profits</b>	<b>經營利潤</b>	44,628
Finance costs	融資成本	(13,578)
Finance income	融資收入	2,150
Finance costs – net	融資成本 – 淨額	(11,428)
<b>Profits before income tax</b>	<b>扣除所得稅前利潤</b>	33,200
Income tax expense	所得稅開支	(625)
Profit for the year from discontinued operations	已終止經營業務之年度利潤	32,575
		2008 二零零八年 HK\$'000 港幣千元
<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
Net cash used in investing activities	投資活動所用之現金淨額	(57,089)
Net cash used in financing activities	融資活動所用之現金淨額	(9,265)
<b>Total cash inflows</b>	<b>現金流入總額</b>	93,090



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 36 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:

#### 36 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：

		2008 二零零八年 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 deposits	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 24)	產品保養撥備(附註24)	(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 19(a))	減：解除法定儲備(附註19(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	向賣方轉讓之應收債項淨額	876,124
Deemed contribution arising from the Transaction credited to merger reserve (Note 19(d))	該項交易產生之視作貢獻已計入合併儲備(附註19(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>

#### 37 Related Party Transactions

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related party of the Group where those parties are individuals.

#### 37 關聯方交易

就此等綜合財務報表而言，如本集團能夠直接或間接對另一方之財務及經營決策發揮重大影響力，或另一方能夠直接或間接對本集團之財務及經營決策發揮重大影響力，有關人士即視為本集團之關聯方。關聯方可以是個別人士(即主要管理層成員、主要股東及／或彼等之近親)或其他實體，包括本集團之關聯方(該等人士為個別人士)對其有重大影響力之實體。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 37 Related Party Transactions (Continued)

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the year are summarised below:

##### (a) Transactions with related parties

The following transactions were carried out with related parties in accordance with the terms mutually agreed by the respective parties:

#### 37 關聯方交易（續）

本公司與其附屬公司間之交易已於綜合賬目內抵銷。本集團與其他關聯方於年內之交易概述如下：

##### (a) 與關聯方之交易

以下乃與關聯方按各訂約方相互協定之條款進行之交易：

		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Sales to related parties :	向關聯方銷售：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	1,970,176	1,529,421
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	534,635	567,188
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	44	—
		<b>2,504,855</b>	<b>2,096,609</b>
Purchases from related parties:	向關聯方採購：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	4,451	3,232
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	159,678	820,049
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	161	29,707
		<b>164,290</b>	<b>852,988</b>
Receives logistics services from related parties:	向關聯方獲取物流服務：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	2,111	1,382
Capital investment to a related party:	向關聯方作出之資本投資：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	28,393	—
Purchase of land use right and factory premises from related parties:	向關聯方購買土地使用權及廠房物業：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	—	70,002

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註（續）

#### 37 Related Party Transactions (Continued)

#### 37 關聯方交易（續）

##### (b) Key management compensation

##### (b) 主要管理人員酬金

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Salaries and other employee benefits	薪金及其他僱員福利	6,658	10,632
Share-based payments	以股份支付支出	6,459	—
		<b>13,117</b>	<b>10,632</b>

##### (c) Balances with related companies

##### (c) 與關聯公司之結餘

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Due from related companies:	應收關聯公司款項：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	1,029,809	707,978
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	217,997	366,350
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	332	—
		<b>1,248,138</b>	<b>1,074,328</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 綜合財務報表附註 (續)

#### 37 Related Party Transactions (Continued)

##### (c) Balances with related companies (Continued)

		Group 本集團	
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Due to related companies:	應付關聯方款項：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	4,127	11,520
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	174,085	95,679
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	403	66,833
		<b>178,615</b>	<b>174,032</b>

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.

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。

#### 38 Ultimate Holding Company

The directors regard Midea, a company incorporated in the PRC, as being the ultimate holding company.

#### 38 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。

#### 39 Event after the reporting period

On 29 March 2010, the Company announced that Midea Holding (Cayman Islands) Limited, ("Midea (Cayman Islands)"), the immediate holding company of the Company, entered into a placing agreement (the "Placing Agreement"), pursuant to which Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 shares of the Company at HK\$0.42 per share to certain placees independent to the Group.

On the same date, a subscription agreement (the "Subscription Agreement") was entered into between the Company and Midea (Cayman Islands), pursuant to which Midea (Cayman Islands) conditionally agreed, upon the completion of the Placing Agreement and among other conditions, to subscribe for 600,000,000 new shares of the Company at HK\$0.42 per share.

At the date when these consolidated financial statements are approved, the above share transactions relating to the Placing Agreement and the Subscription Agreement have not been completed.

#### 39 報告期後事項

於二零一零年三月二十九日，本公司公告美的的控股(開曼群島)有限公司(「美的(開曼群島)」)(本公司的直接控股公司)，其訂立配售協議(「配售協議」)，據此，美的(開曼群島)同意通過配售代理按每股股份港幣0.42元，向若干獨立於本集團的承配人配售1,200,000,000股本公司股份。

同日，本公司與美的(開曼群島)訂立認購協議(「認購協議」)，據此，美的(開曼群島)有條件同意待配售協議完成及其他條件達成後，按每股股份港幣0.42元認購600,000,000股本公司的新股份。

於此綜合財務報表獲批准當日，上文與配售協議及認購協議有關之股份交易尚未完成。

## 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				
		2009 二零零九年 HK\$'000 港幣千元  Audited 經審核	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)
<b>Results</b>	<b>業績</b>					
Revenue	收益	4,824,116	5,193,278	4,644,992	3,192,733	2,612,940
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔利潤/(虧損)	353,775	196,877	224,385	58,686	(194,474)
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	4,598,213	3,359,872	5,797,183	5,989,771	4,732,315
Total liabilities	總負債	(3,463,497)	(2,589,230)	(5,523,927)	(5,948,562)	(4,802,265)
Total equity/(deficit)	權益/(虧絀)總額	1,134,716	770,642	273,256	41,209	(69,950)

(i) The financial summary for the year ended 31 December 2007, 2006 and 2005 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、二零零六年及二零零五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。

