

ANNUAL REPORT 2009 年報



CHINA  
HAIDIAN  
Holdings Limited  
中國海澱集團有限公司

Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司  
Stock Code 股份代號 : 256

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

1. HON Kwok Lung (Chairman)
2. SHANG Jianguang (Chief Executive Officer)
3. SHI Tao
4. LAM Toi Man

#### Non-Executive Director

5. SIT Lai Hei

#### Independent Non-executive Directors

6. FUNG Tze Wa
7. KWONG Chun Wai, Michael
8. LI Qiang

### 董事會

#### 執行董事

1. 韓國龍(主席)
2. 尚建光(行政總裁)
3. 石濤
4. 林代文

#### 非執行董事

5. 薛黎曦

#### 獨立非執行董事

6. 馮子華
7. 鄺俊偉
8. 李強



## Corporate Information 公司資料

### QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

FONG Chi Wah

### AUDITORS

Grant Thornton

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
China Construction Bank (Asia) Corporation Limited  
Hongkong and Shanghai Banking Corporation Limited  
Industrial and Commercial Bank of China Ltd

### SHARE REGISTRAR IN HONG KONG

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

### REGISTERED OFFICE

P.O. Box 309  
Ugland House  
South Church Street  
Grand Cayman  
Cayman Islands

### PRINCIPAL OFFICE

Units 1902-04, Level 19  
International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

### WEBSITE

<http://www.chinahaidian.com>  
<http://www.irasia.com/listco/hk/chinahaidian>

### 合資格會計師及公司秘書

方志華

### 核數師

均富會計師行

### 主要往來銀行

中國銀行(香港)有限公司  
中國建設銀行(亞洲)股份有限公司  
香港上海滙豐銀行有限公司  
中國工商銀行股份有限公司

### 香港股份過戶登記處

卓佳秘書商務有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 註冊辦事處

P.O. Box 309  
Ugland House  
South Church Street  
Grand Cayman  
Cayman Islands

### 主要辦事處

香港  
九龍柯士甸道西1號  
環球貿易廣場  
19樓1902-04室

### 網站

<http://www.chinahaidian.com>  
<http://www.irasia.com/listco/hk/chinahaidian>



# Corporate Highlights in 2009

## 二零零九年公司大事記要



### APRIL 2009 二零零九年四月

- Business Initiative Directions, an international quality assessment organization in Geneva, presented a Century International Gold Quality Era Award to EBOHR Luxuries International Ltd. (“EBOHR”) in recognition of its outstanding commitment to Quality and Excellence.

依波精品(深圳)有限公司(「依波精品」)獲日內瓦的國際品質評審機構Business Initiative Directions頒發世紀國際金質年代獎，以表揚其於追求品質及卓越表現的驕人成就。

### JUNE 2009 二零零九年六月

- EBOHR and Zhuhai Rossini Watch Industry Ltd. (“Rossini”) have been awarded China’s 500 most valuable brands of the year 2009 by the World Brand Laboratory.

依波精品及珠海羅西尼錶業有限公司(「羅西尼」)榮獲世界品牌實驗室評選為2009年中國500最具價值品牌。



### JULY 2009 二零零九年七月

- The Group acquired Shenzhen Permanence Commence Co., Ltd., a company focusing on the distribution of watches from Citizen, Casio and Calvin Klein.

本集團收購深圳市恒譽嘉時貿易有限公司，該公司專門分銷Citizen、Casio及Calvin Klein等手錶。



Corporate Highlights in 2009 二零零九年公司大事記要

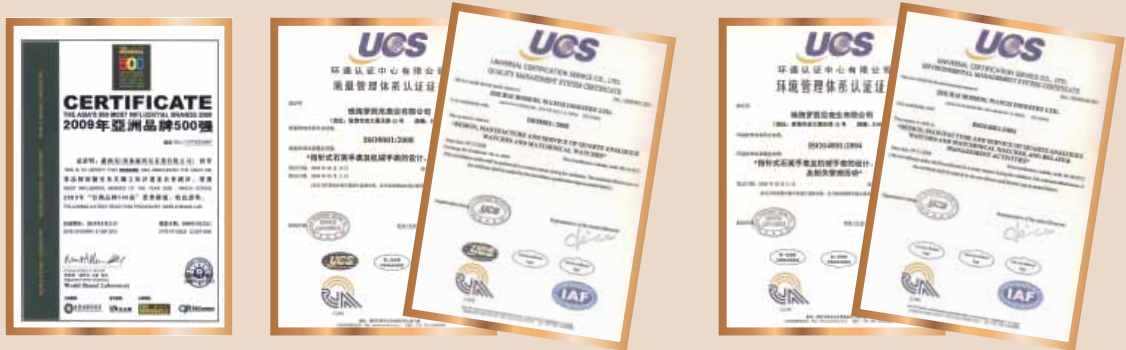
SEPTEMBER 2009 二零零九年九月

- Rossini has been awarded the Asia's 500 most influential brands of the year 2009 by the World Brand Laboratory.

羅西尼榮獲世界品牌實驗室的2009年亞洲品牌500強榮譽稱號。

- Rossini becomes the first domestic watch manufacturer that passes both ISO9001 and ISO14001.

羅西尼成為首家同時取得ISO9001及ISO14001兩項認證之國內手錶製造商。



NOVEMBER 2009 二零零九年十一月

- Board of Chinese Management Academy presented an outstanding management award of the year 2009 to EBOHR.

依波精品榮獲中國管理模式理事會頒發的2009中國管理模式傑出獎。

- Rossini was recognized as the High-technology Enterprise by the Guangdong Provincial Government.

羅西尼獲得廣東省政府頒發的高新技術企業殊榮。

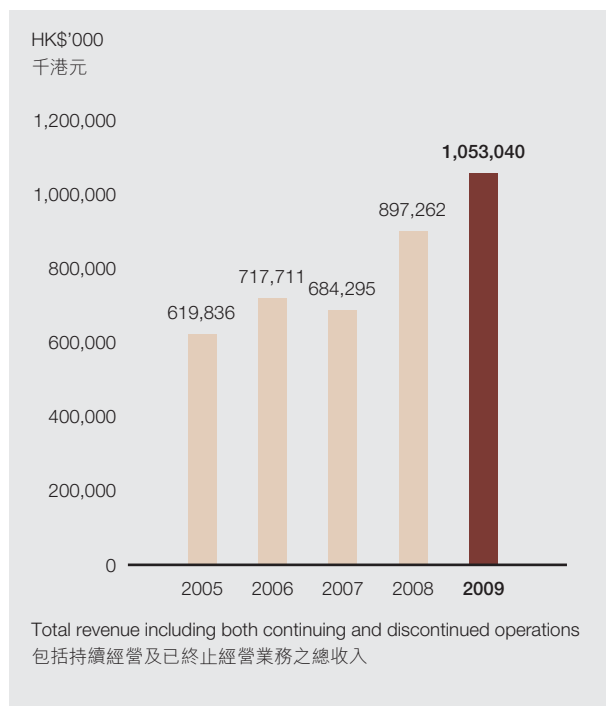


# Corporate Financial Highlights

## 公司財務摘要

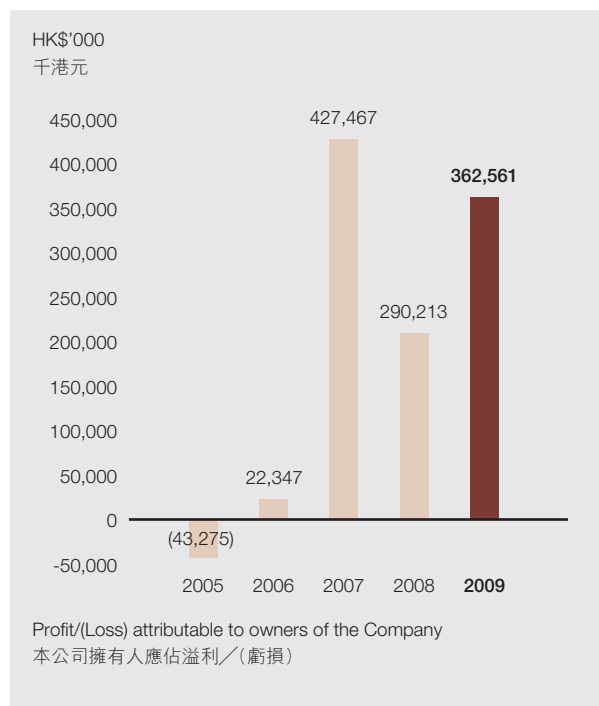
### REVENUE

收入



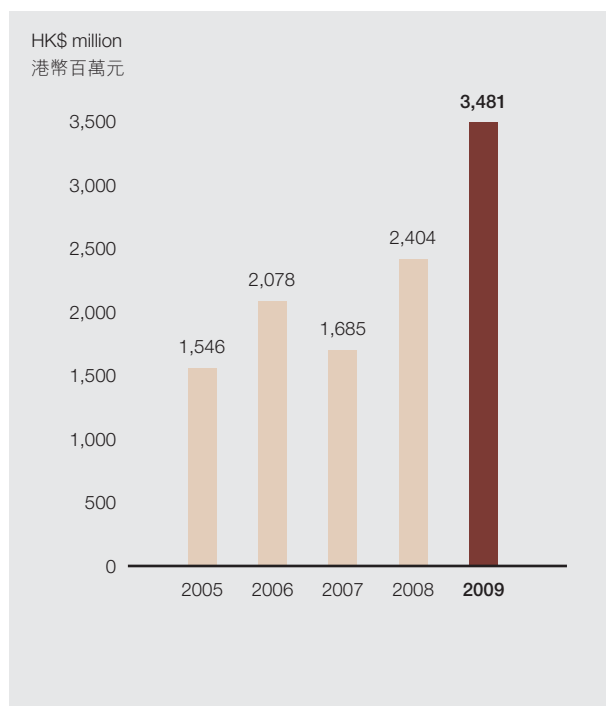
### PROFIT/(LOSS)

溢利/(虧損)



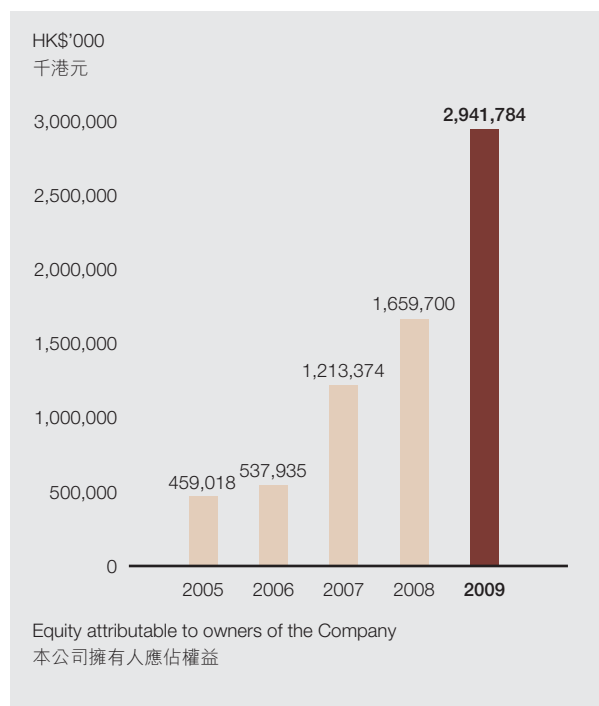
### TOTAL ASSETS

總資產



### OWNERS' EQUITY

擁有人權益



# Watches and Timepieces Segment Highlights

## 鐘錶及時計產品分類摘要

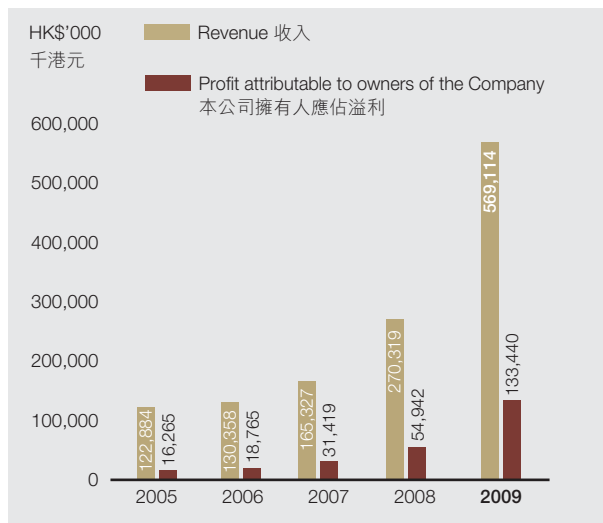
### Distribution Network in China

#### 中國銷售網絡



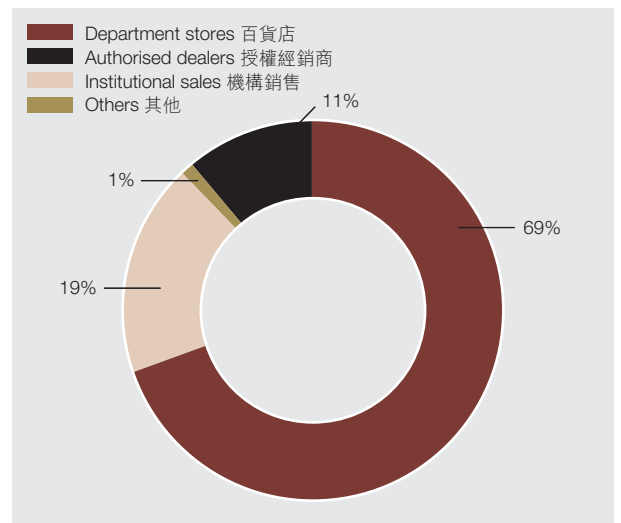
### Revenue and Profit

#### 收入及溢利



### Revenue by Distribution Channel

#### 按分銷渠道劃分收入





## Chairman's Statement 主席報告



I am pleased to report another record-breaking year for China Haidian Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”). Our financial performance reflected the integrated efforts of the board, management and staff, as well as that of our business partners in successfully pursuing our mission to be one of leaders in the domestic watch-making industry of Mainland China.

### 2009: A FRUITFUL YEAR

2009 was a fruitful year for the Group. Mainland China's strong economic recovery and sustained consumption growth underpinned our performance.

The Group achieved substantial revenue growth in 2009. Revenue for the year ended 31 December 2009 amounted to HK\$1,053,040,000, representing an increase of 17% over that of 2008 with net profit attributable to equity holders at HK\$362,561,000, a 25% increase. The watch and timepieces segment contributed increases in revenue of HK\$298,795,000 and net profit of HK\$78,498,000 respectively. In addition, the sale of the land in Shenzhen realized a net profit of HK\$248,012,000. Net asset value per share was HK\$0.84.

本人欣然呈報，中國海澱集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）本年度業績再創新高。本集團之財務表現反映董事會、管理層及員工上下之努力，以及本集團之業務夥伴就本集團成功達到成為中國大陸國內手錶業翹楚之一的目標所作出努力。

### 二零零九年：豐碩的一年

二零零九年對本集團而言為豐碩的一年。中國大陸經濟復甦勢頭強勁，且消費持續增長，為本集團業績增添動力。

本集團收入於二零零九年錄得大幅增長。截至二零零九年十二月三十一日止年度之收入達1,053,040,000港元，較二零零八年躍升17%，權益持有人應佔純利則上升25%至362,561,000港元。鐘錶及時計分部分別為收入及純利帶來298,795,000港元及78,498,000港元增幅。此外，出售位於深圳之一幅土地亦實現純利248,012,000港元。每股資產淨值為0.84港元。

## Chairman's Statement 主席報告



The Board, after due deliberation, recommended the payment of a final dividend of HK4.1 cents per share which, together with the interim dividend paid of HK1.0 cent per share, brings the total dividend for the year to HK5.1 cents per share. This total dividend will be 104 per cent higher than that for 2008, and in line with the increase in the profit attributable to equity holders.

### TAKING A LEADING POSITION IN THE DOMESTIC WATCH-MAKING INDUSTRY

The Group has driven significant inroads into the domestic watch-making industry.

During 2009, EBOHR Luxuries International Company Limited ("EBOHR") achieved substantial improvements in product and market development. Backed up by the successes of PAMA for top tier customers, and KANA for white collar ladies, EBOHR has developed Codex, the brand for high-end mechanical watches to be manufactured in Switzerland, utilizing the Swiss design and manufacturing expertise. EBOHR has also established a 100%-owned subsidiary and a distribution outlet in Switzerland. The Swiss outlet will distribute the Swiss-made watches under the Codex brand, and the Mainland China-made watches of sophisticated mechanical movement and precious metal case. At the same time, the Swiss-made watches under the Codex brand and other EBOHR-designated brand names would also be sold through its local distribution channels.

董事會於審慎考慮後建議派付末期股息每股4.1港仙，連同已派付之中期股息每股1.0港仙計算，全年派付股息合共每股5.1港仙。全年派息總額將較二零零八年高出104%，與權益持有人應佔溢利增幅相符。

### 帶領國內手錶業

本集團已大規模斥資發展國內手錶業。

於二零零九年，依波精品(深圳)有限公司(「依波精品」)之產品及市場發展取得重大進展。以PAMA於頂尖客戶市場以及KANA於白領女士市場之成功往績為藍本，依波精品開發高級機械手錶品牌Codex，該品牌手錶將善用瑞士設計及專業製造技術於瑞士製造。依波精品另已於瑞士設立一間全資附屬公司及一間分銷店，該瑞士分銷店將推廣以Codex品牌之瑞士製手錶以及精製機械錶芯及名貴金屬錶殼之中國製手錶。同時，Codex品牌及其他依波精品指定品牌之瑞士製手錶亦將透過當地分銷渠道出售。

## Chairman's Statement 主席報告

Given the tremendous efforts waged on expanding its distribution outlets through department stores and interwoven closely with regional sales managers, Zhuhai Rossini Watch Industry Ltd. ("Rossini") has consolidated its distribution outlets in the first-tier cities and increased its numbers in the second and third tier-cities in Mainland China with an overall increase of 145 distribution outlets nationwide.

On the back of its strong presence in the mass-market watches, Rossini has also developed products for the luxury segment and the specialist segment, such as tourbillon watches. Leveraging on its enhanced comprehensive distribution network and wide range of quality products, the objective is to generate increasingly strong recurring income from the well-established mass-market watch segment, whilst developing additional income from selectively targeted market segments.

Being among the top four well-recognized domestic brands in Mainland China, both EBOHR and Rossini would not only generate more revenue and profit but also strengthen the leading position of the Group in Mainland China.

On 31 July 2009, the Group acquired Shenzhen Permanence Commerce Co., Ltd. ("Permanence"), a company focusing on the distribution of Citizen, Casio and Calvin Klein watches. Permanence owns more than 40 distribution outlets with third-party outlets in excess of 50. It has exclusive distribution rights for Citizen in the provinces of Sichuan, Fujian and Shanxi and Chongqing Municipality.

In addition to being a complementary distribution network for the Group's watches, Permanence also generates revenue from the distribution of other well-known foreign brands. Given the good relationship with the outlet providers and well-known foreign brands, the number of Permanence's distribution outlets is expected to increase rapidly in the next two years.

珠海羅西尼錶業有限公司(「羅西尼」)透過百貨店擴充分銷店，並與地區銷售經理緊密合作之努力，已成功整合中國大陸一線城市之分銷店及增加第二、三線城市之分銷店數目，於全國之分銷店數目整體增加145間。

憑藉其於大眾市場所佔強勁地位，羅西尼亦已開發名貴產品及如陀飛輪手錶等專門分部產品。目的為透過經提升之全面分銷網絡及種類繁多之優質產品，自發展成熟之大眾手錶市場產生更為強勁之經常性收入，並於選定之目標市場分部增闢更多收入。

依波精品及羅西尼穩踞中國大陸四大著名國內品牌之列，不僅能產生更多收入及溢利，亦已成功鞏固本集團於國內之領導地位。

於二零零九年七月三十一日，本集團收購深圳市恒譽嘉時貿易有限公司(「恒譽」)，該公司專門分銷Citizen、Casio及Calvin Klein品牌手錶。目前，恒譽擁有超過40間分銷店並與超過50間第三方店舖建立關係。恒譽擁有Citizen獨家分銷權，覆蓋四川省、福建省、山西省及重慶市各地。

恒譽不僅為本集團手錶提供額外分銷網絡，亦自分銷其他聲譽昭著之海外品牌產生收入。憑藉與分店供應商及著名海外品牌之良好關係，預期恒譽分銷店之數目將於未來兩年急增。

## Chairman's Statement 主席報告

Our watch subsidiaries will collectively contribute significantly to the Group in view of:

1. The broad portfolio of brands, both domestic and foreign, across the wide spectrum of price ranges;
2. They can exploit brand awareness and amass superior bargaining power to establish leading positions in Mainland China; the bifurcation of business models in the domestic watch-making industry, where key dominant players continue to gain market share thriving on the weaknesses of smaller competitors is apparent;
3. Capitalising on the famous foreign brands it distributes, Permanence will develop outlets very quickly in the near future; EBOHR and Rossini can also penetrate into second to third-tier cities quickly;
4. The strong underlying economic trends in Mainland China may drive a faster than expected recovery in the retailing market.

### YACHT BUSINESS

Starting from 1 February 2010, the Group acts as the sole distributor of Princess Yachts International plc ("Princess Yachts") in Hong Kong. Being one of the leading British luxury yacht builders, Princess Yachts is owned by an investment group sponsored by Group Arnault and LVMH, the international luxury brands group.

The distribution of yachts not only enhances our premium watch segment but also provides an opportunity for the Group to familiarise and assimilate experience working with a well-known international brand. This is a strategic move with a long-term impact as yacht distribution is considered a buoyant business segment.

### ENAMELLED COPPER WIRES BUSINESS

During 2009, both enamelled copper wires companies went through a difficult period of global financial crisis and industry consolidation. They managed to establish strategic alliances with leading multinational companies having manufacturing bases in Mainland China, and develop new products, such as flat enamelled copper wires, targeted at those companies. Improvements in the portfolio of customers, provisions of right products and cost controls are crucial to the competitive position and profitability of both companies in the long run.

鑑於以下各項，本集團從事手錶業務之附屬公司將可合力為本集團帶來龐大貢獻：

1. 品牌組合種類繁多，包括國內及海外品牌，覆蓋廣泛不同價格；
2. 該等附屬公司能善用其品牌知名度，並集合極高之議價能力，在國內建立領導地位；而國內手錶製造業之業務模式呈兩極化，市場主要領導者繼續爭佔市場份額，而較小型競爭對手則陸續被淘汰；
3. 借助其分銷之著名海外品牌，恒譽將能於短期內迅速發展分銷店；而依波精品及羅西尼亦能迅速浸透第二、三線城市；
4. 中國大陸經濟發展強勁，有助推動零售市場以較預期快之速度復甦。

### 遊艇業務

自二零一零年二月一日起，本集團作為Princess Yachts International plc(「Princess Yachts」)於香港之獨家分銷商。Princess Yachts為英國主要豪華遊艇建造商之一，由Group Arnault及國際高級品牌集團LVMH贊助之投資集團擁有。

分銷遊艇不僅可提升本集團之優質手錶業務，同時亦為本集團提供累積與國際知名品牌合作之經驗之良機，由於遊艇分銷業務被視為前景秀麗之業務，故此舉為一項可帶來長遠利益之策略舉措。

### 漆包銅線業務

於二零零九年，兩家從事漆包銅線業務之公司均受到全球金融危機及行業整合之打擊。儘管如此，該兩家公司仍能與在國內設有生產基地的領先跨國公司建立策略聯盟，並對準該等公司開發新產品，如扁平漆包銅線等。長遠而言，客戶組合改善，加上提供適當產品及成本控制，均為該兩家公司維持競爭力及溢利水平之關鍵。

## Chairman's Statement 主席報告

### PROSPECTS

New trends have emerged in Mainland China's consumer spending as a result of rapid urbanization, a burgeoning middle class and greying demographics. Moreover, the global recession, rather than hindering the growth trend, is acting as a catalyst to consumer-spending trends. The Central Government is not only keen to invest more at home but also macro-manage reforms to secure future economic growth. The adverse impact of the global recession on exports has motivated the Central Government to address its generally low domestic consumption with stimulus programmes and the pressing needs of rural development so as to expand consumption in rural areas through the development of both agricultural and non-agricultural economies. As a result, Mainland China has shown clear signs of a sustainable economic recovery that is considered structurally sounder and associated with fewer risks relative to most countries. The growth in consumer consumption leads to a robust demand for watches; both domestic and imported.

We are committed to build a portfolio of watch companies engaged in different products and markets. In addition, we are also interested in the distribution of luxury products such as jewellery and yachts.

Whilst we continue to pursue rapid organic growth from our existing watch subsidiaries, we will execute mergers and acquisition relating to the watches and jewellery sectors in Mainland China and develop business alliances with leading international watch companies. The acquisitions of Rossini and Permanence are the first two of a series of acquisitions to be implemented. With a strong balance sheet, recurring income from existing subsidiaries and proceeds from divestment of non-core businesses, the Group will have sufficient drivers to grow externally. The Group has been evaluating investment opportunities in (a) leading watch manufacturing and distribution companies; (b) leading mechanical watch movement companies; (c) leading watch distribution companies; (d) leading watch and jewellery distribution companies; in Mainland China. We are particularly interested in learning about leading edge manufacturing and distribution expertise from international watch companies. For that reason, we have been evaluating investment and distribution opportunities with internationally well-known brands.

As we look forward to a more promising year in 2010, we believe our major efforts during 2009 and prior years will create substantial sustainable value for our shareholders.

### 前景

在急速城市化、中產收入人士不斷增多及人口老化等因素下，中國大陸消費模式已呈現新趨勢。此外，全球衰退不單未有阻礙消費增長，反之更對消費模式起了催化作用。中央政府不單著手加大本土投資，亦推行宏觀調控改革，以確保日後經濟增長。全球衰退對出口之負面影響，刺激中央政府著手推出刺激經濟方案，解決其本土消費普遍偏低之問題以及鄉郊發展日趨緊迫的需求，以透過農業及非農業經濟發展，擴大鄉郊地區之消費。因此，中國大陸已呈現明顯持續經濟復甦之勢，相較大多數國家而言結構更為穩健，所涉及風險亦較少。消費增長將可為本土製及進口手錶締造龐大需求。

本集團致力建立覆蓋不同產品及市場之手錶公司組合，並有意涉足如珠寶首飾及遊艇等名貴產品之分銷業務。

本集團一方面將繼續推動現有手錶附屬公司之內部自然增長，同時將於中國大陸手錶及珠寶首飾業內實行併購，並與國際領先手錶公司建立業務聯盟。收購羅西尼及恒譽為一連串將予實行之收購計劃中首兩項。憑著雄厚的財務狀況，加上來自現有附屬公司之經常性收入及撤資非核心業務所得款項，本集團將具備充裕動力向外擴展。本集團一直於中國大陸物色投資於以下公司之機會：(a) 領先手錶製造及分銷公司；(b) 領先機械錶芯公司；(c) 領先手錶分銷公司；(d) 領先手錶及珠寶首飾分銷公司。本集團尤其有意涉足國際手錶公司之先進製造及分銷專長。有鑑於此，本集團一直在探索投資於國際知名品牌及分銷其產品之機會。

踏入二零一零年，前景更見秀麗，本集團相信，於二零零九年及過往年度作出之努力，定當為股東持續創造可觀回報。



## Chairman's Statement 主席報告

### APPRECIATION

I would like to express my deep appreciation to my fellow Board members for their guidance, constructive contributions and support.

On behalf of the Board, I would like to express my heartfelt gratitude to our business partners, customers and shareholders. In addition, I would like to take this opportunity to thank all our staff members for their valuable contributions during the past year.

**Hon Kwok Lung**  
*Chairman*

Hong Kong, 31 March 2010

### 致意

本人謹此對董事會同袍之領導、富建設性之貢獻及支持致以由衷感謝。

承蒙本集團的業務夥伴、客戶及股東鼎力支持，本人謹代表董事會衷心致謝。此外，過去一年全體職員為本集團作出寶貴貢獻，本人亦藉此機會表達謝意。

主席  
**韓國龍**

香港，二零一零年三月三十一日

# About Ebohr and Rossini

**EBOHR**  
依波表







# 羅西尼表

ROSSINI WATCH



## Management Discussion and Analysis

### 管理層討論及分析



### REVIEW OF RESULTS

For the year ended 31 December 2009, the Group's revenue (continuing and discontinued operations) amounted to HK\$1,053,040,000, an increase of HK\$155,778,000 over the last year. Gross profit increased by HK\$208,046,000 to HK\$372,949,000 while net profit attributable to equity holders increased by HK\$72,348,000 to HK\$362,561,000. Earnings per share was HK10.24 cents in 2009 (2008: HK13.44 cents). Having set apart the financial impact of the discontinued operations for the year of HK\$225,651,000 (2008: HK\$251,812,000), the Group should have an increase of net profit of HK\$98,509,000 from its continuing operations compared with the net profit last year.

#### (1) Watches and timepieces business

EBOHR Luxuries International Company Limited ("EBOHR"), a wholly-owned subsidiary of the Group, achieved satisfactory result in 2009. Revenue was HK\$271,915,000, an increase of HK\$47,481,000, or 21%, from HK\$224,434,000 of last year. Net profit was HK\$62,360,000, an increase of HK\$18,583,000 or 42% from HK\$43,777,000 last year.

### 業績回顧

截至二零零九年十二月三十一日止年度，本集團來自持續經營業務及已終止經營業務的收入為1,053,040,000港元，較去年上升155,778,000港元。毛利增加208,046,000港元至372,949,000港元，而權益持有人應佔純利則增加72,348,000港元至362,561,000港元。二零零九年每股盈利為10.24港仙（二零零八年：13.44港仙）。撇除年內已終止經營業務之財務影響225,651,000港元（二零零八年：251,812,000港元），本集團來自持續經營業務之純利則較去年純利增加98,509,000港元。

#### (1) 鐘錶及時計產品業務

於二零零九年，本集團之全資附屬公司依波精品（深圳）有限公司（「依波精品」）業績理想。收入為271,915,000港元，較去年224,434,000港元增加47,481,000港元或21%。純利為62,360,000港元，較去年43,777,000港元增加18,583,000港元或42%。



## Management Discussion and Analysis 管理層討論及分析



It is EBOHR's plan to establish ten boutique shops selling its proprietary brand watches, such as PAMA, KANA and the Swiss-made watches under EBOHR's designed brand names. Each boutique shop is expected to cost approximately RMB1 million and the total investment would be approximately RMB10 million. As of the end of 2009, two boutique shops were fully in operation. Besides, EBOHR has also commenced sale through internet in Mainland China.

EBOHR has established a 100% owned subsidiary in Switzerland, marketing the Swiss-made watches under EBOHR's designated brand names and the Mainland China-made watches of sophisticated mechanical movement. The distribution outlet in Biel, Switzerland will be in operation in May 2010. At the same time, the Swiss-made watches under EBOHR's designated brand names would also be sold in its local distribution channels.

Zhuhai Rossini Watch Industry Ltd. ("Rossini"), a 91% subsidiary of the Group, also achieved satisfactory result in 2009. Revenue was HK\$280,606,000, an increase of HK\$234,720,000, or 512%, from HK\$45,886,000 last year, contributing net profit of approximately HK\$71,170,000 to the Group.

依波精品之計劃為開設十間精品專賣店，銷售PAMA及KANA等自有品牌手錶及依波精品指定品牌瑞士製手錶。各精品店預期投資額約人民幣1,000,000元，而總投資額將約為人民幣10,000,000元。截至二零零九年年底，共有兩家精品店已全面投入運作。此外，依波精品亦已開始透過互聯網在中國大陸展開銷售。

依波精品已於瑞士設立一間全資附屬公司，推廣以依波精品指定品牌之瑞士製手錶以及精製機械錶芯之中國製手錶。另在瑞士的比爾之分銷店亦將於二零一零年五月投入運作。同時，依波精品指定品牌之瑞士製手錶亦將透過本地分銷渠道出售。

本集團擁有91%權益之附屬公司珠海羅西尼錶業有限公司(「羅西尼」)亦於二零零九年錄得理想業績。收入為280,606,000港元，較去年45,886,000港元增加234,720,000港元或512%，為本集團帶來純利約71,170,000港元。



## Management Discussion and Analysis 管理層討論及分析

Rossini made significant improvements in the manufacturing, operation, sale and marketing. Among the improvements, Rossini recruited watch designers in the leading schools in Mainland China and watch designers from Hong Kong to develop new product lines to work with its existing well qualified team; these new product lines reflect the current international trends and yet take into account of the unique preference of the local market that Rossini manages to pass both ISO9001 and ISO14001. It is the only watch manufacturer and distributor in Mainland China achieves two recognitions, which shows its significant advancement in operation. Rossini has also added 145 distribution outlets in the first, second and third-tier cities to its comprehensive sale network.

Shenzhen Permanence Commerce Co., Ltd. ("Permanence") is developing strongly. It contributed revenue of HK\$16,593,000. As its growth foundation has been firmly developed in 2009, it will be a revenue and profit driver for the Group in 2010.

### (2) Enamelled copper wires business

Fuzhou Dartong Mechanic and Electronic Company Ltd. ("Fuzhou Dartong"), a 49% owned joint venture of the Group contributed revenue and net profit after tax of approximately HK\$471,149,000 and HK\$10,830,000 respectively in 2009. Its revenue decreased by 20% while net profit after tax increased by 239% compared with 2008. During 2009, Fuzhou Dartong developed additional market share in air-conditioner and vehicle generator and developed closer relationship with leading multinational and leading local companies.

Jiangsu Dartong M&E Company Ltd. ("Jiangsu Dartong"), a 25.58% owned associated company of the Group contributed net profit after tax of approximately HK\$1,877,000 in 2009 which increased significantly by 679% compared with 2008.

羅西尼於生產、營運、銷售及市場推廣方面作出重大改善。在多項改善中，羅西尼在原來優秀設計團隊基礎上於中國內地之優秀學府及香港聘請手錶設計師開發新產品系列；該等新產品系列反映現時國際潮流，同時加入本地市場之獨特喜好元素。羅西尼更成功通過ISO9001及ISO14001認證，為中國內地唯一一家同時獲取兩項認證之手錶製造及分銷商，彰顯其營運跨步進展之成果。羅西尼亦在一、二及三線城市增設145家分銷店，令銷售網絡更廣泛。

深圳市恒譽嘉時貿易有限公司(「恒譽」)亦正穩健發展，帶來收入16,593,000港元。鑑於恒譽已於二零零九年建立穩固增長基礎，故將於二零一零年成為本集團收入及溢利動力之一。

### (2) 漆包銅線業務

於二零零九年，本集團擁有49%權益之合營企業福州大通機電有限公司(「福州大通」)分別貢獻約471,149,000港元收入及10,830,000港元除稅後純利。二零零九年之收入較二零零八年減少20%，而除稅後純利則增加239%。於二零零九年，福州大通於空調及汽車發電器範疇取得額外市場份額，並已與跨國及本地領先公司建立更緊密關係。

於二零零九年，本集團擁有25.58%權益之聯營公司江蘇大通機電有限公司(「江蘇大通」)貢獻約1,877,000港元除稅後純利。與二零零八年比較，大幅增加679%。

## Management Discussion and Analysis 管理層討論及分析

The efforts to improve the portfolio of customers, to provide the right products and to implement cost control paid off. Both companies managed to establish strategic alliance with multinational and leading local companies; develop new customers in the areas of power generator, automobile and electric tools; develop new products for wind power and new products such as flat enamelled copper wires and enamelled aluminum wires; and increased market share for air-conditioner and vehicle generator. In addition, the production costs and other costs are properly controlled.

### (3) Investment in Citychamp Dartong

During the year, the Group received cash dividend of HK\$8,238,000 from Citychamp Dartong Company Limited ("Citychamp Dartong"). On 3 March 2010, Citychamp Dartong announced its results under PRC GAAP for the year ended 31 December 2009. The earnings per share for the year was RMB0.43, which represented an increase of 59% as compared with last year. The annual dividends from Citychamp Dartong and the possible gradual divestment of shares of Citychamp Dartong shares upon expiry of the lock-up period on 22 May 2010 will provide sources of funds to the Group for potential watches and timepieces related acquisitions.

### (4) Termination of timber plant in Shenzhen

The Group received from the Shenzhen Government the compensation of RMB716 million, being 89.5% of the proceeds from the sale of land. Approximately 50% of the gain from the land auction and resumption was accounted for in 2008 and 2009 respectively. The Group recognized the gain on disposal before tax of HK\$317,227,000 in 2008 and HK\$309,799,000 in 2009. The profit from discontinued operation for 2009 and 2008 was HK\$225,651,000 and HK\$251,812,000 respectively.

A joint venture, 70% owned by Citychamp Dartong and 30% owned by the Group, acquired the land and will develop the land into a residential, commercial, office and hotel complex with total gross floor area of 205,693 sqm. The Group's share of registered capital of the joint venture and the consideration of the land is RMB270 million in aggregate and there was no other funding requirement from the Group for the development. In view of the stable land and property market in Shenzhen, the outlook for the real estate development and for the resale value of the land is considered satisfactory.

改善客戶組合、提供適當產品及實行成本控制之努力已見成果。該兩家公司已成功與跨國及領先本地公司建立策略聯盟，並於發電器、汽車及電動工具領域吸納新客戶，同時開發風力發電相關新產品及其他新產品，例如扁平漆包銅線及漆包鋁線，及擴大空調及汽車發電器之市場份額。同時，生產成本及其他成本均得到妥善控制。

### (3) 於冠城大通之投資

年內，本集團自冠城大通股份有限公司（「冠城大通」）錄得8,238,000港元之現金股息收入。於二零一零年三月三日，冠城大通公佈其根據中國公認會計原則編製截至二零零九年十二月三十一日止年度的業績。年內每股盈利為人民幣0.43元，較去年增加59%。自冠城大通收取的年度股息及於二零一零年五月二十二日禁售期屆滿後可能逐步出售於冠城大通股份投資所得款項，將為本集團潛在鐘錶及時計相關收購項目提供資金。

### (4) 終止深圳的木材廠

本集團自深圳政府獲取賠償人民幣716,000,000元，即出售土地所得款項之89.5%。土地拍賣及收地之收益約50%已分別於二零零八年及二零零九年入賬。本集團於二零零八年及二零零九年分別確認除稅前出售收益317,227,000港元及309,799,000港元。二零零九年及二零零八年來自已終止經營業務之溢利分別為225,651,000港元及251,812,000港元。

由冠城大通及本集團分別擁有70%及30%之合營企業已購入該幅土地，並將發展為住宅、商業、辦公室及酒店綜合項目，總建築面積為205,693平方米。本集團應佔該合營企業註冊資本及土地代價合共人民幣270,000,000元，本集團之發展並無任何其他資本需要。鑑於深圳土地及物業市場穩定，該土地之房地產發展前景及轉售價值將甚為可觀。

## Management Discussion and Analysis 管理層討論及分析

### (5) Property investment

The factory complex in Dongguan, the property on Yan He South Road, Luohu District, Shenzhen, three shop units on Xianghua Road, Zhuhai, in Guangdong Province of the PRC, and one apartment in Hong Kong owned by the Group have been leased out, with stable rental returns to the Group for the year under review.

## FINANCIAL POSITION

### (1) Liquidity, financial resources and capital structure

As at 31 December 2009, the Group had non-pledged cash and bank balances of approximately HK\$257,404,000 (31 December 2008: HK\$62,340,000). Based on the bank loans of HK\$122,533,000 (31 December 2008: HK\$173,393,000) and shareholders' equity of HK\$2,941,784,000 (31 December 2008: HK\$1,659,700,000), the Group's gearing ratio (being loans divided by Shareholders' equity) was 4% (31 December 2008: 10%).

As at 31 December 2009, the Group's bank loans amounting to HK\$104,715,000 (85% of all bank loans) were repayable within one year.

### (2) Charge on assets

Banking facilities of the Company were secured by the Group's investment properties in Tai Hang with net book values amounting to approximately HK\$15,500,000 as at 31 December 2009.

### (3) Capital commitments

As at 31 December 2009, the Group had capital commitments of HK\$1,374,000 (31 December 2008: HK\$228,229,000).

In October 2009, the Group undertook to take up its rights entitlement in full under the rights issue proposed by Citychamp Dartong (the "Citychamp Rights Issue") at a cash consideration of not more than RMB236,516,373 (equivalent to approximately HK\$268,769,000). The Citychamp Rights Issue is subject to approval from the relevant PRC government authorities. As at 31 December 2009 and up to the date of this report, the Citychamp Rights Issue has not been completed. Details about the Citychamp Rights Issue are set out in the Company's announcement dated 16 October 2009.

### (4) Contingent liabilities

The Group had no material contingent liabilities at the balance sheet date.

### (5) 物業投資

本集團所擁有位於中國廣東省東莞市的工廠綜合大樓、深圳市羅湖區沿河南路的物業、珠海市香華路三個舖位及香港一個住宅單位均已全部租出，於回顧年內為本集團帶來穩定租金回報。

## 財務狀況

### (1) 流動資金、財務資源及資本結構

於二零零九年十二月三十一日，本集團有無抵押現金及銀行結存約257,404,000港元（二零零八年十二月三十一日：62,340,000港元）。按照銀行貸款122,533,000港元（二零零八年十二月三十一日：173,393,000港元）及股東權益2,941,784,000港元（二零零八年十二月三十一日：1,659,700,000港元）計算，本集團的資本負債率（借貸除股東權益）為4%（二零零八年十二月三十一日：10%）。

於二零零九年十二月三十一日，本集團為數104,715,000港元的銀行貸款（佔全部銀行貸款的85%）須於一年內償還。

### (2) 資產抵押

於二零零九年十二月三十一日，本公司的銀行信貸以本集團位於大坑賬面值約15,500,000港元的投資物業作抵押。

### (3) 資本承擔

於二零零九年十二月三十一日，本集團之資本承擔為1,374,000港元（二零零八年十二月三十一日：228,229,000港元）。

於二零零九年十月，本集團承諾，以現金代價不多於人民幣236,516,373元（約相當於268,769,000港元）悉數承購冠城大通建議供股（「冠城供股」）項下配額。冠城供股有待有關中國政府機關批准。於二零零九年十二月三十一日及截至本報告日期，冠城供股尚未完成。冠城供股詳情載於本公司日期為二零零九年十月十六日之公佈。

### (4) 或然負債

於結算日，本集團並無任何重大或然負債。

## Management Discussion and Analysis 管理層討論及分析

### OUTLOOK

With a strong Central Government support, a rising income/education level and an improving national transportation network, economic growth and urbanization in Mainland China is expected to accelerate in the next few years. Such development should benefit the watches and timepieces business in Mainland China.

The Group is committed to build a portfolio covering extensive products and markets through various watch related companies. In addition, the Group is also interested in the distribution of luxury products. To this end, the Group intends to achieve the development with organic growth and acquisitions and/or alliances. While there are tremendous initiatives for organic growth of EBOHR, Rossini and Permanence, the Group also intends to grow through acquisitions and/or alliances.

Strong recurring income of EBOHR, Rossini and Permanence will be applied for financing the organic growth. The cashflow from potential divestment of non-core businesses will provide funds for acquisitions in Mainland China and overseas. Our Group is in advanced discussions with watch manufacturing and distribution companies, mechanical watch movement companies, watch distribution companies and watch and jewelry distribution companies in Mainland China. In addition, our Group is actively identifying and evaluating acquisition opportunities in Switzerland.

We believe we would make substantial progress to the ultimate goal of building a comprehensive portfolio of companies specializing in manufacturing watches and mechanical movement and distribution of the proprietary brands and non-proprietary brands in Mainland China and overseas in 2010.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2009, the Group had approximately 1,500 full-time staff in Hong Kong and the PRC. The remuneration packages offered to the employees were determined and reviewed on an arm's length basis with reference to the market condition and individual performance. The Group also provides other benefits to its employees, including year end double pay, medical insurance and retirement benefits, and incentive bonus are offered with reference to the Group's operating results and employees' individual performance. All employees of the Group in Hong Kong have joined the provident fund schemes.

### 展望

在中央政府大力支持、收入及教育水平不斷提高及全國交通運輸網絡日益改善之推動下，中國大陸之經濟增長及城市化預期將於未來數年加速，並將惠及中國大陸之鐘錶及時計業務。

本集團致力透過多家手錶相關公司建立一個涵蓋廣泛系列產品及市場之組合。此外，本集團亦有意發展名貴產品分銷業務。本集團擬透過內部自然增長以及收購及／或聯盟達致此目標。本集團一方面積極推行措施促進依波精品、羅西尼及恒譽內部自然增長，同時亦有意透過收購及／或聯盟達致增長。

來自依波精品、羅西尼及恒譽之強勁經常性收入將撥作內部自然增長所需資金。來自可能撤資非核心業務之現金流量將用以為於中國內地及海外進行收購提供資金。本集團正與中國內地不同手錶製造及分銷公司、機械錶芯公司、手錶分銷公司以及手錶及珠寶首飾分銷公司進行進一步磋商。此外，本集團正積極物色及評估瑞士品牌及機芯制造收購機遇。

本集團相信，本集團將於二零一零年朝著建立專注製造手錶及機械錶芯以及在中國大陸及海外分銷自有品牌及非自有品牌全面公司組合之最終目標跨步進發。

### 僱員及薪酬政策

本集團於二零零九年十二月三十一日在香港及中國內地僱用約1,500名全職員工。僱員薪酬待遇乃按公平基準，參考市場情況及個別表現制定及檢討。本集團亦為僱員提供其他福利，包括年終雙糧、醫療保險及退休福利，並視乎本集團經營業績及僱員個人工作表現向彼等發放獎金花紅。本集團全體香港僱員均已參加公積金計劃。

## Management Discussion and Analysis 管理層討論及分析

### APPRECIATION

The Group's impressive performance in the past period was the result of the dedicated work by the management and its staff. I would like to take this opportunity to express our sincere gratitude to our employees, customers, bankers, professional consultants and shareholders for their support.

**Shang Jianguang**  
*Chief Executive Officer*

Hong Kong, 31 March 2010

### 致意

本集團於過去一年能有此佳績，全賴管理層及員工專心致志。承蒙本集團的僱員、客戶、往來銀行、專業顧問及股東鼎力支持，本人謹代表董事會衷心致謝。

行政總裁  
商建光

香港，二零一零年三月三十一日



## Directors and Senior Management 董事及高層管理人員



### EXECUTIVE DIRECTORS 執行董事

#### HON Kwok Lung (Chairman)

Mr. Hon Kwok Lung, aged 55, is the Chairman of the Board of Directors of Citychamp Dartong Company Ltd. ("Citychamp Dartong"), the shares of which are listed on the Shanghai Stock Exchange in the PRC. Citychamp Dartong and its subsidiaries are principally engaged in manufacturing and sale of enamelled copper wires and property development in the Mainland China. Mr. Hon has extensive business experience in the Mainland China. Mr. Hon is a member of China Overseas Chinese Committee; Standing Committee of Jinlin Overseas Chinese Committee; Chinese People's Political Consultative Conference ("CPPCC"), Beijing; CPPCC, Hai Dian District Committee of Beijing; and CPPCC, Fu Zhou Committee. He joined the Board in April 2004.

#### 韓國龍(主席)

韓國龍先生，現年五十五歲，是冠城大通股份有限公司（「冠城大通」）的主席，冠城大通的股份乃於中國上海證券交易所上市。冠城大通及其附屬公司在中國主要從事製造及銷售漆包線以及物業發展等業務。韓先生於中國商界累積豐富經驗，是中華全國歸國華僑聯合會委員、吉林省歸國華僑聯合會常委、中國人民政治協商會議北京市委員會委員、中國人民政治協商會議北京市海澱區委員會常委，以及中國人民政治協商會議福建省福州市委員會委員。彼於二零零四年四月加入本公司董事會。



#### SHANG Jianguang (Chief Executive Officer)

Mr. Shang Jianguang, aged 58 and graduated in Fuzhou University majoring in Chemistry, is a qualified senior engineer in the Mainland China. Prior to joining the Group, he assumed senior posts in various large companies, and was General Manager and Director of Min Xin Holdings Limited, a company listed on the main board of the Stock Exchange. He has extensive knowledge and experience in corporate and investment management. He joined the Board in November 2004.

#### 商建光(行政總裁)

商建光先生，現年五十八歲，畢業於福州大學化工專業，持有中國大陸之合資格高級工程師職稱。彼加入本集團前，曾在多家大機構任高級職位，並曾任閩信集團有限公司（一家於聯交所主板上市之公司）之總經理及董事。彼於企業管理、投資管理等方面擁有廣泛知識及豐富經驗。彼於二零零四年十一月加入本公司董事會。

## Directors and Senior Management 董事及高層管理人員

**SHI Tao**

Mr. Shi Tao, aged 46, holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering from Wuhan University of Technology (formerly known as Wuhan Industrial University). Mr. Shi has years of business experience in the Mainland China. He has also been appointed as an Executive Director of New Capital International Investment Limited, a company whose shares are listed on the Stock Exchange, since November 2006. He joined the Board in April 2004.

**石濤**

石濤先生，現年四十六歲，持有清華大學工程學學士學位，並持有武漢理工大學(前稱武漢工業大學)工程碩士學位。石先生於中國商界累積多年經驗。彼亦已獲委任為新資本國際投資有限公司執行董事，該公司股份自二零零六年十一月於聯交所上市。彼於二零零四年四月加入本公司董事會。

**LAM Toi Man**

Mr. Lam Toi Man, aged 52, has various years of experience in property development in the Mainland China. Mr. Lam has been the General Manager of Zhejiang Huashun Real Estate Investment Co., Ltd. In addition, he has been appointed as an Executive Director and the General Manager of Hangzhou Yuanhua Mart Construction Co., Ltd.. He joined the Board in April 2004. Mr. Lam is the brother-in-law of Mr. Hon Kwok Lung.

**林代文**

林代文先生，現年五十二歲，在中國物業發展方面累積多年經驗，曾任浙江華順房地產投資有限公司總經理。此外，林先生獲委任為杭州元華商城建設有限公司執行董事及總經理。彼於二零零四年四月加入本公司董事會。林先生為韓國龍先生之妻舅。

## Directors and Senior Management 董事及高層管理人員

**NON-EXECUTIVE DIRECTOR 非執行董事****SIT Lai Hei**

Ms. Sit Lai Hei, aged 33 and graduated in Fuzhou University taking Marketing as her major, is a qualified assistant engineer in Mainland China. She joined the Board in November 2004. Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung. In addition, Ms. Sit's husband is a nephew of Mr. Lam Toi Man.

**薛黎曦**

薛黎曦女士，現年三十三歲，畢業於福州大學市場營銷專業，持有中國大陸之助理工程師職稱。彼於二零零四年十一月加入本公司董事會。薛女士為韓國龍先生之媳婦。此外，薛女士之丈夫為林代文先生之外甥。

**INDEPENDENT NON-EXECUTIVE DIRECTORS****獨立非執行董事****FUNG Tze Wa**

Mr. Fung Tze Wa, aged 53, is a Certified Public Accountant and a Director of an accounting firm in Hong Kong. Mr. Fung has various years of experience in auditing, taxation and company secretarial practice in Hong Kong. He obtained a Master degree in professional accounting from the Hong Kong Polytechnic University in 2000. He is a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the Chartered Association of Certified Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. He has also been appointed as the independent non-executive director of New Capital International Investment Limited since April 2004 and of Jiwa Bio-Pharm Holdings Limited since September 2004. Both companies' shares are listed on the Stock Exchange. He joined the Board in April 2004.

**馮子華**

馮子華先生，現年五十三歲，執業會計師及一間香港會計師事務所的董事。馮先生擁有多年香港核數、稅務及公司秘書經驗，於二零零零年取得香港理工大學專業會計碩士學位。彼為香港會計師公會（「香港會計師公會」）、特許公認會計師公會、香港稅務學會及華人會計師及核數師公會之會員。彼亦分別自二零零四年四月及自二零零四年九月起獲委任為新資本國際投資有限公司及積華生物醫藥控股有限公司之獨立非執行董事，兩家公司之股份均於聯交所上市。彼於二零零四年四月加入本公司董事會。

## Directors and Senior Management 董事及高層管理人員

**KWONG Chun Wai, Michael**

Dr. Kwong Chun Wai, Michael, aged 45, is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing, a member of the Hong Kong Logistics Association, a certified professional marketer of the Hong Kong Institute of Marketing and a business strategist specialising in the area of marketing and business administration. Dr. Kwong obtained a Bachelor of arts degree with honours in philosophy from the University of Nottingham in the United Kingdom in 1987 and a Doctorate degree in business administration from Newport University in the United States in 2001. Dr. Kwong has also been appointed as an independent non-executive director of New Capital International Investment Limited, a company whose shares are listed on the Stock Exchange, since November 2006. He joined the Board in April 2004.

**鄺俊偉**

鄺俊偉博士，現年四十五歲，國際專業管理學會資深會員、香港市務學會會員及香港物流協會會員、香港市務學會認許市務師以及專門於市場推廣及商業行政之業務策略師。鄺博士於一九八七年在英國諾定咸大學取得哲學榮譽文學士學位，並於二零零一年在美國Newport University取得工商管理博士學位。鄺博士亦自二零零六年十一月起獲委任為新資本國際投資有限公司之獨立非執行董事，該公司股份於聯交所上市。彼於二零零四年四月加入本公司董事會。

**LI Qiang**

Mr. Li Qiang, aged 44, holds a Master of Science degree and a PhD of Economics degree. Since March 2004, he is a senior consultant of Insurance Fund Management Regulatory Department of China Insurance Regulatory Commission. He has over 16 years of experience in the Mainland China financial market, including banking, securities and fund management. He joined the Board in November 2004.

**李強**

李強先生，現年四十四歲，持有理學碩士學位及經濟學博士學位。彼自二零零四年三月起，在中國保險監督管理委員會資金運用監管部任高級顧問。彼在中國大陸之金融市場，包括銀行、證券及基金管理方面具有逾十六年豐富經驗。彼於二零零四年十一月加入本公司董事會。

## Directors and Senior Management 董事及高層管理人員

**SENIOR MANAGEMENT 高層管理人員****FONG Chi Wah**

Mr. Fong Chi Wah, aged 47, is the Chief Financial Officer and Secretary of the Company. Mr. Fong is an associate member of HKICPA, a fellow member of CPA Australia, a Chartered Financial Analyst and a member of the Hong Kong Institute of Directors. Mr. Fong has over 20 years of extensive experience in various sectors of the financial industry, including direct investment, project and structured finance, and capital markets with focus on the Mainland China and Hong Kong. Mr. Fong was a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. He joined the Company in September 2004.

**方志華**

方志華先生，現年四十七歲，本公司的集團財務總監及公司秘書。方先生為香港會計師公會會員、澳洲會計師公會資深會員、特許財務分析師及香港董事學會會員。方先生於中國及香港金融界直接投資、項目及結構融資及資本市場等各方面積逾二十年豐富經驗。方先生曾為Baring Capital (China) Management Limited之董事，並於ING Bank擔任多個管理職位。彼於二零零四年九月加入本公司。

**TAO Li**

Mr. Tao Li, aged 57, is the Vice President of the Company. He is also a Director and General Manager of several subsidiaries of the Company and in charge of the watch manufacturing and distribution businesses of the Group. Mr. Tao graduated from Beijing Foreign Trade College (currently known as China Foreign Economy and Trade University) in 1978 is a senior economist in Mainland China. He has over 26 years of experience in business administration, marketing and international trading. He has been working with the Group since 1991.

**陶立**

陶立先生，現年五十七歲，為本公司副總裁及若干附屬公司之董事兼總經理，主管本集團鐘錶製造及分銷業務。陶先生於一九七八年在北京對外貿易學院(現稱中國對外經貿大學)畢業，持有中國大陸之高級經濟師職稱。彼於商業管理、市場推廣及國際貿易方面擁有逾二十六年經驗，彼自一九九一年於本集團工作。



## Directors and Senior Management 董事及高層管理人員

**YIN Weirong**

Mr. Yin Weirong, aged 53, is a qualified senior economist. He is the Vice President of the Company, he is also a Director and a Deputy General Manager of various subsidiaries of the Company. Mr. Yin was the Chief Representative of a reputable multinational company in the PRC and the General Manager of a large PRC international trust and investment corporation responsible for investment in industrial and financial projects. Having acquired over 30 years of corporate management developing markets in the PRC and overseas, he joined the Company in April 2007.

**尹偉榕**

尹偉榕先生，現年五十三歲，持有高級經濟師職稱，為本公司副總裁及若干附屬公司之董事兼常務副總經理。尹先生曾任中國大陸一間著名跨國性企業之首席代表，及一間中國大陸國際信託及投資公司工業、金融投資部總經理。彼在企業經營管理及國際、國內市場開發方面具有超過三十年豐富經驗。彼於二零零七年四月加入本集團。

# Corporate Governance Report 2009

## 二零零九年企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a standard of corporate governance that is consistent with market practices.

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Government Practices (“Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) for the year ended 31 December 2009 except for code provision E.1.2. Code provision E.1.2 stipulates that the Chairman of the board of directors should attend the annual general meeting. The Chairman of the board of directors will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are properly regulated.

The followings summarize the Company’s key corporate governance practices.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conducts for securities transactions by directors of the Company. All the members of the board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2009.

### BOARD OF DIRECTORS

The principal focus of the board is on the overall strategic development and direction of the Group. The board also monitors the financial performance and the internal controls of the Group’s business operations. The board has established a clear segregation of duties and responsibilities between the board and the management as to which types of decisions are to be taken by the board and which are to be delegated to management. This segregation of duties and responsibilities will be regularly reviewed by the board.

### 企業管治常規

本公司致力維持與市場慣例一致的企業管治準則水平。

截至二零零九年十二月三十一日止年度，除守則條文第E.1.2條外，本公司已應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「守則」)的原則及遵守所有適用守則條文。守則條文第E.1.2條規定，董事會主席應出席股東週年大會。除遇上阻礙彼出席大會的突發或特殊情況外，董事會主席將盡力出席本公司未來的所有股東週年大會。董事會將不斷檢討及改進本公司的企業管治常規及準則，確保業務活動及決策流程受到妥善規管。

以下概述本公司的主要企業管治慣例。

### 董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為本公司董事進行證券交易的操守準則。本公司經作出具體查詢後，獲全體董事會成員確認，彼等於截至二零零九年十二月三十一日止年度一直遵守標準守則載列的指定標準。

### 董事會

董事會主要負責制定本集團的整體策略發展及方向。董事會亦監管本集團業務營運的財務表現及內部監控。董事會已清晰劃分董事會與管理層的職務及職責，以釐定董事會作出的決策類別及管理層獲指派的工作。董事會將定期檢討該等職務及職責的分工。

## Corporate Governance Report 2009 二零零九年企業管治報告

The board comprises of four Executive Directors (one of whom is the Chairman and the other of whom is the Chief Executive Officer), one Non-executive Director and three Independent Non-executive Directors. In addition, one of the Independent Non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise. Profiles of directors are set out in the pages 23 to 26 of the Annual Report.

With a wide range of expertise and a balance of skills, the Independent Non-executive Directors bring independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct through their participating in board meetings and committee work.

The views of the Independent Non-executive Directors carry significant weight in the board's decision-making process. The board considers that each Independent Non-Executive director is independent in character and judgment and that they all meet the specific independent criteria as required by the Listing Rules. The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers such directors to be independent. The Independent Non-executive Directors are explicitly identified in all corporate communications.

The board meets regularly throughout the year to review the overall strategy, discuss business opportunities and to monitor the operation as well as the financial performance of the Group. With the assistance of the Company Secretary, the Chairman and the Chief Executive Officer are primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time prior to confirmation.

To facilitate the directors to discharge their responsibilities, they are continuously updated with regulatory developments, business and market changes and the strategic development of the Group.

董事會現由四名執行董事(其中一名為主席,另外一名為行政總裁)、一名非執行董事及三名獨立非執行董事組成。此外,其中一名獨立非執行董事擁有適當專業會計資格及財務管理知識。各董事的履歷載於年報第23至第26頁。

獨立非執行董事憑藉廣泛專業知識及各方技能,透過參與董事會會議及委員會事務,就策略、政策、表現、問責、資源、重要委聘及操守準則各項事宜作出獨立判斷。

獨立非執行董事的意見於董事會決策過程中發揮重大影響力。董事會認為,各獨立非執行董事在身分及判斷力上均互相獨立,而彼等均符合上市規則所規定的指定獨立條件。本公司已接獲每名獨立非執行董事根據上市規則第3.13條有關其獨立身分的年度確認函件,而本公司認為該等董事仍具獨立性。所有企業通訊內均明確識別各獨立非執行董事的身分。

董事會於年內定期開會檢討整體策略、討論業務商機及監管本集團營運及財務表現。在公司秘書的協助下,主席及行政總裁主要負責在諮詢全體董事後,草擬及批准各董事會會議的議程。董事會就所有董事會例會向全體董事發出最少十四日通知,而董事可於需要時在議程內納入討論課題。有關董事會例會的議程及隨附董事會文件均於確認前在合理時間內全部寄交各董事。

為便利董事履行其職責,董事持續獲提供有關監管發展、業務及市場變化以及本集團策略發展的最新資料。

## Corporate Governance Report 2009 二零零九年企業管治報告

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are promptly provided with adequate information, which enable the board to make an informed decision on matters placed before it.

董事會及董事委員會的會議記錄均由各會議經正式委任的秘書保管。所有董事均可取閱董事會文件及相關資料，並適時獲取充足資料，確保董事會就有待處理事宜作出知情決定。

Save as mentioned below, there is no relationship among members of the board:

除下文所述者外，董事會成員間並無任何關係：

- (i) Mr. Lam Toi Man (Executive Director) is the brother-in-law of Mr. Hon Kwok Lung (Chairman of the board).
- (ii) Ms. Sit Lai Hei (Non-executive Director) is the daughter-in-law of Mr. Hon Kwok Lung and Ms. Sit's husband is a nephew of Mr. Lam Toi Man.

- (i) 執行董事林代文先生為董事會主席韓國龍先生的妻舅。
- (ii) 非執行董事薛黎曦女士為韓國龍先生的媳婦，而薛女士的丈夫則為林代文先生的外甥。

During the year, five board meetings were held and the individual attendance of each director is set out below:

年內，本公司共舉行五次董事會會議，個別董事之出席率載列如下：

Name of director	董事姓名	Attendance/Meetings Held 出席／舉行董事會會議次數
HON Kwok Lung	韓國龍	5/5
SHANG Jianguang	商建光	5/5
SHI Tao	石濤	2/5
LAM Toi Man	林代文	4/5
SIT Lai Hei	薛黎曦	5/5
FUNG Tze Wa	馮子華	4/5
KWONG Chun Wai, Michael	鄺俊偉	0/5
LI Qiang	李強	3/5

### Re-election of Directors

Each of the directors is appointed for a specific term and is subject to the rotation provision of the Company's Articles of Association and shall retire at least once every three years.

### 重選董事

各董事均按指定任期獲委任，且須遵守本公司章程細則有關輪值告退的條文，須最少每三年退任一次。

Pursuant to the existing Articles of Association of the Company, at every annual general meeting, one-third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office. Besides, the Company will ensure full compliance with the Code provision that every director should be subject to retirement by rotation at least once every three years.

根據本公司的現行章程細則，於每屆股東週年大會，當時三分一的董事，或倘有關人數並非三的倍數則最接近但不少於三分一的董事須退任。此外，本公司將確保全面遵守有關每名董事須最少每三年輪值告退一次的守則條文。



## Corporate Governance Report 2009 二零零九年企業管治報告

**Remuneration Committee**

Members of the Remuneration Committee are Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael, Mr. Li Qiang, Mr. Hon Kwok Lung and Mr. Shang Jianguang.

The majority of the Remuneration Committee members are Independent Non-executive Directors. The Remuneration Committee recommends the board on the Group's overall 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. The Remuneration Committee ensures that no director or any of his/her associates is involved in deciding his/her own remuneration. The terms of reference of the Remuneration Committee were adopted are consistent with the requirements of the Code.

The Remuneration Committee has met once on 16 April 2009 to review the main elements of the Company's remuneration policy for directors and senior management, and to review and approve the specific remuneration packages of all directors and senior management.

During the year, one Remuneration Committee meeting was held. The individual attendance of each member is set out below:

Name of director	董事姓名	Attendance/Meetings Held 出席／舉行會議次數
FUNG Tze Wa	馮子華	1/1
KWONG Chun Wai, Michael	鄺俊偉	1/1
LI Qiang	李強	0/1
HON Kwok Lung	韓國龍	1/1
SHANG Jianguang	商建光	1/1

**Nomination of Directors**

The Company currently does not have a nomination committee. The Company will consider setting up one at the appropriate time.

**薪酬委員會**

薪酬委員會成員包括馮子華先生(委員會主席)、鄺俊偉博士、李強先生、韓國龍先生及商建光先生。

薪酬委員會大多數成員均為獨立非執行董事。薪酬委員會就本集團所有董事及高級管理人員薪酬的整體政策及結構，以及就制定薪酬政策確立正規而具透明度程序，向董事會提出建議。薪酬委員會須確保董事或其任何聯繫人士均不得參與釐定其本身薪酬。薪酬委員會已採納與守則規定貫徹一致之書面職權範圍。

薪酬委員會曾於二零零九年四月十六日舉行會議，以檢討本公司董事及高級管理人員薪酬政策的主要內容，並審閱及批准全體董事及高級管理人員的具體薪酬組合。

年內，薪酬委員會曾舉行一次會議，個別成員的出席率載列如下：

**董事提名**

本公司現時並無設立提名委員會。本公司將於適當時候考慮成立一個提名委員會。

## Corporate Governance Report 2009 二零零九年企業管治報告

**Audit Committee**

Members of the Audit Committee are Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang.

The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the Audit Committee were adopted in 1999 and subsequently revised on 23 August 2005 to conform to the provisions of the Code.

During the year under review, the Audit Committee met with the Company's external auditors, the board and senior management. The Audit Committee has met two times to review the reporting of financial (including half-yearly and annual results) and other information to shareholders, the accounting system, the system of internal controls, risk management, effectiveness and objectivity of the audit process and perform other duties set out in this terms of reference. Members of the Audit Committee visited subsidiaries and associates of the Group and enquired about and comment on the matters related to system of accounting, internal controls and risk management of those subsidiaries. They also reviewed and commented internal audit reports of subsidiaries and associates and adequacy of resources, qualifications, experience and training of staff engaged in the accounting and financial reporting function.

The Audit Committee reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2009.

During the year, two Audit Committee meetings were held and the individual attendance of each member is set out below:

**審核委員會**

審核委員會成員包括馮子華先生(委員會主席)、鄭俊偉博士及李強先生。

審核委員會的組成及成員均符合上市規則第3.21條的規定。詳述審核委員會的權力及職責的書面職權範圍，已於一九九九年獲採納，其後於二零零五年八月二十三日獲修訂，以符合守則條文的規定。

回顧年度內，審核委員會曾與本公司外聘核數師、董事會及高級管理層會面，並共舉行兩次會議，以審閱包括中期及年度業績的財務報告與須向股東提供的其他資料、會計制度、內部監控制度、風險管理、核數程序的成效與客觀性以及履行職權範圍所載其他職務。審核委員會成員已視察本集團的附屬公司及聯營公司，並諮詢該等附屬公司的內部監控制度及風險管理等相關事項並作出評價。審核委員會成員亦已檢討及評價附屬公司及聯營公司的內部審核報告，以及資源充足度、從事會計及財務申報職能的員工資歷、經驗及培訓。

審核委員會與管理層已審閱本集團採納的會計準則及慣例，並討論內部監控及財務申報事宜，包括審閱截至二零零九年十二月三十一日止年度賬目。

年內，審核委員會共舉行兩次會議，個別成員的出席率載列如下：

Name of director	董事姓名	Attendance/Meetings Held 出席／舉行會議次數
FUNG Tze Wa	馮子華	2/2
KWONG Chun Wai, Michael	鄭俊偉	2/2
LI Qiang	李強	1/2

## Corporate Governance Report 2009 二零零九年企業管治報告

### AUDITORS' REMUNERATION

For the year ended 31 December 2009, the Company has paid an audit fee of HK\$1,380,000 in relation to the audit services for the financial statements for the year ended 31 December 2009. The audit fee was approved by the Audit Committee and endorsed by the board.

### INTERNAL CONTROLS

The board has overall responsibility for maintaining an adequate system of internal controls of the Company and for reviewing its effectiveness. The board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The board has delegated to management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management function within an established framework and reporting to the board and Audit Committee on its material findings.

### DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2009, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

### 核數師酬金

截至二零零九年十二月三十一日止年度，本公司就截至二零零九年十二月三十一日止年度財務報表之審核服務支付核數費用1,380,000港元。審核費用已獲審核委員會批准及董事會認可。

### 內部監控

董事會對維持本公司完善內部監控制度及檢討其成效承擔整體責任。董事會致力推行有效及穩健的內部監控制度，保障股東利益及本集團資產。董事會已委派管理層推行內部監控制度，並檢討已建立架構內所有相關財務、營運、合規監控及風險管理職能，並向董事會及審核委員會匯報重要發現。

### 董事責任聲明

董事負責編製各財政期間的賬目，該等賬目須真實反映本集團於該期間的事務、業績及現金流量。編製截至二零零九年十二月三十一日止年度賬目時，董事選用及貫徹應用適當會計政策；採納適當香港財務申報準則及香港會計準則；作出多項審慎合理的調整及估計；以及按持續經營基準編製賬目。董事亦有責任存管適當會計記錄，隨時合理準確披露本公司的財政狀況。

## Corporate Governance Report 2009 二零零九年企業管治報告

**INVESTOR RELATIONSHIP AND COMMUNICATION**

The Company endeavours to maintain a high level of transparency in communicating with shareholders and the investment community at large. In order to ensure effective, clear and accurate communications with the shareholders and investors, all corporate communications are arranged and handled by the Executive Directors and designated senior executives according to established practices and procedures of the Company.

The Company has announced its annual results and interim results in a timely manner during the year under review, which is within the time limits set out in the Listing Rules. Separate resolutions are proposed at the general meetings on each substantially separate issue, including the re-election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

The Company has also maintained websites at [www.irasia.com/listco/hk/chinahaidian](http://www.irasia.com/listco/hk/chinahaidian) and [www.chinahaidian.com](http://www.chinahaidian.com) which enable shareholders, investors and the general public to have access to the information of the Company on a timely basis. Financial information and all shareholder corporate communications of the Company are made available on the Company's website and updated regularly.

Shareholders who wish to raise any queries with the board may write to the Company Secretary at Unit 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

**投資者關係及溝通**

本公司致力維持高透明度，務求與股東及投資界大眾連繫溝通。為確保與股東及投資者維持有效、清晰及準確的溝通渠道，根據本公司的既定慣例及程序，所有公司通訊均由執行董事及指定高層行政人員安排及處理。

回顧年度內，本公司於上市規則所訂期限內，適時公佈其全年及中期業績。於股東大會就各重大個別事項(包括重選個別董事)提呈獨立決議案。此外，要求按股數投票表決的程序已載入連同年報一併送交股東的通函內。

本公司另設有網站 [www.irasia.com/listco/hk/chinahaidian](http://www.irasia.com/listco/hk/chinahaidian) 及 [www.chinahaidian.com](http://www.chinahaidian.com)，以供股東、投資者及公眾人士適時瀏覽本公司資料。本公司財務資料及所有與股東的公司通訊均刊載於本公司網站，並會定期更新。

股東如對董事會有任何疑問，可致函公司秘書，地址為香港九龍柯士甸道西1號環球貿易廣場19樓1902-04室。



# Report of the Directors

## 董事會報告

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

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 21 to the financial statements. There were no significant changes to the Group's principal activities during the year.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2009 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 47 to 161.

The directors recommended the payment of a final dividend of HK4.1 cents per share for the year ended 31 December 2009.

### SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 162 and 163. This summary does not form part of the audited financial statements.

### PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Company and of the Group during the year are set out in notes 17 and 18 to the financial statements, respectively. Further details of the Group's investment properties are set out on page 164 of the annual report.

### SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 36 to the financial statements.

董事謹此提呈董事會報告以及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經審核財務報表。

### 主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於財務報表附註21。本集團之主要業務於年內並無重大變動。

### 業績及股息

本集團截至二零零九年十二月三十一日止年度之溢利以及本公司和本集團於當日的財務狀況載於財務報表第47至161頁。

董事建議就截至二零零九年十二月三十一日止年度派付末期股息每股4.1港仙。

### 財務資料概要

本集團過去五個財政年度已刊發業績、資產、負債與少數股東權益概要載於第162頁及第163頁，乃摘錄自經審核財務報表。該概要並不構成經審核財務報表其中部分。

### 物業、廠房及設備以及投資物業

本公司及本集團物業、廠房及設備以及投資物業於年內的變動詳情，分別載於財務報表附註17及18內。本集團投資物業之進一步詳情載於年報第164頁。

### 股本

本公司股本變動詳情，載於財務報表附註36。

## Report of the Directors 董事會報告

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

### RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 38 to the financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

In addition to the retained profits of the Company, the share premium account of the Company is also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

At 31 December 2009, the Company had reserves of HK\$447,848,000, being the share premium account, available for cash distribution and/or distribution in specie.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 47% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 62% of the total purchases.

The percentage of sales attributable to the Group's largest customer was 32%. The percentage of purchases attributable to the Group's largest supplier was 51%.

Sales to a joint venturer of the Group's jointly-controlled entity, of which three directors of the Company are also directors amounted to HK\$338,904,000 in 2009. The sales was based on the open market price.

### 優先購買權

本公司之公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

### 購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 儲備

本公司及本集團儲備於年內的變動詳情分別載於財務報表附註38及綜合權益變動表內。

### 可供分派儲備

除本公司之保留溢利外，本公司之股份溢價賬亦可向股東分派，惟於緊隨建議進行上述分派當日之後，本公司必須仍有能力償還在日常業務中到期支付之欠款。

於二零零九年十二月三十一日，本公司可供作現金及／或實物分派的儲備，即股份溢價賬為447,848,000港元。

### 主要客戶與供應商

於回顧年內，本集團五大客戶的銷售額佔年內總銷售額47%。本集團五大供應商的購貨額佔總購貨額62%。

本集團最大客戶應佔銷售百分比為32%。本集團最大供應商應佔採購百分比為51%。

於二零零九年，向本公司三名董事亦出任董事之本集團共同控制實體之一名合營方作出之銷售為338,904,000港元。銷售乃按公開市價進行。

## Report of the Directors 董事會報告

### DIRECTORS

The directors of the Company during the year were:

#### Executive Directors:

Mr. Hon Kwok Lung, *Chairman*  
 Mr. Shang Jianguang, *Chief Executive Officer*  
 Mr. Shi Tao  
 Mr. Lam Toi Man

#### Non-executive Director:

Ms. Sit Lai Hei

#### Independent Non-executive Directors:

Mr. Fung Tze Wa  
 Dr. Kwong Chun Wai, Michael  
 Mr. Li Qiang

In accordance with article 116 of the Company's articles of association, Mr. Hon Kwok Lung, Ms. Sit Lai Hei and Mr. Li Qiang will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmation of independence from each of the three Independent Non-executive Directors, Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang that they have met all the factors concerning their independence as set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and that there are no other factors which may affect their independence. The Company's board of directors (the "Board") considers these Independent Non-executive Directors to be independent.

### DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 23 to 28 of the annual report.

### 董事

以下為本公司本年度在任之董事：

#### 執行董事：

韓國龍先生(主席)  
 商建光先生(行政總裁)  
 石濤先生  
 林代文先生

#### 非執行董事：

薛黎曦女士

#### 獨立非執行董事：

馮子華先生  
 鄭俊偉博士  
 李強先生

根據本公司組織章程細則第116條之規定，韓國龍先生、薛黎曦女士及李強先生將於應屆股東週年大會依章輪值告退，並願且符合資格重選連任。

本公司已獲取三名獨立非執行董事馮子華先生、鄭俊偉博士及李強先生各自發出之年度獨立確認書，表示彼等已符合香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條有關彼等獨立身分的所有因素，以及並無其他可能會影響彼等獨立身分的因素。本公司董事會(「董事會」)認為，該三名獨立非執行董事均為獨立人士。

### 董事及高層管理人員之履歷

本公司董事及本集團高層管理人員之履歷詳情載於年報第23至第28頁。

## Report of the Directors 董事會報告

### DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

### DIRECTORS SERVICE CONTRACTS

Mr. Shang Jianguang, an Executive Director and the Chief Executive Officer of the Company, has a service contract with the Company for a term of three years commencing from 18 November 2008 and is subject to termination by either party by giving not less than three month's written notice.

Mr. Hon Kwok Lung, the Chairman of the Company, Mr. Shi Tao, and Mr. Lam Toi Man, Executive Directors of the Company, have service contracts with the Company for an initial term of two years commencing from 1 July 2004 and is subject to termination by either party by giving not less than two months written notice. These service contracts will each continue for successive terms of one year unless terminated by not less than two months written notice served by either party to the other.

Mr. Fung Tze Wa and Dr. Kwong Chun Wai, Michael, Independent Non-executive Directors of the Company, have service contracts with the Company for an initial term of two years commencing from 3 May 2004. These service contracts will each continue for successive terms of one year unless terminated by not less than one month's written notice served by either party to the other.

No director 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 payment of compensation, other than statutory compensation.

### 董事於合約中之權益

概無董事於本公司或其任何附屬公司於年內所訂立對本集團業務屬重大之合約中直接或間接擁有重大權益。

### 董事服務合約

本公司執行董事兼行政總裁商建光先生與本公司訂有服務合約，任期由二零零八年十一月十八日起為期三年，惟任何一方可向另一方發出不少於三個月書面通知終止該服務合約。

本公司主席韓國龍先生、本公司執行董事石濤先生及林代文先生與本公司訂有服務合約，初步任期由二零零四年七月一日起為期兩年，惟任何一方可向另一方發出不少於兩個月書面通知予以終止。除非任何一方向另一方發出不少於兩個月書面通知予以終止，此等服務合約將繼續有效，並其後每次續期一年。

本公司獨立非執行董事馮子華先生及鄺俊偉博士均與本公司訂有服務合約，初步任期由二零零四年五月三日起為期兩年。除非任何一方向另一方發出不少於一個月書面通知予以終止，此等服務合約將繼續有效，並其後每次續期一年。

概無建議於應屆股東週年大會重選連任之董事與本公司訂有任何本公司不可在一年內毋須支付賠償(法定賠償除外)而終止之服務合約。

## Report of the Directors 董事會報告

**DIRECTORS REMUNERATION**

The directors' fees can be fixed by the directors of the Company and are subject to shareholders' authorisation at general meetings. Other emoluments are determined by the Board with reference to the duties, responsibilities and performance of the directors and the results of the Group.

**DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

At 31 December 2009, the interests or short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules, were as follows:

Long position in ordinary shares of the Company:

Name of director	董事姓名	Capacity and nature of interest 身分及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Mr. Hon Kwok Lung	韓國龍先生	Through controlled corporations 透過受控制公司	2,621,957,515 (Note) (附註)	74.01%

Note:

871,957,515 shares of the Company are held by Sincere View International Limited ("Sincere View"), which is owned as to 80% and 20% by Mr. Hon Kwok Lung and his wife, Ms. Lam Suk Ying, respectively. 1,750,000,000 shares were held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung.

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of shares of 2,621,957,515 held by Sincere View and Full Day.

Save as disclosed above, as at 31 December 2009, no person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**董事酬金**

董事袍金可由本公司董事釐定，惟須獲股東於股東大會批准。其他薪酬由董事會參考董事之職務、責任及表現以及本集團業績釐定。

**董事及主要行政人員於股份及相關股份之權益及淡倉**

於二零零九年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條規定存置之登記冊所記錄，董事及主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股本及相關股份中擁有之權益或淡倉或已根據上市規則項下上市發行人董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：

本公司普通股之好倉：

附註：

871,957,515股本公司股份由信景國際有限公司(「信景」)持有，而韓國龍先生及彼之妻子林淑英女士分別持有信景80%及20%權益。1,750,000,000股股份由韓國龍先生全資擁有之朝豐有限公司(「朝豐」)持有。

韓國龍先生及林淑英女士被視作於信景及朝豐所持同一批2,621,957,515股股份中擁有權益。

除上文披露者外，於二零零九年十二月三十一日，概無任何人士於本公司或其任何相聯法團之股份及相關股份中擁有已根據證券及期貨條例第352條記錄之任何權益或淡倉，或已根據標準守則知會本公司及聯交所之任何權益或淡倉。



## Report of the Directors 董事會報告

**DIRECTORS RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

**SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES**

At 31 December 2009, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

**Long position:****董事購買股份或債券之權利**

於年內任何時間，董事或彼等各自的配偶或未成年子女概無獲授或行使可藉購買本公司股份或債券獲益的權利，而本公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法團獲取該等權利。

**主要股東於股份及相關股份之權益**

於二零零九年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之權益登記冊所記錄，下列人士持有本公司已發行股本5%或以上權益：

**好倉：**

Name of shareholders	股東名稱／姓名	Capacity and nature of interest 身分及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Full Day	朝豐	Directly beneficially owned 直接實益擁有	1,750,000,000	49.40%
Sincere View	信景	Directly beneficially owned 直接實益擁有	871,957,515	24.61%
Hon Kwok Lung (Note)	韓國龍(附註)	Deemed interest 視作擁有權益	2,621,957,515	74.01%
Lam Suk Ying (Note)	林淑英(附註)	Deemed interest 視作擁有權益	2,621,957,515	74.01%

Note:

As Mr. Hon Kwok Lung owns 100% and 80% of Full Day and Sincere View respectively, he is deemed to be interested in the total of 2,621,957,515 shares held by Full Day and Sincere View under Part XV of the SFO. Ms. Lam Suk Ying, being Mr. Hon Kwok Lung's spouse, is also deemed to be interested in the total of 2,621,957,515 shares held by Full Day and Sincere View under Part XV of the SFO. Mr. Hon Kwok Lung is a director of both Full Day and Sincere View.

附註：

由於韓國龍先生分別擁有朝豐及信景100%及80%權益，根據證券及期貨條例第XV部，彼被視作於朝豐及信景所持合共2,621,957,515股股份中擁有權益。根據證券及期貨條例第XV部，韓國龍先生之配偶林淑英女士亦被視作於朝豐及信景所持合共2,621,957,515股股份中擁有權益。韓國龍先生為朝豐及信景之一名董事。

Save as disclosed above, as at 31 December 2009, no person, other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文披露者外，於二零零九年十二月三十一日，除其權益載於上文「董事及主要行政人員於股份及相關股份之權益及淡倉」一節之本公司董事及主要行政人員外，概無任何人士於本公司股份及相關股份中登記擁有須根據證券及期貨條例第336條予以記錄之權益或淡倉。

## Report of the Directors 董事會報告

**CONNECTED TRANSACTION**

During the year, there is no connected transaction of the Group under the Listing Rules.

**關連交易**

本集團於年內並無進行任何上市規則項下之關連交易。

**SHARE OPTION SCHEME**

Particulars of the share option schemes of the Company are set out in note 37 to the consolidated financial statements.

**優先認購股份權計劃**

本公司優先認購股份權計劃詳情載於綜合財務報表附註37。

The following table discloses movements in the Company's share options for the year ended 31 December 2009:

下表披露本公司優先認購股份權於截至二零零九年十二月三十一日止年度之變動：

Name or category of participants	參與者姓名或類別	Number of share options 優先認購股份權數目		
		At 1 January 2009 於二零零九年 一月一日	Exercised during the year 於年內行使	At 31 December 2009 於二零零九年 十二月三十一日
<b>Executive directors</b>	<b>執行董事</b>			
Mr. Hon Kwok Lung	韓國龍先生	3,500,000	–	3,500,000
Mr. Shang Jianguang	商建光先生	8,000,000	–	8,000,000
Mr. Shi Tao	石濤先生	5,000,000	–	5,000,000
Mr. Lam Toi Man	林代文先生	3,500,000	–	3,500,000
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>			
Mr. Fung Tze Wa	馮子華先生	3,500,000	–	3,500,000
Dr. Kwong Chun Wai, Michael	鄭俊偉博士	3,500,000	–	3,500,000
Mr. Li Qiang	李強先生	3,500,000	–	3,500,000
Sub-total	小計	30,500,000	–	30,500,000
<b>Other eligible employees In aggregate</b>	<b>其他合資格僱員 合計</b>	98,000,000	(645,000)	97,355,000
<b>Other eligible persons In aggregate</b>	<b>其他合資格人士 合計</b>	50,500,000	–	50,500,000
Total	總計	179,000,000	(645,000)	178,355,000

## Report of the Directors 董事會報告

**DIRECTORS INTERESTS IN A COMPETING BUSINESS**

During the year, no director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules, other than those businesses to which the directors were appointed as directors to represent the interest of the Company and/or the Group.

**SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company's shares which are in the hands of the public exceeded 25% of the Company's total issued share capital as at the date of this report.

**CODE ON CORPORATE GOVERNANCE PRACTICES**

In the opinion of the Directors, the Company has applied the principles and complied with the code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2009, except for the deviations from code provisions E.1.2 of the Code as explained in the Company's interim report for the period ended 30 June 2009.

**MODEL CODE FOR SECURITIES TRANSACTIONS**

The Board adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Having made specific enquiry with all the Company's directors, the Company has ascertained that all of its directors have complied with the required standards set out in the Model Code throughout the accounting year covered by this annual report.

**董事於競爭業務之權益**

年內，除董事因代表本公司及／或本集團權益而獲委聘為董事之該等業務外，根據上市規則，概無董事被視為在直接或間接與本集團業務構成競爭或可能構成競爭之業務中擁有權益。

**足夠公眾持股量**

按本公司可公開獲取之資料及據董事所知悉，公眾人士所持本公司股份數目超過本公司於本報告日期之全部已發行股本25%。

**企業管治常規守則**

董事認為，除本公司截至二零零九年六月三十日止期間之中期報告所闡釋偏離守則條文第E.1.2條外，本公司於截至二零零九年十二月三十一日止年度已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「守則」）之原則及遵守當中守則條文。

**證券交易的標準守則**

董事會已採納標準守則作為本公司董事買賣本公司證券之操守準則。經向本公司全體董事作出具體查詢後，本公司確定所有董事於本年報所涵蓋整個會計年度一直遵守標準守則所載之規定準則。

## Report of the Directors 董事會報告

### REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") on 23 August 2005 in compliance with the Listing Rules, terms of reference of which have been adopted by the Board of the Company are consistent with the requirements of the Code. The Remuneration Committee currently comprises the three Independent Non-executive Directors, Mr. Fung Tze Wa (the Chairman of the Committee), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang, the Chairman of the Board, Mr. Hon Kwok Lung and the Chief Executive Officer, Mr. Shang Jianguang.

### AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three Independent Non-executive Directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial matters including the review of the audited financial statements for the year ended 31 December 2009.

### AUDITORS

In January 2007, Ernst & Young resigned as auditors of the Company and Grant Thornton were appointed by the directors to fill the causal vacancy so arising. There have been no other changes of auditors in the past three years. A resolution for the re-appointment of Grant Thornton as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

**Hon Kwok Lung**  
Chairman

Hong Kong  
31 March 2010

### 薪酬委員會

本公司已於二零零五年八月二十三日按照上市規則成立薪酬委員會(「薪酬委員會」)，本公司董事會採納之職權範圍與守則之規定一致。薪酬委員會現由三名獨立非執行董事馮子華先生(委員會主席)、鄺俊偉博士、李強先生及董事會主席韓國龍先生及行政總裁商建光先生組成。

### 審核委員會

本公司已遵照上市規則第3.21條成立審核委員會，以審閱及監督有關本集團財務申報程序及內部監控。審核委員會由本公司三名獨立非執行董事組成。審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論審計、內部監控及財務事宜，包括審閱截至二零零九年十二月三十一日止年度之經審核財務報表。

### 核數師

於二零零七年一月，安永會計師事務所辭任本公司核數師，均富會計師行獲董事委聘以填補所產生之臨時空缺。核數師於過去三年並無其他變動。本公司將於應屆股東週年大會提呈有關續聘均富會計師行為本公司核數師之決議案。

代表董事會

主席  
韓國龍

香港  
二零一零年三月三十一日

# Independent Auditors' Report

## 獨立核數師報告



**Grant Thornton**  
均富

Member of Grant Thornton International Ltd

**To the members of China Haidian Holdings Limited**  
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Haidian Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 161, which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory 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 financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. 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.

### **AUDITORS' RESPONSIBILITY**

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

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

**致中國海澱集團有限公司列位股東**  
(於開曼群島註冊成立之有限公司)

本核數師已審核載於第47至161頁中國海澱集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此財務報表包括於二零零九年十二月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### **董事對財務報表之責任**

貴公司董事須負責根據香港會計師公會頒佈之香港財務申報準則及香港公司條例之披露規定編製並真實及公平地呈報該等財務報表。這些責任包括設計、實施及維持與編製並真實而公平地呈報財務報表有關之內部監控，以確保不存在重大錯誤陳述(不論其由欺詐或錯誤引起)；選取並應用適當之會計政策；及作出適合不同情況之合理會計估計。

### **核數師之責任**

本核數師之責任是根據審核工作之結果，對這些財務報表發表意見。本核數師之報告僅向整體股東作出，除此之外不作其他用途。本核數師概不就本報告之內容向任何其他人士負責或承擔責任。

本核數師已按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求本核數師遵守操守規定以及規劃及進行審核，以合理地確定財務報表是否不存在重大錯誤陳述。



## Independent Auditors' Report 獨立核數師報告

### AUDITORS' RESPONSIBILITY (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider 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 disclosure requirements of the Hong Kong Companies Ordinance.

#### Grant Thornton

Certified Public Accountants  
6th Floor, Nexus Building  
41 Connaught Road Central  
Hong Kong

31 March 2010

### 核數師之責任(續)

審核工作包括進程序以取得與財務報表所載數額及披露事項有關之審核憑證。選取之程序須視乎核數師之判斷，包括評估財務報表出現重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與實體編製並真實而公平地呈列財務報表有關之內部監控，以設計適合不同情況之審核程序，但並非旨在就實體內部監控之效能表達意見。審核工作亦包括評估董事所用會計政策是否合適，及所作會計估計是否合理，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師取得之審核憑證就審核意見提供充分及恰當之基礎。

### 意見

本核數師認為，綜合財務報表根據香港財務申報準則真實與公平地反映 貴公司及 貴集團於二零零九年十二月三十一日之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定適當編製。

#### 均富會計師行

執業會計師  
香港  
干諾道中41號  
盈置大廈6樓

二零一零年三月三十一日

# Consolidated Statement of Comprehensive Income

## 綜合全面收入表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

	Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Continuing operations:</b>			
Revenue	6	1,045,714	865,304
Cost of sales		(667,569)	(696,597)
<b>Gross profit</b>		<b>378,145</b>	<b>168,707</b>
Other income	7(a)	23,775	25,136
Selling and distribution expenses		(156,575)	(78,518)
Administrative expenses		(120,755)	(99,009)
Gain/(Loss) on fair value changes in financial assets at fair value through profit or loss, net		42,234	(36,968)
Net surplus on revaluation of investment properties	18	5,102	9,348
Dividend income from available- for-sale financial assets	24	8,238	73,624
Operating profit		180,164	62,320
Financial income	7(b)	1,909	1,662
Finance costs	8	(8,597)	(8,637)
Share of profit of associates		1,877	241
<b>Profit before income tax</b>	9	<b>175,353</b>	<b>55,586</b>
Income tax expense	10	(31,388)	(16,082)
Profit after income tax from continuing operations		143,965	39,504
<b>Discontinued operations:</b>			
Profit for the year from discontinued operations	11.2	225,651	251,812
<b>Profit for the year</b>		<b>369,616</b>	<b>291,316</b>
<b>Other comprehensive income</b>			
- Exchange gain on translation of financial statements of foreign operations		11	2,855
- Changes in fair value of available-for-sale financial assets	24(a)	1,027,705	(512,573)
<b>Other comprehensive income for the year</b>		<b>1,027,716</b>	<b>(509,718)</b>
<b>Total comprehensive income for the year</b>		<b>1,397,332</b>	<b>(218,402)</b>

## Consolidated Statement of Comprehensive Income 綜合全面收入表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

		Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Profit for the year attributable to:</b>	<b>以下人士應佔本年度溢利：</b>			
Owners of the Company	本公司擁有人	12	362,561	290,213
Minority interests	少數股東權益		7,055	1,103
			<b>369,616</b>	<b>291,316</b>
<b>Total comprehensive income for the year attributable to:</b>	<b>以下人士應佔本年度全面收入總額：</b>			
Owners of the Company	本公司擁有人		1,390,275	(219,642)
Minority interests	少數股東權益		7,057	1,240
			<b>1,397,332</b>	<b>(218,402)</b>
<b>Earnings per share attributable to owners of the Company during the year</b>	<b>本公司擁有人應佔本年度每股盈利</b>			
<b>From continuing and discontinued operations</b>	<b>由持續經營業務及已終止經營業務</b>	14		
– Basic	– 基本		<b>HK cents 10.24 港仙</b>	<b>HK cents 13.44 港仙</b>
– Diluted	– 攤薄		<b>HK cents 9.98 港仙</b>	<b>N/A 不適用</b>
<b>From continuing operations</b>	<b>由持續經營業務</b>			
– Basic	– 基本		<b>HK cents 3.87 港仙</b>	<b>HK cents 1.78 港仙</b>
– Diluted	– 攤薄		<b>HK cents 3.77 港仙</b>	<b>N/A 不適用</b>
<b>From discontinued operations</b>	<b>由已終止經營業務</b>			
– Basic	– 基本		<b>HK cents 6.37 港仙</b>	<b>HK cents 11.66 港仙</b>
– Diluted	– 攤薄		<b>HK cents 6.21 港仙</b>	<b>N/A 不適用</b>

# 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

	Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	179,803	159,147
Investment properties	18	74,708	69,606
Prepaid land lease payments	19	25,784	20,742
Goodwill	20	621,382	621,382
Interests in associates	23	343,277	34,582
Available-for-sale financial assets	24	1,440,715	413,010
Prepayments and deposits	25	2,406	84,360
Deferred tax assets	35	1,207	1,207
		<b>2,689,282</b>	<b>1,404,036</b>
<b>Current assets</b>			
Inventories	26	264,234	217,949
Trade and bill receivables	27	152,675	103,651
Prepaid land lease payments	19	602	444
Prepayments, deposits and other receivables	25	34,403	469,323
Financial assets at fair value through profit or loss	28	82,482	29,059
Cash and cash equivalents	29	257,404	62,340
		<b>791,800</b>	<b>882,766</b>
Non-current assets held for sale	11.3	–	116,893
		<b>791,800</b>	<b>999,659</b>
<b>Current liabilities</b>			
Trade and bill payables	30	125,263	86,318
Other payables and accruals	31	125,745	150,469
Dividend payable		17,600	–
Tax payables		130,859	61,992
Derivative financial instruments	32	816	7,588
Borrowings	33	104,715	147,779
Due to related companies	34	–	256,288
		<b>504,998</b>	<b>710,434</b>
<b>Net current assets</b>		<b>286,802</b>	<b>289,225</b>

## 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

		Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>2,976,084</b>	1,693,261
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	33	<b>17,818</b>	25,614
<b>Net assets</b>	<b>資產淨值</b>		<b>2,958,266</b>	1,667,647
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	36	<b>354,268</b>	354,203
Proposed dividend	擬派股息		<b>145,250</b>	88,551
Reserves	儲備	38	<b>2,442,266</b>	1,216,946
			<b>2,941,784</b>	1,659,700
Minority interests	少數股東權益		<b>16,482</b>	7,947
<b>Total equity</b>	<b>權益總額</b>		<b>2,958,266</b>	1,667,647

Hon Kwok Lung  
韓國龍  
Director  
董事

Shang Jianguang  
商建光  
Director  
董事



# 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

		Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	5,320	7,388
Interests in subsidiaries	所佔附屬公司權益	21	875,932	934,909
Interests in a jointly-controlled entity	所佔一家共同控制實體權益	22	64,442	64,442
Interests in an associate	所佔一家聯營公司權益	23	29,336	29,336
			<u>975,030</u>	<u>1,036,075</u>
<b>Current assets</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	25	3,277	11,945
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	28	38,330	16,706
Cash and cash equivalents	現金及現金等價物	29	300	221
			<u>41,907</u>	<u>28,872</u>
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款及應計費用	31	23,744	14,064
Dividend payable	應派股息		17,600	–
Borrowings	借貸	33	11,787	12,660
Due to a related company	應付一家有關連公司欠款	34	–	769
			<u>53,131</u>	<u>27,493</u>
<b>Net current (liabilities)/ assets</b>	<b>流動(負債)/資產淨額</b>		<u>(11,224)</u>	<u>1,379</u>
<b>Net assets</b>	<b>資產淨值</b>		<u>963,806</u>	<u>1,037,454</u>
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	36	354,268	354,203
Proposed dividend	擬派股息		145,250	88,551
Reserves	儲備	38	464,288	594,700
<b>Total equity</b>	<b>權益總額</b>		<u>963,806</u>	<u>1,037,454</u>

Hon Kwok Lung  
韓國龍  
Director  
董事

Shang Jianguang  
商建光  
Director  
董事

# 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

	Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Cash flows from operating activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之經營業務產生之現金流量</b>		
Profit before income tax	除所得稅前溢利		
Continuing operations	持續經營業務	175,353	55,586
Discontinued operations	已終止經營業務	287,438	291,033
Total	總計	462,791	346,619
Adjustments for:	經調整：		
Interest income	利息收入	(1,706)	(543)
Finance costs	財務費用	8,833	10,916
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	(8,238)	(73,624)
Dividend income from financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產之股息收入	(788)	(1,139)
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之虧損淨額	63	74
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	(5,102)	(9,348)
Depreciation	折舊	17,349	16,892
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	1,652	4,568
Share of profit of associates	應佔聯營公司溢利	(1,877)	(241)
Equity-settled share-based compensation	以股本結算之股份補償	15,570	968
Gain on disposals of non-current assets held for sale	出售持有出售非流動資產之收益	(309,799)	(317,227)
(Gain)/Loss on derivative financial instruments	衍生金融工具之(收益)/虧損	(6,772)	2,571
Impairment losses on trade receivables	應收賬款減值虧損	259	80
Write-off of obsolete inventories	撇銷陳舊存貨	-	5,050
Reversal of write-down of inventories to net realisable value	撥回存貨撇減至可變現淨值	(4,256)	-
Operating profit/(loss) before working capital changes	營運資金變動前之經營溢利/(虧損)	167,979	(14,384)
Increase in inventories	存貨增加	(35,789)	(5,213)
Increase in trade and bill receivables	應收賬款及票據增加	(46,163)	(12,583)
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款減少	111,848	40,072
(Increase)/decrease in financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產(增加)/減少	(53,423)	15,119
Increase in trade and bill payables	應付賬款及票據增加	37,776	15,193
Decrease in other payables and accruals	其他應付款及應計費用減少	(29,251)	(14,986)
(Decrease)/Increase in amounts due to related companies	應付有關連公司欠款(減少)/增加	(256,288)	32,367
Cash (used in)/generated from operations	經營業務(動用)/產生之現金	(103,311)	55,585
Interest received	已收利息	1,706	543
Interest paid	已付利息	(8,833)	(10,916)
Income tax paid	已付所得稅	(24,308)	(10,242)
Net cash (used in)/generated from operating activities	經營業務(動用)/產生之現金淨額	(134,746)	34,970

## 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

	Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Cash flows from investing activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之投資活動產生之現金流量</b>		
Dividends received from available-for-sale financial assets	已收可供出售金融資產股息	8,238	1,495
Dividends received from financial assets at fair value through profit or loss	已收按公平值計入溢利或虧損之金融資產股息	788	1,139
Dividends received from an associate	已收一家聯營公司股息	-	2,389
Purchases of property, plant and equipment	購買物業、廠房及設備	(13,449)	(29,543)
Purchases of prepaid land lease payments	購買預付土地租賃款項	-	(9,565)
Net cash (outflow)/inflow from acquisition of subsidiaries	收購附屬公司之現金(流出)/流入淨額	(3,238)	23,598
Investment in an associate	投資一家聯營公司	(34,091)	(5,092)
Advances to an associate	向一家聯營公司墊款	(272,727)	-
Prepayment for acquisition of Auction PRC Land	收購拍賣中國土地之預付款項	-	(81,818)
Net proceeds from disposal of non-current assets held for sale	出售持作出售非流動資產所得款項淨額	801,934	-
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	167	810
Net cash generated from/(used in) investing activities	投資活動產生/(動用)之現金淨額	487,622	(96,587)
<b>Cash flows from financing activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之融資活動產生之現金流量</b>		
Dividends paid to the owners of the Company	向本公司擁有人派付股息	(106,371)	-
Dividends paid to minority shareholder	向少數股東派付股息	(1,027)	-
New bank loans	新增銀行貸款	77,223	137,324
Repayments of bank loans	償還銀行貸款	(124,210)	(92,098)
Proceeds from shares issued under share option scheme	根據優先認購股份權計劃發行股份所得款項	210	-
Capital contribution from minority shareholder	少數股東注資	225	-
Net cash (used in)/generated from financing activities	融資活動(動用)/產生之現金淨額	(153,950)	45,226
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物之增加/(減少)淨額</b>	<b>198,926</b>	<b>(16,391)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日之現金及現金等價物</b>	<b>54,680</b>	<b>82,362</b>
<b>Effect of foreign exchange rate changes, net</b>	<b>匯率變動影響淨額</b>	<b>11</b>	<b>(11,291)</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日之現金及現金等價物</b>	<b>253,617</b>	<b>54,680</b>
<b>Analysis of balances of cash and cash equivalents</b>	<b>現金及現金等價物結餘分析</b>		
Cash and bank balances	現金及銀行結餘	257,404	62,340
Bank overdrafts	銀行透支	(3,787)	(7,660)
		<b>253,617</b>	<b>54,680</b>

# 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

		Equity attributable to owners of the Company 本公司擁有人應佔權益											
		Share capital	Share premium account	Share options	Goodwill arising on consolidation	Statutory reserve	Exchange fluctuation reserve	Investment revaluation reserve	Retained profits	Proposed dividend	Total	Minority interests	Total equity
		股本	股份溢價賬	優先認購股份權儲備	綜合賬目產生之商譽	法定儲備基金	外匯波動儲備	投資重估儲備	保留溢利	擬派股息	總計	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於二零零八年一月一日	179,203	23,700	-	(15,300)	19,793	21,128	241,797	743,053	-	1,213,374	2,392	1,215,766
<b>Transactions with owners</b>	<b>與擁有人交易</b>												
Issuance of new shares	發行新股份	175,000	490,000	-	-	-	-	-	-	-	665,000	-	665,000
Recognition of equity-settled share-based compensation	確認以股本結算之股份補償	-	-	968	-	-	-	-	-	-	968	-	968
Acquisition of subsidiaries (note 42.2)	收購附屬公司(附註42.2)	-	-	-	-	-	-	-	-	-	-	4,315	4,315
<b>Total transactions with owners</b>	<b>與擁有人交易總額</b>	175,000	490,000	968	-	-	-	-	-	-	665,968	4,315	670,283
<b>Comprehensive income</b>	<b>全面收入</b>												
Profit for the year	本年度溢利	-	-	-	-	-	-	-	290,213	-	290,213	1,103	291,316
<b>Other comprehensive income</b>	<b>其他全面收入</b>												
Exchange gain on translation of financial statements of foreign operations	換算海外附屬公司財務報表匯兌收益	-	-	-	-	-	2,718	-	-	-	2,718	137	2,855
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	-	(512,573)	-	-	(512,573)	-	(512,573)
<b>Total comprehensive income</b>	<b>全面收入總額</b>	-	-	-	-	-	2,718	(512,573)	290,213	-	(219,642)	1,240	(218,402)
Proposed final 2008 dividend (note 13.1)	擬派二零零八年末期股息(附註13.1)	-	-	-	-	-	-	-	(88,551)	88,551	-	-	-
Appropriations to statutory reserve	法定儲備基金撥款	-	-	-	-	3,928	-	-	(3,928)	-	-	-	-
Balance at 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日及二零零九年一月一日之結額	354,203	513,700	968	(15,300)	23,721	23,846	(270,776)	940,787	88,551	1,659,700	7,947	1,667,647
<b>Transactions with owners</b>	<b>與擁有人交易</b>												
Proceeds from shares issued under share option scheme	根據優先認購股份權計劃發行股份所得款項	65	145	-	-	-	-	-	-	-	210	-	210
Exercise of equity-settled share based compensation	行使以股本結算之股份補償	-	98	(98)	-	-	-	-	-	-	-	-	-
Recognition of equity-settled share-based compensation	確認以股本結算之股份補償	-	-	15,570	-	-	-	-	-	-	15,570	-	15,570
Capital contribution from minority shareholder	少數股東注資	-	-	-	-	-	-	-	-	-	-	225	225
Dividends paid to minority shareholder	向少數股東派付股息	-	-	-	-	-	-	-	-	-	-	(1,027)	(1,027)
Acquisition of subsidiaries (note 42.1)	收購附屬公司(附註42.1)	-	-	-	-	-	-	-	-	-	-	2,280	2,280
Payments of final 2008 dividend (note 13.2)	派付二零零八年末期股息(附註13.2)	-	-	-	-	-	-	-	(88,551)	(88,551)	-	-	(88,551)
Payments of interim 2009 dividend (note 13.1)	派付二零零九年中間股息(附註13.1)	-	-	-	-	-	-	-	(35,420)	(35,420)	-	-	(35,420)
<b>Total transactions with owners</b>	<b>與擁有人交易總額</b>	65	243	15,472	-	-	-	-	(35,420)	(88,551)	(108,191)	1,478	(106,713)
<b>Comprehensive income</b>	<b>全面收入</b>												
Profit for the year	本年度溢利	-	-	-	-	-	-	-	362,561	-	362,561	7,055	369,616
<b>Other comprehensive income</b>	<b>其他全面收入</b>												
Exchange gain on translation of financial statements of foreign operations	換算海外附屬公司財務報表匯兌收益	-	-	-	-	-	9	-	-	-	9	2	11
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	-	1,027,705	-	-	1,027,705	-	1,027,705
<b>Total comprehensive income</b>	<b>全面收入總額</b>	-	-	-	-	-	9	1,027,705	362,561	-	1,390,275	7,057	1,397,332
Proposed final 2009 dividend (note 13.1)	擬派二零零九年末期股息(附註13.1)	-	(66,095)	-	-	-	-	-	(79,155)	145,250	-	-	-
Appropriations to statutory reserve	法定儲備基金撥款	-	-	-	-	249	-	-	(249)	-	-	-	-
Balance at 31 December 2009	於二零零九年十二月三十一日之結額	354,268	447,848	16,440	(15,300)	23,970	23,855	756,929	1,188,524	145,250	2,941,784	16,482	2,958,266

\* These reserve accounts comprise the consolidated reserves of HK\$2,442,266,000 (2008: HK\$1,216,946,000) in the consolidated statement of financial position.

\* 該等儲備賬目組成綜合財務狀況表內之綜合儲備2,442,266,000港元(二零零八年:1,216,946,000港元)。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 1. GENERAL INFORMATION

China Haidian Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Cayman Islands. Its registered office address is P.O. Box 309, Uglan House, South Church Street, Grand Cayman, Cayman Islands and its principal place of business is Units 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the year, the principal activities of the Company and its subsidiaries (together referred to as the “Group”) include:

- Manufacture and distribution of watches and timepieces
- Property investment

The principal activities of the Group’s jointly-controlled entity are manufacture and distribution of enamelled copper wires. There were no significant changes in the Group’s operations during the year. The Group’s principal places of the business are in Hong Kong and the People’s Republic of China (the “PRC”).

The financial statements on pages 47 to 161 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

The financial statements for the year ended 31 December 2009 were approved for issue by the board of directors on 31 March 2010.

### 1. 一般資料

中國海澱集團有限公司(「本公司」)為於開曼群島註冊成立及存冊之有限公司，其註冊辦事處地址為P.O. Box 309, Uglan House, South Church Street, Grand Cayman, Cayman Islands，主要營業地點位於香港九龍柯士甸道西1號環球貿易廣場19樓1902-04室。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

年內，本公司及其附屬公司(統稱「本集團」)之主要業務包括：

- 鐘錶及時計產品製造及分銷
- 物業投資

本集團一家共同控制實體之主要業務為製造及分銷漆包銅線。本集團業務於年內並無重大變動。本集團主要業務位於香港及中華人民共和國(「中國」)。

第47頁至第161頁之財務報表乃根據香港會計師公會(「香港會計師公會」)所頒佈包括所有適用個別香港財務申報準則、香港會計準則(「香港會計準則」)及詮釋(「詮釋」)之香港財務申報準則(統稱「香港財務申報準則」)編製。財務報表亦包括香港公司條例以及聯交所證券上市規則(「上市規則」)之適用披露規定。

財務報表乃以本公司功能貨幣港元(「港元」)呈列，除另有註明外，所有價值均調整至最接近千位(「千港元」)。

截至二零零九年十二月三十一日止年度之財務報表已獲董事會於二零一零年三月三十一日批准刊發。



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**2. ADOPTION OF NEW OR AMENDED HKFRSs**

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations (the “new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Amendment)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
Various	Annual Improvements to HKFRSs 2008

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior years have been prepared and presented.

**HKAS 1 (Revised 2007) Presentation of Financial Statements**

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group’s assets, liabilities, income and expenses are unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 affects the presentation of owner changes in equity and introduces a “Statement of comprehensive income”. Comparatives have been restated to conform to the revised standard. The Group has applied changes to its accounting policies on presentation of financial statements and segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or the Company’s statements of financial position at 1 January 2008 and accordingly this statement is not presented.

**2. 採納新訂或經修訂香港財務申報準則**

於本年度，本集團首次應用以下由香港會計師公會頒佈之新準則、修訂及詮釋（統稱「新香港財務申報準則」），該等準則與本集團於二零零九年一月一日開始之年度期間之財務報表相關及有效：

香港會計準則第1號(二零零七年經修訂)	財務報表呈報
香港會計準則第23號(二零零七年經修訂)	借貸成本
香港會計準則第27號(修訂本)	投資一家附屬公司、共同控制實體或一家聯營公司之成本
香港財務申報準則第2號(修訂本)	股份付款－歸屬條件及註銷
香港財務申報準則第7號(修訂本)	有關金融工具披露之改進
香港財務申報準則第8號	經營分類
其他修訂	二零零八年香港財務申報準則之年度改進

除下文所述者外，採納該等新訂香港財務申報準則並無對目前及過往年度業績及財務狀況之編製及呈列方式構成重大影響。

**香港會計準則第1號(二零零七年經修訂)－財務報表呈報**

採納香港會計準則第1號(二零零七年經修訂)對主要財務報表之格式和項目標題及該等財務報表內部分項目之呈列作出若干修訂，並要求作出額外披露。本集團資產、負債及收支之計量及確認維持不變，但於權益直接確認之部分項目現時於其他全面收入項下確認。香港會計準則第1號影響擁有人權益變動之呈列，並引入「全面收入表」。比較數字已經重列以符合該項經修訂準則之規定。本集團已就財務報表呈報及分類報告之會計政策追溯應用變動，惟比較數字變動對於二零零八年一月一日之綜合或本公司財務狀況表並無影響，因此並無呈列該報表。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)****HKAS 27 (Amendment) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate**

The amendment requires the investor to recognise dividends from a subsidiary, jointly controlled entity or associate in profit or loss irrespective the distributions are out of the investee's pre-acquisition or post-acquisition reserves. In prior years, the Group recognised dividends out of pre-acquisition reserves as a recovery of its investment in subsidiaries, jointly controlled entity or associates (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognised as income in profit or loss.

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

The adoption of this new policy has no impact on the current year results and financial position therefore. The new accounting policy has been applied prospectively as permitted by the amendment and comparatives have not been restated.

**HKFRS 7 (Amendment) Improving Disclosures about Financial Instruments**

The amendment requires additional disclosures for financial instruments which are measured at fair value in the statement of financial position. These fair value measurements are categorised into a three-level fair value hierarchy, which reflects the extent of observable market data used in making the measurements. In addition, maturity analysis for derivative financial liabilities is disclosed separately and should show remaining contractual maturities for those derivatives where this information is essential for an understanding of the timing of the cash flows. The Group has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

**2. 採納新訂或經修訂香港財務申報準則 (續)****香港會計準則第27號(修訂本)投資一家附屬公司、共同控制實體或一家聯營公司之成本**

該修訂本規定投資者於損益確認來自一家附屬公司、共同控制實體或聯營公司之股息，而不論有關分派來自投資對象收購前或收購後儲備。過往年度，本集團按收回於附屬公司、共同控制實體或聯營公司之投資確認以收購前儲備分派之股息，即投資成本減少。以收購後儲備分派之股息方於損益按收入確認。

根據新會計政策，倘出現過度分派股息之情況，將根據本公司有關非金融資產減值之會計政策檢測投資減值。

採納本新政策對目前年度業績以致財務狀況並無影響。新會計政策已按修訂本許可者日後採用，而比較數字並無重列。

**香港財務申報準則第7號(修訂本)有關金融工具披露之改進**

該修訂本規定就按公平值於財務狀況表計量之金融工具作出額外披露。此等公平值計量按三層式公平值架構分組，以反映作出計量所用觀察所得市場數據水平。此外，衍生金融負債之到期日分析另行披露，須顯示該等衍生工具之剩餘合約年期，有關資料對了解現金流量之時間攸關重要。本集團已應用修訂本之過渡條文，並無就新規定提供比較資料。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

#### HKFRS 8 Operating Segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Comparatives have been restated on a basis consistent with the new standard.

#### Annual Improvements to HKFRSs 2008

In October 2008, the HKICPA issued its first annual improvements to HKFRSs which set out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. Of these, the amendment to HKAS 28 Investments in Associates has changed the Group's accounting policies on allocation of impairment losses but did not have any impact of the current year results and financial position.

The amendment to HKAS 28 clarifies that an investment in associate accounted for under the equity method is a single asset for the purposes of impairment testing. Any impairment loss recognised by the investor after applying the equity method is not allocated to individual assets including goodwill included in the investment balance. Accordingly, any reversal of such impairment losses in a subsequent period is recognised to the extent that the recoverable amount of the associate has increased.

For the current year, there were no impairment losses recognised and no reversals of impairment losses recognised in prior years on investments in associates. The adoption of this new policy has no impact on the current year results and financial position therefore. The new accounting policy has been applied prospectively as permitted by the amendment and no comparatives figures have been restated.

At date of authorisation of these financial statements, certain new or amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

### 2. 採納新訂或經修訂香港財務申報準則 (續)

#### 香港財務申報準則第8號經營分類

採納香港財務申報準則第8號並無影響本集團之已識別及可呈報經營分類，但呈報分類資料現時乃基於內部管理呈報資料編製，該等資料由主要營運決策者定期審閱。就過往的年度財務報表而言，有關分類是參照本集團風險及回報之主要來源及性質確定。比較數字已按與新準則貫徹一致之基準重列。

#### 二零零八年香港財務申報準則之年度改進

二零零八年十月，香港會計師公會刊發香港財務申報準則之首份年度改進，載列對多項香港財務申報準則之修訂。各項準則均設有獨立過渡條文，當中，對香港會計準則第28號聯營公司投資之修訂導致本集團有關分配減值虧損之會計政策有變，惟並無對本年度業績及財務狀況構成任何影響。

香港會計準則第28號之修訂釐清根據權益法入賬之聯營公司投資就減值檢測而言屬單一資產。應用權益法後，投資者所確認任何減值虧損不會分配至個別資產，包括計入投資結餘之商譽。因此，於往後期間撥回任何該等減值虧損按聯營公司可收回款額之增幅確認。

本年度，並無就聯營公司投資確認減值虧損，亦無撥回過往年度已確認之減值虧損。因此採納此新政策對目前年度業績及財務狀況並無影響。新會計政策已按修訂本許可者日後採用，而比較數字並無重列。

於財務報表授權日期，若干新訂或經修訂香港財務申報準則已刊發惟尚未生效，本集團亦無提早採納。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued) Annual Improvements to HKFRSs 2008 (Continued)

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new or amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new or amended HKFRSs have been issued but are not expected to have a material impact to the Group's financial statements.

#### HKFRS 3 Business Combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

#### HKFRS 9 Financial Instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

### 2. 採納新訂或經修訂香港財務申報準則 (續)

#### 二零零八年香港財務申報準則之年度改進 (續)

本公司董事預計，本集團於頒佈生效日期後開始之首個期間之會計政策採納所有頒佈。新訂或經修訂香港財務申報準則之資料預期對本集團會計政策之影響於下文提供。若干其他新訂或經修訂香港財務申報準則已刊發，惟預期不會對本集團財務報表產生重大影響。

#### 香港財務申報準則第3號業務合併 (二零零八年經修訂)

該準則適用於二零零九年七月一日或之後開始申報期間，將於日後應用。新準則仍然規定採用購買法(現稱收購法)，但就確認及計量所轉讓代價及收購對象可識別資產及負債以及計量收購對象非控股權益(前稱少數股東權益)引入重大變動。新準則預期對二零零九年七月一日或之後開始報告期間出現之業務合併產生重大影響。

#### 香港財務申報準則第9號金融工具

該準則就二零一三年一月一日或之後開始之會計期間生效，針對金融資產分類及計量。該新準則減少金融資產計量組別之數目，而所有金融資產將根據實體管理金融資產之業務模式及金融資產合約現金流量特性，按攤銷成本或公平值計量。除若干股本投資將於其他全面收入呈報外，公平值收益及虧損將於損益確認。董事現正評估新準則可能對本集團首次應用年度業績及財務狀況構成之影響。

**Notes to the Financial Statements 財務報表附註**

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)****HKAS 27 Consolidated and Separate Financial Statements (Revised 2008)**

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interests in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The directors do not expect the standard to have a material effect on the Group's financial statements.

**Annual Improvements 2009**

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual years beginning on or after 1 January 2010. The Group expects the amendment to HKAS 17 Leases to be relevant to the Group's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. The Group will need to reassess the classification of its unexpired leases of land at 1 January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment will apply retrospectively except where the necessary information is not available. In that situation, the leases will be assessed on the date when the amendment is adopted. The directors are currently assessing the possible impact of the amendment on the Group's results and financial position in the first year of application.

**2. 採納新訂或經修訂香港財務申報準則 (續)****香港會計準則第27號綜合及獨立財務報表(二零零八年經修訂)**

經修訂準則於二零零九年七月一日或之後開始之會計期間生效，就失去附屬公司控制權及本集團於附屬公司權益變動之會計規定引入轉變。全面收入總額須計入非控股權益，即使導致非控股權益出現虧絀。董事預期該準則對本集團財務報表並無重大影響。

**二零零九年度改進**

香港會計師公會已刊發二零零九年香港財務申報準則之改進。大部分修訂於二零一零年一月一日或之後開始之年度生效。本集團預期香港會計準則第17號租賃之修訂與本集團會計政策有關。修訂前，香港會計準則第17號一般規定土地租賃按經營租賃分類。修訂規定土地租賃根據香港會計準則第17號之一般原則，按經營租賃或融資租賃分類。本集團須根據該修訂之過渡條文，按該等租賃開始時現有資料，重新評估於二零一零年一月一日未屆滿土地租賃之分類。該修訂將於日後應用，除非並無所需資料，則租賃於採納修訂當日進行評估。董事目前正評估該修訂可能對本集團首次應用年度業績及財務狀況構成之影響。



## Notes to the Financial Statements 財務報表附註

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 2.

The financial statements have been prepared under the historical cost convention except for investment properties and financial instruments classified as available-for-sale and at fair value through profit or loss, and derivative financial instruments which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The Company's financial statements as at 31 December 2009 have been prepared on a going concern basis though the Company was in a current liability position of HK\$11,224,000 on that day. The directors are of the opinion, after considering the distribution of profits available from its subsidiaries when necessary, that the Company will have sufficient cash resources to satisfy its future working capital and other financial requirements and the Company can be operated as a going concern for the next twelve months.

### 3. 主要會計政策概要

#### 3.1 編製基準

編製此等財務報表所用主要會計政策概述如下。除另有註明外，此等政策於所呈報所有年度貫徹應用。採納新訂或經修訂香港財務申報準則及對本集團財務報表之影響(如有)，於附註2披露。

財務報表按歷史成本法編製，惟投資物業、分類為可供出售及按公平值計入溢利或虧損之金融工具以及衍生金融工具按公平值計算計量基準於下文會計政策全面描述。

謹請注意，編製財務報表使用會計估計及假設。儘管此等估計乃按照管理層對該等現行事件及行動之最佳認知及判斷作出，實際結果最終或會與該等估計不同。涉及高度判斷及複雜之範圍或假設與估計對財務報表屬重大之範圍，於附註4披露。

本公司於二零零九年十二月三十一日之財務報表按持續經營基準編製，而本公司於當日有流動負債11,224,000港元。董事認為，經考慮可於有需要時自附屬公司收取溢利分派，本公司具備充裕現金資源滿足日後營運資金及其他財務需要，本公司可於未來十二個月按持續經營基準經營。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.2 Basis of consolidation

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

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Minority interest represents the portion of profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

Minority interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Profit or loss attributable to the minority interests are presented separately in the consolidated statement of comprehensive income as an allocation of the Group's results. Where losses applicable to the minority exceed the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interest only after the minority's share of losses previously absorbed by the Group has been recovered.

### 3. 主要會計政策概要(續)

#### 3.2 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止年度之財務報表。

附屬公司於控制權轉移至本集團之日起綜合入賬，並自控制權終止當日起停止綜合入賬。

編製綜合財務報表時，集團內公司間交易、交易之結餘及未變現收益會予以撇銷。倘集團內公司間資產銷售於綜合賬目時撥回，相關資產以本集團角度檢測減值。財務報表所報告附屬公司賬目已於需要時調整，以確保與本集團所採納會計政策一致。

少數股東權益指並非由本集團擁有之股本權益應佔附屬公司損益及資產淨值部分。

少數股東權益於綜合財務狀況表之權益中呈列，且獨立於本公司擁有人應佔權益。少數股東權益應佔損益在綜合全面收入表中獨立呈列為本集團業績之分配。倘若少數股東應佔虧損超過少數股東於附屬公司股本之權益，則超過部分及少數股東所承擔之進一步虧損於少數股東權益中扣除，惟少數股東有具約束力之責任及有能力作出額外投資填補虧損除外，否則虧損則在本集團權益中扣除。倘該附屬公司其後錄得溢利，僅於本集團先前承擔之少數股東權益應佔虧損已填補後，該等溢利方會分配予少數股東權益。

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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In consolidated financial statements, acquisition of subsidiaries (other than those under common control) is accounted for by applying the purchase method. This involves the estimation of fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

#### 3.4 Jointly controlled entities

A jointly controlled entity is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers.

### 3. 主要會計政策概要(續)

#### 3.3 附屬公司

附屬公司為本集團有權控制其財政及營運決策以自其業務獲利益之實體。於評估本集團是否控制另一實體時，會考慮現時是否存在可予行使或轉換之潛在投票權及其影響。

收購附屬公司(受共同控制者除外)於綜合財務以購買法列賬。該方法涉及於收購當日按公平值估計所有可識別資產及負債，當中包括附屬公司之或然負債(不論是否於收購前已記錄在附屬公司之財務報表內)。於初步確認時，附屬公司之資產及負債乃按其公平值計入綜合財務狀況表，有關金額亦會作為其後根據本集團之會計政策所進行計量之依據。

在本公司之財務狀況表中，除非附屬公司為持作出售或計入出售組別，否則附屬公司按成本減減值虧損列賬。本公司按於結算日之已收及應收股息之基準將附屬公司業績入賬。所有自投資對象收購或收取之股息，於本公司損益虧認。

#### 3.4 共同控制實體

共同控制實體乃一項合約安排，據此，兩名或以上人士進行受到共同控制之經濟活動。共同控制乃按合約同意分享經濟活動之控制權，並只會於與該活動有關之策略財務及營運決定必須獲得合營各方一致同意時方會存在。

## Notes to the Financial Statements 財務報表附註

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.4 Jointly controlled entities (Continued)

In consolidated financial statements, interests in jointly controlled entities are accounted for using proportionate consolidation. The Group combines its share of the jointly controlled entities' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the jointly controlled entity that it is attributable to the other venturers. The Group does not recognise its share of profits or losses from the jointly controlled entity that result from the Group's purchase of assets from the jointly controlled entity until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

In the Company's statement of financial position, investment in jointly controlled entities is stated at cost less any impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

#### 3.5 Associates

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investment in a jointly controlled entity.

In consolidated financial statements, investment in associates is initially recognised at cost and subsequently accounted for using the equity method. Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Profit or loss includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year.

### 3. 主要會計政策概要(續)

#### 3.4 共同控制實體(續)

於共同控制實體之權益乃按比例合併法於綜合財務報表計算。本集團將其應佔各共同控制實體之個別收入及開支、資產及負債以及現金流量逐項合併，計入本集團財務報表中之同類項目部分。本集團確認其向共同控制實體出售資產之損益中其他合營夥伴應佔之部分。本集團不會確認就其向共同控制實體購買資產而應佔共同控制實體之損益，直至本集團向獨立第三方轉售該等資產為止。然而，倘若有跡象顯示流動資產之可變現淨值減少或出現減值虧損，則會即時確認有關交易虧損。

於本公司之財務狀況表中，於共同控制實體之投資按成本減任何減值虧損列賬。本公司按已收及應收股息之基準將共同控制實體業績入賬。

#### 3.5 聯營公司

聯營公司為本集團對其有重大影響力之公司，一般擁有20%至50%投票權之持股量，惟並不歸類為附屬公司或共同控制實體投資之公司。

於綜合財務報表中，聯營公司之投資初步乃按成本確認，其後採用權益法入賬。根據權益法，本集團於聯營公司之權益乃按成本列賬，並按本集團應佔聯營公司資產淨值減任何已識別減值虧損之收購後變動作出調整，惟已分類為持作出售(或計入分類為持作出售之出售組別資產)除外。損益計入本集團於收購後應佔權益、聯營公司於年內之除稅後業績，包括有關年內確認於聯營公司之投資之任何減值虧損。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.5 Associates (Continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Where unrealised losses on assets sales between the Group and its associates are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. At each reporting date, the Group determines whether there is any objective evidence that investment in associate is impaired. Accounting policies on impairment of investment in associates or jointly controlled entities are described in note 3.7 below.

In the Company's statement of financial position, investment in associates is stated at cost less any impairment losses. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

### 3. 主要會計政策概要(續)

#### 3.5 聯營公司(續)

本集團與其聯營公司進行交易所產生之未變現收益予以撇銷，惟以本集團於聯營公司之權益為限。本集團與其公聯營公司間資產銷售之未變現虧損於權益會計法撥回，相關資產以本集團角度檢測減值。倘聯營公司所用會計政策並非本集團於同類情況下就類似交易及事件所採用者，則於本集團為應用權益法而使用聯營公司之財務報表時作出調整(如需要)，致使該聯營公司之會計政策與本集團所採用者一致。

倘本集團應佔聯營公司之虧損相等於或超逾其於有關聯營公司之權益，則本集團不會進一步確認虧損，惟本集團已經代表該聯營公司承擔法律或推定義務或支付款項之情況則除外。就此而言，本集團於聯營公司之權益為按權益法計算之投資賬面值，連同組成本集團於聯營公司之淨投資主要部分之本集團長期權益。

應用權益法後，本集團決定是否需就本集團於聯營公司之投資確認額外減值虧損。本集團於每個結算日決定有無客觀跡象顯示聯營公司之投資減值。聯營公司或共同控制實體投資減值之會計政策於下文附註3.7描述。

在本公司之財務狀況表中，於聯營公司之投資按成本減任何減值虧損列賬。本公司按已收及應收股息之基準將聯營公司業績入賬。



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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.6 Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in associate or jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the business combination or investment.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 3.7). In respect of associates or jointly controlled entities, the carrying amount of goodwill, if any, is included in the carrying amount of the Group's interests in the associate or jointly controlled entity and is assessed for impairment as part of the interests in the associate or jointly controlled entity.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in profit or loss.

On subsequent disposal of a subsidiary, an associate or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal. Goodwill relating to business combinations or investments in associates or jointly controlled entities prior to 1 January 2001 continues to be held in reserves and will be charged to the retained profits at the time when the business combination, associate or jointly controlled entity to which the goodwill relates is disposed of or when a cash-generating unit ("CGU") to which goodwill relates becomes impaired.

### 3. 主要會計政策概要(續)

#### 3.6 商譽

商譽指業務合併成本或於聯營公司或共同控制實體之投資，超出本集團於被收購對象之可識別資產、負債及或然負債之公平淨值權益之差額。業務合併成本按於交換日期資產所賦予之公平值、所產生或承擔之負債以及本集團所發行股本工具之總額加任何業務合併或投資直接應佔成本計量。

商譽按成本減累計減值虧損後列賬。商譽會分配至現金產生單位(「現金產生單位」)，並於每年進行減值檢測(見附註3.7)。就聯營公司或共同控制實體而言，商譽之賬面值(如有)會計入本集團於聯營公司或共同控制實體權益之賬面值，並作為於聯營公司或共同控制實體之部分權益評估減值。

本集團於被收購公司之可識別資產、負債及或然負債之公平淨值權益，超過業務合併之成本或於聯營公司或共同控制實體之投資部分，會即時在損益中確認。

其後出售附屬公司、聯營公司或共同控制實體時，在釐定出售損益金額時，包括應佔已資本化商譽金額。有關於二零零一年一月一日前之業務合併或於聯營公司或共同控制實體之投資之商譽，繼續於儲備內列賬，並將於出售與商譽有關之聯營公司或共同控制實體或與商譽有關之現金產生單位出現減值時，於保留溢利扣除。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.7 Impairment of non-financial assets

Goodwill, property, plant and equipment, investment properties, prepaid land lease payments and interests in subsidiaries, associates and jointly controlled entities are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that it is impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those of other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value-in-use, if determinable.

### 3. 主要會計政策概要(續)

#### 3.7 非金融資產減值

商譽、物業、廠房及設備、投資物業、預付土地租賃款項以及於附屬公司、聯營公司及共同控制實體之權益須進行減值檢測。

不論是否出現任何減值跡象，商譽須至少每年進行減值檢測一次。所有其他資產於倘有跡象顯示可能無法收回資產賬面值時進行減值檢測。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支。可收回金額為反映市況之公平值減銷售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

就評估減值而言，倘資產產生之現金流入大致上並不獨立於其他資產，可收回金額則按可獨立產生現金流入之最小資產組合（即現金產生單位）釐定。因此，部分資產個別進行減值檢測，另有部分按現金產生單位水平檢測。商譽分配至該等預期可受惠於相關業務合併協同效益之現金產生單位，即本集團內就內部管理目的而監控商譽之最小單位。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽賬面值。除資產賬面值不會調減至低於其個別公平值減銷售成本或使用價值（如可釐定）外，任何剩餘減值虧損將按比例自該現金產生單位之其他資產扣除。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.7 Impairment of non-financial assets (Continued)**

An impairment loss on goodwill is not reversed in subsequent periods including impairment losses recognised in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 – Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

**3.8 Related parties**

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

**3. 主要會計政策概要(續)****3.7 非金融資產減值(續)**

商譽減值虧損不會於其後期間撥回，包括於中期確認之減值虧損。就其他資產而言，倘用於釐定資產可收回款額之估計出現有利變動時，則撥回減值虧損，惟以資產賬面值不得高於並無確認減值虧損時原應釐定之賬面值（扣除任何折舊）為限。

根據上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期完結時，本集團採用於財政年度完結時應採用之同一減值測試、確認及撥回條件。

於中期內就商譽所確認減值虧損不可在往後期間撥回。倘於中期有關財政年度完結時方可評估減值，屆時即使不用確認虧損或確認較少虧損，亦不會撥回減值虧損。

**3.8 有關連人士**

就該等財務報表而言，有關人士將視作本集團之有關連人士：

- (i) 有關人士透過一家或多家中介公司有能直接或間接控制本集團或對本集團作出財務及經營決策行使重大影響力，或對本集團擁有共同控制權；
- (ii) 本集團與有關人士受共同控制；
- (iii) 有關人士為本集團之聯營公司或本集團為其合資方之合營公司；

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.8 Related parties (Continued)**

- (iv) the party is a member of key management personnel of the Group or is the close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

**3.9 Property, plant and equipment**

Buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment, other than construction in progress ("CIP"), are stated at acquisition cost less accumulated depreciation and any identified impairment.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

**3. 主要會計政策概要(續)****3.8 有關連人士(續)**

- (iv) 有關人士為本集團之主要管理人員，或為該名人士的直系親屬，或由該等人士控制、共同控制或行使重大影響力之實體；
- (v) 有關人士為(i)項所述任何人士之直系親屬或由該等人士控制、共同控制或行使重大影響力之實體；或
- (vi) 有關人士為本集團或屬本集團有關連人士之任何實體之僱員福利所設離職後福利計劃。

有關連人士之直系親屬指預期就其與實體之交易對或受該人士影響之親屬。

**3.9 物業、廠房及設備**

於租賃土地上持作自用之樓宇，倘其公平值可與租約開始時租賃土地之公平值分開計算，則連同其他廠房及設備項目(在建工程除外)，按成本減累計折舊及任何可資識別減值後列賬。

資產成本包括其購買價及任何使其投入擬定用途之運作狀況及地點之直接應佔成本。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 3.9 Property, plant and equipment (Continued)

Depreciation is provided to write off the cost less their estimated residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	Over the terms of the leases or estimated useful lives, ranging between 20 years and 40 years, whichever is shorter
Leasehold improvements	Over the terms of the leases, or estimated useful life of 5 years, whichever is shorter
Plant and machinery	6% to 20%
Furniture, fixtures and office equipment	6% to 33 $\frac{1}{3}$ %
Motor vehicles	9% to 20%

The assets' estimated residual values, depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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. All other costs, such as repairs and maintenance are charged to profit or loss in the period in which they are incurred.

## 3. 主要會計政策概要(續)

## 3.9 物業、廠房及設備(續)

折舊按估計可使用年期以直線法撇銷成本減估計餘值計算，年利率如下：

樓宇	租賃年期或估計可使用年期，(一般介乎20年至40年)以較短者為準
租賃物業裝修	租賃年期或估計可使用年期5年(以較短者為準)
廠房及機器	6%至20%
傢具、裝置及辦公室設備	6%至33 $\frac{1}{3}$ %
汽車	9%至20%

資產估計剩餘價值、折舊方法及估計可使用年期於各結算日檢討及視適當情況調整。

廢棄或出售時所產生任何收益或虧損按銷售所得款項淨額與資產賬面值之差額釐定，並於損益確認。

其後成本僅在項目相關之未來經濟效益可能流入本集團及能夠可靠計量項目成本時，始在適當情況下計入資產賬面值或確認為獨立資產。維修及保養等所有其他成本，均於產生之期間自損益以及機器安裝扣除。



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

CIP, which mainly represents renovation work on buildings and installation of machinery, is stated at cost less any impairment losses and is not depreciated. Cost comprises direct costs incurred during the periods of construction, installation and testing. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work and installation are completed and the asset is ready for use.

#### 3.10 Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised in the statement of financial position reflect the prevailing market conditions at the reporting date.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

### 3. 主要會計政策概要(續)

#### 3.9 物業、廠房及設備(續)

在建工程主要包括樓宇租賃物業裝修以及機器安裝，按成本減任何減值虧損列賬及不會折舊。成本包括於建造、安裝及測試期內產生之直接成本。當在建工程完成及資產可準備使用時，會被重新分類至物業、廠房及設備之合適組別，並開始折舊。

#### 3.10 投資物業

投資物業指就賺取租金收入及／或資本增值而擁有或以租賃權益持有之土地及／或樓宇。

倘本集團以經營租約持有物業權益以賺取租金收入及／或資本增值，有關權益會按每項物業之基準分類及入賬為投資物業。任何分類為投資物業之物業權益之入賬方式會如同以融資租約持有者一樣。

於初步確認時，投資物業初步按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按公平值列賬。公平值由具足夠資歷之外聘專業估值師就投資物業之所在地及性質釐定。於財務狀況表確認之賬面值反映結算日之當時市況。

投資物業公平值變動或銷售產生之收益或虧損於產生期間計入損益。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.11 Operating leases**

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

**(i) Operating lease charges as the lessee**

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss using straight-line method over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

**(ii) Assets leased out under operating leases as the lessor**

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in profit or loss on the straight-line method over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

**3. 主要會計政策概要(續)****3.11 經營租約**

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串付款，一項交易或連串交易之安排則屬於或包括一項租約。該項決定乃基於安排內容之評估而作出，而不論該項安排是否採取租約之法律形式。

**(i) 作為承租人之經營租約費用**

擁有權絕大部分風險及回報並無轉移至本集團之租約分類為經營租約。倘若本集團以經營租約持有資產使用權，根據租約作出之付款將於租期內採用直線法自損益扣除，惟倘若有另一種更能反映租賃資產衍生利益之時間模式之基準除外。所獲租賃減免在損益確認為已付淨租金總額一部分。或然租金將於其產生之會計期間自損益扣除。

**(ii) 作為出租人根據經營租約出租資產**

根據經營租約出租之資產乃根據資產之性質計量及呈列。於協商及安排經營租約時所產生之初步直接成本乃計入租賃資產之賬面值，並根據租期以與租金收入相同之基準確認為開支。

來自經營租約之應收租金收入於租賃期間按直線法於損益確認，除非有其他基準更能呈列來自使用租賃資產利益之模式。所獲得之租賃減免均在損益中確認為應收租賃款項總額淨值之組成部分。或然租金在其賺取之會計期間確認為收入。

## Notes to the Financial Statements 財務報表附註

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.11 Operating leases (Continued)****(iii) Prepaid land lease payments**

Prepaid land lease payments are up-front payments to acquire the long term interests in usage of land on which the buildings are situated. These payments are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over the respective lease terms.

**3.12 Financial assets**

The Group's financial assets are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, that is, the date that the Group commits to purchase or sell the asset. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

**3. 主要會計政策概要(續)****3.11 經營租約(續)****(iii) 預付土地租賃款項**

預付土地租賃款項為收購樓宇所在土地使用長期權益支付之首筆費用。該等費用乃按成本減累計攤銷及累計減值虧損確認。攤銷採用直線法於相關之租賃期計算。

**3.12 金融資產**

本集團金融資產分類為按公平值計入溢利或虧損之金融資產、貸款及應收款項以及可供出售金融資產。管理層視乎收購金融資產之目的，於初步確認時將其金融資產分類，並於許可及適當情況下，於各申報日期重新評估其分類。

所有金融資產僅在本集團訂立工具合約協議時確認，日常買賣之金融資產乃於交易日期確認。即本集團承諾買賣資產之日期。金融資產初步確認時按公平值計量，而並非按公平值計入溢利或虧損之投資，則加上直接應佔交易成本計量。

倘收取投資現金流量之權利屆滿或轉讓，而所有權絕大部分風險及回報轉讓，則剔除確認金融資產。

於各結算日均須檢討金融資產，以確定有否出現減值客觀證據。倘存有任任何該等證據，則按金融資產之分類釐定及確認減值虧損。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 3.12 Financial assets (Continued)

## (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are mainly financial assets held for trading and they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's accounting policies in note 3.19 to these financial statements.

## 3. 主要會計政策概要(續)

## 3.12 金融資產(續)

## (i) 按公平值計入溢利或虧損之金融資產

按公平值計入溢利或虧損之金融資產主要為持作買賣及購入以於短期內銷售之金融資產，或屬共同管理且有證據顯示其近期模式屬短期獲利之已識別金融工具組合其中部分。

倘若符合以下準則，金融資產則可於初步確認時指定作按公平值計入溢利或虧損：

- 有關指定能消除或大大減低因按照不同基準計量有關資產或確認其損益而出現之不一致處理情況；或
- 根據列明之風險管理策略，該等資產為一組受管理而其表現乃按公平值估值之金融資產之其中一部分，而有關該組金融資產之資料均按該基準提供予內部主要管理人員；或
- 有關金融資產包含需要分開記賬之嵌入式衍生工具。

初步確認後，計入此類別之金融資產按公平值計量，而公平值變動在損益確認。公平值參考活躍市場交易決定公平值，倘無活躍市場則運用評估。公平值虧損並不包括就此等金融資產賺取之任何股息或利息。股息及利息收入根據財務報表附註3.19之本集團會計政策。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 3.12 Financial assets (Continued)

## (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

## (iii) Available-for-sale financial assets

These include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the investment revaluation reserve in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recycled to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to profit or loss.

For available-for-sale investment in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each reporting date subsequent to initial recognition.

## 3. 主要會計政策概要(續)

## 3.12 金融資產(續)

## (ii) 貸款及應收款項

貸款及應收款項為具固定或有待釐定付款金額而並無在活躍市場報價之非衍生金融資產。該等資產其後以實際利率法按攤銷成本，減任何減值虧損計量。攤銷成本之計算經計及任何收購時產生之折讓或溢價，包括構成實際利率及交易成本之費用。

## (iii) 可供出售金融資產

當中包括並不合資格歸類為其他金融資產類別之非衍生金融資產。

本類別內之所有金融資產其後以公平值計量。除減值虧損(見下文政策)及貨幣資產外匯損益外，公平值變動產生之收益及虧損(不包括任何股息及利息收入)直接於其他全面收入確認，並於權益之投資重估儲備獨立累計，直至有關金融資產剔除確認為止，屆時以往於權益確認之累計收益或虧損將於損益表重新確認。使用實際利息法計算之利息乃於損益確認。出售有關資產時，過往於權益確認之累計收益及虧損轉撥至損益。

就並無在活躍市場報價且其公平值不能可靠計量之可供出售股本證券投資以及與無報價股本工具及透過支付該等工具結清之衍生工具而言，於初步確認後各結算日，其按成本減任何已識別減值虧損計量。



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 3.12 Financial assets (Continued)

**Impairment of financial assets**

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

## 3. 主要會計政策概要(續)

## 3.12 金融資產(續)

**金融資產減值**

於各結算日檢討按公平值計入溢利或虧損以外之金融資產，以釐定是否出現任何減值客觀證據。個別金融資產之客觀減值證據包括引致本集團對下列一項或多項虧損事件關注之可觀察數據：

- 債務人陷入重大財務困難；
- 違反合約，例如拖欠或延遲償還利息或本金；
- 債務人可能會破產或進行其他財務重整；
- 科技、市場、經濟及法律環境之重大改變對債務人造成負面影響；或
- 對股本權益工具之投資之公平值出現重大或長期下降至低於成本值。

有關某一組金融資產之虧損事項包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現逆轉。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 3.12 Financial assets (Continued)

## Impairment of financial assets (Continued)

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) *Financial assets carried at amortised cost*

A provision for impairment of loans and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in 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, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals of impairment for investment in equity instruments classified as available-for-sale are not recognised in profit or loss. The subsequent increase in fair value is recognised in other comprehensive income.

## 3. 主要會計政策概要(續)

## 3.12 金融資產(續)

## 金融資產減值(續)

倘存在任何該等證明，則減值虧損按以下方式計量及確認：

(i) *按攤銷成本列賬之貸款及應收款項*

當有客觀證據顯示本集團將無法根據應收款項之原訂條款收回所有應收款額時，則就貸款及應收款項作出減值撥備。減值虧損金額按資產之賬面值與按金融資產原來之實際利率(即於初步確認時計算所得實際利率)折算之估計未來現金流量之現值兩者間之差額計算。虧損金額於減值出現之期間於損益確認。

倘於往後期間，減值虧損金額減少，而減幅與確認減值後發生之某一事項有客觀關連，則過往確認之減值虧損可予撥回，惟不得導致該項金融資產於撥回日期之賬面值超過如無確認減值之原本攤銷成本，撥回金額於撥回發生期間於損益確認。

(ii) *可供出售金融資產*

倘可供出售金融資產之公平值減幅已在權益直接確認，且已存在客觀證據證明資產已出現減值，則從權益中扣除某一金額並於損益確認減值虧損。該金額根據資產之購入成本(已扣除任何本金還款及攤銷後)與現時公平值之差額，減該項資產過往已在損益確認之減值虧損計量。

有關分類為可供出售股本工具之投資減值撥回不會在損益確認。其後之公平值升幅直接於其他全面收入確認。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.12 Financial assets (Continued)****Impairment of financial assets (Continued)***(iii) Financial assets carried at cost*

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

For financial assets other than loans and receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of loans and receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of loans and receivables is remote, the amount considered irrecoverable is written off against the loans and receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

Impairment losses recognised in an interim period in respect of available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of an annual period, or in a subsequent period, the increase is recognised in other comprehensive income.

**3. 主要會計政策概要(續)****3.12 金融資產(續)****金融資產減值(續)***(iii) 按成本列賬之金融資產*

減值虧損金額於金融資產賬面值與估計未來現金流量現值按同類金融資產之現行市場回報率貼現時之差額計量。有關減值虧損不會於往後期間撥回。

就按攤銷成列賬之貸款及應收款項而言，減值虧損與相關資產直接撇銷。倘貸款及應收賬款被視為呆賬但並非難以收回，呆賬應收款項之減值虧損採用撥備賬入賬。倘本集團信納貸款及應收賬款難以收回，則被視為無法收回之款額會直接與貸款及應收賬款對銷，而於撥備賬就貸款及應收款項持有之任何款額則會撥回。過往於撥備賬扣除之其後收回款額於撥備賬撥回。撥備賬之其他變動及過往直接撇銷之其後收回款額於損益確認。

於中期就可供出售股本證券及並無報價股本證券按成本列賬之已確認減值虧損不會於往後期間撥回。倘可供出售股本證券公平值於年度期間餘下時間或於其後期間增加，增幅於其他全面收入確認。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.13 Financial liabilities**

The Group's financial liabilities include trade and bill payables, other payables, derivative financial instruments, borrowings and amounts due to related companies. These are included in the statement of financial position line items as trade and bill payables, other payables and accruals, derivative financial instruments, borrowings under current or non-current liabilities and amounts due to related companies.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 3.21).

A financial liability is derecognised when the obligations specified in the relevant contract are discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss. Other than derivative financial instruments which are detailed in note 3.14 below, measurements of the financial liabilities are as follows.

**(i) Borrowings**

Borrowings are mainly bank loans and are recognised initially at fair value, net of transaction costs incurred. These are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss 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 reporting date.

**3. 主要會計政策概要(續)****3.13 金融負債**

本集團之金融負債包括以及應付賬款及票據、其他應付款、衍生金融工具。該等項目已包括在財務狀況表內流動或非流動負債項下之借貸或應付賬款及票據、其他應付款及應計費用、衍生金融工具及借貸以及應付有關連公司款項。

金融負債在本集團訂立工具合約條文時確認，所有與利息相關之開支均按本集團有關借貸成之會計政策(見附註3.21)確認。

倘有關合約訂明之責任已履行、註銷或屆滿，則剔除確認金融負債。

倘一項現有金融負債被相同借款人按重大不同之條款提供之另一項債項取代，或現有負債條款被重大修改，該取代或修改會被視作剔除確認原有負債及確認一項新負債處理，且各賬面值間之差額會於損益確認。除下文附註3.14所詳述衍生金融工具外，金融負債之計量如下：

**(i) 借貸**

借貸主要指銀行貸款，初步按公平值減交易產生之成本確認，其後按攤銷成本列賬，倘扣除交易成本後所得款項與贖回價值間出現任何差額，則於借貸期間按實際利率法在損益確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被分類為流動負債。

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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.13 Financial liabilities (Continued)

##### (ii) Trade and other payables and amounts due to related companies

These are recognised initially at fair value and subsequently measured at amortised cost less settlement payments, using the effective interest method.

#### 3.14 Derivative financial instruments

Contracts to buy and sell a non-financial item is accounted for as derivative when it can be settled net in cash or another financial instrument and is not held for the purpose of receipt or delivery of the non-financial item in accordance with the Group's expected purchase, sale or usage requirement.

Derivative financial instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date when the derivative contract is entered into. At each reporting date, the fair value is remeasured. Gain or loss arising from changes in fair value is charged immediately to profit or loss for the year, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

#### 3.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using weighted average basis, and in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

#### 3.16 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, demand deposits with banks and short term highly liquid investments with original maturities of three months or less, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### 3. 主要會計政策概要(續)

#### 3.13 金融負債(續)

##### (ii) 應付賬款及其他應付款及應付有關連公司欠款

上述項目初步按公平值確認，其後按攤銷成本減結算款項以實際利率法列賬。

#### 3.14 衍生金融工具

買賣非金融項目之合約如可以現金或另一項金融工具結算，則列作衍生工具。衍生工具並非按本集團預計買賣或使用要求就收款或交付非金融項目之目的持有。

衍生金融工具以個別合約或與混合或金融工具分開於訂去衍生工具合約日期初步按公平值確認。於各結算日公平值會重新計量。重新計量公平值產生之收益或虧損即時計入損益，惟符合現金流量對沖會計處理或對沖海外業務淨投資之衍生工具除外，在此情況下重新計量公平值產生之溢利或虧損須視乎所對沖項目之性質確認。

#### 3.15 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本按加權平均基準釐定，在製品及製成品之成本包括直接材料、直接勞工及按適當比例計算之生產成本。可變現淨值乃按照日常業務過程中之估計售價減任何適當銷售開支計算。

#### 3.16 現金及現金等價物

現金及現金等價物包括現金及銀行存款、活期銀行存款以及原到期日三個月或以下之短期高度流通投資，另扣除須按要求償還及構成本集團現金管理一部分之銀行透支。



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.17 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. These are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

#### 3.18 Accounting for income taxes

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting dates. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

### 3. 主要會計政策概要(續)

#### 3.17撥備及或然負債

當本集團因過往事件而須承擔法定或推定責任，而結算債務可能要求流出經濟利益，於能可靠地作出估計時，撥備方予確認。倘貨幣時間價值之影響屬重大，則有關撥備將按預計結算該責任所需費用之現值列賬。

所有撥備均於各結算日進行檢討，並作出調整以反映當時最佳估計。

當流出經濟利益之可能性不大，或未能可靠估計數額，則有關責任會披露為或然負債，除非流出經濟利益之可能性很低。純粹視乎日後有否出現一項或多項並非完全在本集團控制內之不確定事件而可能產生之責任，亦會披露為或然負債，除非流出經濟利益之可能性很低。

或然負債於分配收購價至業務合併所購入資產及負債之過程中確認，初步按收購日期公平值計量，其後按於上文所述原應於可資比撥備確認之款額與初步確認款額減任何累計攤銷(如適用)之較高者計量。

#### 3.18 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括稅收部門要求繳納、涉及即期或以往報告期間但於結算日尚未支付之納稅責任，乃基於該年度應課稅溢利，根據有關財務期間適用之稅率及稅法計算。即期稅項資產或負債之所有變動均載於損益內，確認為稅項開支之一部分。

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 3.18 Accounting for income taxes (Continued)

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in equity if they relate to items that are charged or credited directly to equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- a. the Group has the legally enforceable right to set off the recognised amounts; and
- b. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 3. 主要會計政策概要(續)

## 3.18 所得稅會計處理(續)

遞延稅項採用負債法就於結算日本財務報表內資產及負債之賬面值與其稅基間之暫時差額計算。通常就所有稅基間之暫時差額確認遞延稅項負債。所有可扣稅暫時差額、可滾存稅項虧損及其他未動用稅項抵免會確認遞延稅項資產，惟以能抵銷該可扣稅暫時差額、未動用稅項虧損及未動用稅項抵免之可能出現未來應課稅溢利為限。

因商譽或初步確認並非業務合併之交易之資產及負債(但對稅務或會計損益均無影響)產生之暫時差額均不予確認。

除非本集團可以控制暫時差額之撥回，且該撥回在可預見未來不大可能發生；於附屬公司、聯營公司及共同控制實體之投資所產生有關應課稅暫時差額確認為遞延負債。

遞延稅項按於結清負債或變現資產期間預期適用之於結算日已頒佈或大致上頒佈稅率計算，而不須予貼現。

遞延稅項資產或負債之變動均於損益內確認，惟與直接自權益扣除或計入之項目有關者，則直接計入權益。

即期稅項資產或負債於以下情況按淨額呈列：

- a. 本集團具有可合法執行權利抵銷已確認款額；及
- b. 計劃以淨額基準結清或同時變現資產及結清負債。

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.18 Accounting for income taxes (Continued)**

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- a. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - i. the same taxable entity; or
  - ii. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.19 Revenue recognition**

Revenue comprises the fair value of the sale of goods and services and the use by others of the Group's assets yielding interest and dividends, net of applicable value-added tax ("VAT"), rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Sales of goods (including the discontinued operations) are recognised upon transfer of significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Rental income is recognised, on a time proportion basis over the lease terms.

Interest income is recognised on a time-proportion basis using the effective interest method.

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

**3. 主要會計政策概要(續)****3.18 所得稅會計處理(續)**

本集團於於以下情況按淨額呈列遞延稅項資產及遞延稅項負債：

- a. 實體具有可合法執行權利以即期稅項資產抵銷即期稅項負債；及
- b. 遞延稅項資產及遞延稅項負債關於相同稅務機關於以下情況徵收之所得稅：
  - i. 相同應課稅實體；或
  - ii. 於預期遞延稅項負債或資產重大款額結清或收回之日後每個期間，不同應課稅實體擬按淨額基準結清即期稅項負債及資產或同時變現資產及結清負債。

**3.19 收入確認**

收入包括銷售貨品及服務之公平值以及其他人士使用本集團資產產生之權益及股息，扣減適用增值稅（「增值稅」）、回扣及折扣。當經濟利益可能流入本集團以及收入及成本（如適用）能夠可靠衡量時，按以下基準確認收入：

貨物銷售（包括已終止經營業務）於擁有權之大部分回報及風險轉嫁予客戶時確認，一般於貨物交付及客戶接納貨物時確認。

租金收入於租賃期間按時間比例確認。

利息收入以實際利率法按時間比例確認。

股息於確立收取款項權利時確認。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.20 Employee benefits

##### Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution staff retirement scheme (the "ORSO Scheme") for certain employees, the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group can be reduced by the relevant amount of forfeited contributions.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees in Hong Kong who are eligible to participate in the MPF Scheme not previously covered by the ORSO Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The Scheme is responsible for the entire pension obligations payable to the retired employees and the Group has no further obligations for the actual pension payments or other post-retirement benefits beyond the employer contributions. Contributions under the Scheme are charged to profit or loss as they become payable in accordance with the rules of the PRC.

### 3. 主要會計政策概要(續)

#### 3.20 僱員福利

##### 退休福利

僱員退休福利透過定額供款計劃撥備。

本集團為其若干僱員設有定額供款僱員退休計劃(「職業退休計劃」)。該計劃之資產與本集團資產分開由獨立管理基金持有。供款按合資格僱員基本薪金一定百分比作出，於根據職業退休計劃規則應付時，在損益扣除。倘若僱員在本集團之僱主供款完全歸其所有前退出職業退休計劃，本集團可將有關金額之沒收供款用以減低日後應付供款。

本集團亦為合資格參與強制性公積金退休福利計劃(「強積金計劃」)而之前無參與職業退休計劃之香港僱員根據強制性公積金計劃條例設有定額供款計劃。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規則應付時，在損益扣除。強積金計劃資產與本集團資產分開，由獨立管理基金持有。本集團之僱主供款於向強積金計劃作出時全數歸僱員所有。

本集團於中國經營業務之附屬公司須參與有關中國地方政府機關管理之退休福利計劃。該等附屬公司規定須按工資某一百分比向中央退休計劃供款。計劃負責向已退休僱員支付全部退休金之責任，除僱主供款外，本集團就實際退休款項或其他退休後福利並無責任。計劃供款於根據中國規則應付時在損益扣除。

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.20 Employee benefits (Continued)****Short-term employee benefits**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for unused annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

**3.21 Share-based employee compensation**

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the share options reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

**3. 主要會計政策概要(續)****3.20 僱員福利(續)****短期僱員福利**

僱員可享有之年假乃於應計予僱員時確認。因僱員於截至結算日止提供服務而估計尚餘之未支取年假須作出撥備。

病假及產假等非累積有薪假期於提取假期時方予確認。

**3.21 以股份為基礎的僱員補償**

本集團為其僱員設立以股本結算之股份付款補償計劃。

就所有僱員提供服務而授出之任何以股份為基礎之補償按其公平值計算。該等補償乃參考獲授出優先認購股份權間接釐定。其價值於授出日評估，並不包括任何非市場歸屬條件之影響。

所有以股份為基礎之補償於歸屬期間在歸屬條件適用情況在損益確認為開支，或倘所授出股本工具即時歸屬，則於受授出日期全數確認為開支。除非補償合資格確認為資產，權益之優先認購股份權儲備則相應增加。倘歸屬期條件適用，則根據預期歸屬之股本工具最佳估計數目按歸屬期確認開支。就預期可予歸屬股本工具數目作出之假設包括非市場歸屬條件。倘有跡象顯示預期歸屬之歸屬股本工具數目與先前估計有別，則會於其後修訂估計。

行使優先認購股份權後，過住於優先認購股份權認之款額將撥回股份溢價。歸屬日期後，倘已歸屬優先認購股份權於到期日被沒收或仍未行使，之前於優先認購股份權儲備確認之款額將轉撥至保留溢利。



## Notes to the Financial Statements 財務報表附註

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.22 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

#### 3.23 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into the HK\$ at the exchange rates ruling at the transaction dates or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with in the exchange fluctuation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates.

### 3. 主要會計政策概要(續)

#### 3.22 借貸成本

收購、建設或生產任何合資格資產產生之借貸成本，於完成或準備有關資產以作擬定用途之期間撥充資本。合資格資產為需要長時間籌備作擬定用途或銷售之資產。其他借貸成本列作開支。

#### 3.23 外幣換算

合併實體之個別財務報表內，其外匯交易按照交易日當時之匯率折算為該個別實體之功能貨幣。於結算日，以外幣計值之貨幣資產及負債按結算日匯率換算。結算此類交易及於結算日重新換算之貨幣資產及負債產生之匯兌收益或虧損，均於損益確認。

以公平值列賬且以外幣計值之非貨幣項目，乃按釐定公平值當日之市場匯率換算，兩者間之差異以作為公平值收益或虧損之一部分呈報。以外幣計值且以歷史成本計量之非貨幣項目概不重新換算。

於綜合財務報表內，所有原先以有別於本集團呈報貨幣之貨幣呈列之海外業務個別財務報表，均已折算為港元。資產與負債均以結算日之收市匯率折算為港元。收入與開支則按交易日市場匯率或申報期間之平均匯率折算為港元，惟匯率於期間須無大幅波動，因而產生之任何差額均於權益之外匯波動儲備內處理。於二零零五年一月一日或之後收購海外業務產生之商譽及公平值調整已當作海外業務之資產及負債，並按收市價換算為港元。

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.23 Foreign currency translation (Continued)**

Other exchange differences arising from the translation of the net investment are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

**3.24 Financial guarantees issued**

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

**3.25 Segment reporting**

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines.

**3. 主要會計政策概要(續)****3.23 外幣換算(續)**

換算投資淨額產生之其他匯兌差額計入股東權益。出售海外業務時，該等匯兌差額於損益表確認為部份出售收益或虧損。

**3.24 已發出之財務擔保**

財務擔保合約為因指定債務人未能按一項債務工具之條款如期付款時，發行人或擔保人須支付指定金額予持有人以補償其所蒙受損失之合約。

當本集團發出財務擔保時，財務擔保之公平值會於應付款項及其他應付款項初步確認為遞延收入。如就發出擔保收取或應收取代價，則該代價將根據適用於該項資產類別之本集團政策確認。倘並無已收或應收代價，即時開支會於初步確認任何遞延收入時於損益確認。

初步確認為遞延收入之擔保款額會於擔保期內在損益攤銷，列作已發出之財務擔保收入。此外，當擔保持有人有可能要求本集團履行擔保責任，而其向本集團索取之款額預期將超過擔保當時之賬面值(即初步確認之款額減累計攤銷，如適用)，則會確認撥備。

**3.25 分類報告**

本集團根據定期向執行董事呈報之內部財務資料確定其經營分類及編製分類資料，該等財務資料乃供執行董事決定分配資源至本集團各業務環節及檢討該等業務環節之表現之基準。向執行董事報告之內部財資料按本集團主要產品類別決定業務環節。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 3.25 Segment reporting (Continued)

The Group has identified the following reportable segments:

- (a) manufacture and distribution of watches and timepieces;
- (b) manufacture and distribution of enamelled copper wires (carried out by the Group's jointly controlled entity); and
- (c) property investment.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arms' length prices.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- expenses related to share-based payments
- share of profit or loss of associates accounted for using the equity method
- finance costs
- income tax
- corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

## 3. 主要會計政策概要(續)

## 3.25 分類報告(續)

本集團已確定以下的報告分類：

- (a) 鐘錶及時計產品製造及分銷；
- (b) 漆包銅線製造及分銷(由本集團共同控制實體經營)；及
- (c) 物業投資。

由於各產品及服務類別所需資源以及市場方針不同，各經營分類獨立管理。所有分類間轉撥按公平價格進行。

本集團根據香港財務申報準則第8號就報告分類業績所用計量政策與根據香港財務申報準則編製財務報表所用者相同，惟以下項目：

- 有關股份付款之開支
- 以權益法列賬之應佔聯營公司溢利或虧損
- 財務費用
- 所得稅
- 並非直接計入任何經營分類業務活動之公司收入及開支

在計算經營分類經營業績時，並無包括在內。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.25 Segment reporting (Continued)**

Segment assets include all assets but goodwill, interests in associates, available-for-sale financial assets, deferred tax assets and financial assets at fair value through profit or loss. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include borrowings and amounts due to related companies.

No asymmetrical allocations have been applied to reportable segments.

**3.26 Assets held for sale**

Non-current assets held for sale and assets in disposal groups are classified as held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. These assets (and disposal groups), other than financial assets, classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

**3.27 Discontinued operations**

A discontinued operation is a clearly distinguishable component of the Group's business that has been disposed of or is classified as held for sale, which represents a separate major line of business or geographical area of operations of the Group.

**3.28 Share capital**

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

**3. 主要會計政策概要(續)****3.25 分類報告(續)**

分類資產包括所有資產，惟商譽、聯營公司權益、可供出售金融資產、遞延稅項資產及按公平值計入溢利或虧損之金融資產除外。此外，並非直接計入任何經營分類業務活動之公司資產不會分配至分類，主要應用於本集團總部。

分類負債不包括並非直接計入任何經營分類業務活動之公司負債，不會分配至分類，包括借貸及應付有關連公司欠款。

並無就可報告分類作出不均分配。

**3.26 持作出售資產**

持作出售之非流動資產及出售組別之資產之賬面值主要透過銷售交易而非經由持續使用收回，則分類為持作出售。只有在極有可能進行銷售，而資產(或出售組別)可以現時狀況即時出售之情況下，方符合上述條件。除金融資產外，此等分類為持作出售之資產(及出售組別)按賬面值與公平值減銷售成本之較低者計量。

**3.27 已終止經營業務**

已終止經營業務指可以清晰界定為已出售或分類為持作出售之業務部分，為本集團獨立主要業務或地區經營業務。

**3.28 股本**

普通股分類為權益。股本採用已發行股份之面值釐定。

任何有關發行股份之交易成本值於股份溢價(扣除任何相關所得稅利益)內扣減，惟以該權益交易應佔遞增成本為限。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 judgements in applying the entity's accounting policies

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 discussed below:

##### Operating lease arrangements – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio and has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

#### 4.2 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely 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 discussed below:

##### Estimated impairment of goodwill

The Group tests on an annual basis whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.6. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. Details in impairment assessment are set out in note 20 to the financial statements.

### 4. 關鍵會計估計及判斷

本集團會持續評估採用之估計及判斷，並以過往經驗及其他因素為基礎進行評估，包括在有關情況下相信為合理之未來事項之預期。

#### 4.1 應用實體會計政策之關鍵判斷

本集團對未來作出估計及假設。顧名思義，因此而作出之會計估計甚少與有關實際結果相符。下文載列可能導致下個財政年度之資產及負債賬面值須作重大調整之主要估計及假設之討論：

##### 經營租賃承擔 – 本集團作為出租人

本集團就其投資物業組合訂立商業物業租約，並已決定保留此等按經營租約租出之物業擁有權之絕大部分風險及回報。

#### 4.2 關鍵會計估計及假設

本集團對未來作出估計及假設。顧名思義，因此而作出之會計估計甚少與有關實際結果相符。下文載列可能導致下個財政年度之資產及負債賬面值須作重大調整之主要估計及假設之討論：

##### 商譽估計減值

本集團每年根據附註3.6所述會計政策測試商譽有否減值。現金產生單位之可收回金額按所計算之使用值釐定。該等計算須採用預期現金產生單位所產生未來現金流量之判斷及估計、現金流量預測時間表以及適合貼現率，以計算現值。減值評估詳情載於財務報表附註20。



**Notes to the Financial Statements 財務報表附註**

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)****4.2 Critical accounting estimates and assumptions (Continued)****Provision against slow-moving inventories**

Provision for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the provision amount required involves management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of inventories and provision charge/write-back in the period in which such estimate has been changed.

**Depreciation**

The Group depreciates the property, plant and equipment using the straight-line method over the estimated useful lives of 3 to 40 years, starting from the date on which the assets are placed into productive use. The estimated useful lives reflect the directors' estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

**Valuation of share options granted**

The fair value of share options granted was calculated using the Black-Scholes valuation model based on the Group management's significant inputs into calculation including an estimated life of share options granted to be five years, based on exercise restrictions and behavioural consideration, the volatility of share price, weighted average share prices and exercise price of the share options granted. Furthermore, the calculation assumes no future dividends.

**Estimated impairment of trade receivables**

The impairment loss on trade receivables of the Group is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Allowances for impairment of receivables are determined by management of the Group based on the repayment history of its debtors and the current market conditions. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Management reassesses the amount of impairment allowances of receivables, if any, at each reporting date.

**4. 關鍵會計估計及判斷(續)****4.2 關鍵會計估計及假設(續)****滯銷存貨撥備**

滯銷存貨按存貨之賬齡及估計可變現淨值作出撥備。評估撥備金額涉及管理層判斷及估計。倘日後實際結果或預期有別於原定估計，則有關差別將影響存貨賬面值，而撥備會於估計有變期間扣除／撥回。

**折舊**

本集團採用直線法按3至40年估計可用年期為物業、廠房及設備計算折舊，自資產投入生產日期起計算。估計可用年期反映董事預計本集團擬自使用本集團之物業、廠房及設備衍生未來經濟利益之期間。

**已授出優先認購股份權估值**

已授出優先認購股份權之公平值乃按「柏力克－舒爾斯」估值模式計算，並按本集團管理層於計算時之重大進項（包括授出優先認購股份權之五年估計年期），以行使限制及行動代價、股價波幅、加權平均股價及已授出優先認購股份權之行使價計算。此外，有關計算並無計入未來股息之假設。

**應收賬款之估計減值**

倘有客觀證據證明本集團將不能按應收款之原有條款收回全部款項，則就本集團應收賬款確立減值虧損。應收款項之減值撥備由本集團管理層按債務人還款記錄以及現行市況釐定。債務人出現重大財政困難、債務人可能破產或進行財務重組以及拖欠或未能償還借款，均被視為應收賬款出現減值之跡象。管理層於各結算日重新評估應收款項之減值撥備金額（如有）。

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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.2 Critical accounting estimates and assumptions (Continued)

##### Impairment of non-financial assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the directors take into consideration assumptions that are mainly based on market condition existing at the reporting dates and appropriate market and discount rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

##### Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant judgement is required in determining the amount of the provision for income taxes and the timing of payment of related taxes. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. There is no impact of such a change of enterprise income tax on the Group because there are no material temporary differences. Therefore, no deferred taxation has been provided for the year.

##### Fair value of investment properties

The Group's investment properties are stated at fair value (note 18) in accordance with the accounting policy stated in note 3.10. The fair values of the investment properties are determined by Chung, Chan & Associates and Asset Appraisal Limited, independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market.

### 4. 關鍵會計估計及判斷(續)

#### 4.2 關鍵會計估計及假設(續)

##### 非金融資產減值

本集團透過評價或導致資產減值之本集團獨有情況，於各結算日評估減值。倘存在觸發減值之情況，則決定資產可收回款額。評估可收回款額時計算之使用價值涉及多項有關未來事項之重要估計及假設，該等估計及假設存在不明朗因素，且可能與實際結果大大不同。作出該等重要估計及判斷時，董事考慮到主要以結算日市況為準之假設及適當市場及折算率。此等估計與實際市場數據及本集團進行之實際交易比較。

##### 所得稅

本集團須繳納香港及中國所得稅。於決定就所得稅撥備之金額及就有關稅項付款之時間時，需要作出重大判斷。就預計稅項確認負債時，本集團按有否額外稅項即將到期應付而估計。倘此等事項之最後稅項結果與初步記錄金額不同，該差額將影響作出該項決定期間之所得稅及遞延稅項撥備。由於並無重大暫時差額，該等企業所得稅變動對本集團並無影響。因此，本年度並無就遞延稅項作出撥備。

##### 投資物業之公平值

本集團之投資物業根據附註3.10所載會計政策按公平值(附註18)呈列。投資物業之公平值由獨立專業認可估值師衡量行及資產評估有限公司釐定。有關估值根據若干假設作出，有關假設涉及不確定因素，可能與實際結果大不相同。於作出判斷時，已合理考慮主要基於結算日現有市況作出之假設。此等估計定期與實際市場資料及市場之實際交易比較。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 5. SEGMENT INFORMATION

The chief operating decision-maker is identified as executive directors. The executive directors have identified the Group's product and service lines as operating segments as follows:

- (a) manufacture and distribution of watches and timepieces;
- (b) manufacture and distribution of enamelled copper wires (carried out by the Group's jointly controlled entity); and
- (c) property investment.

Since 2007, the Group had significantly scaled down the manufacture and distribution of timber products (the "Discontinued Timber Business") due to the resumption of a land in the PRC. The Discontinued Timber Business has been classified as discontinued operations in the Group's financial statements since 2007. Further details regarding the results of the Discontinued Timber Business are set out in note 11.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Inter-segment sales are charged at prevailing market prices.

### 5. 分類資料

主要營運決策者認定為執行董事。執行董事已劃分本集團產品及服務為以下多個經營分類：

- (a) 鐘錶及時計產品製造及分銷；
- (b) 漆包銅線製造及分銷(由本集團共同控制實體經營)；及
- (c) 物業投資。

由於收回中國土地關係，本集團自二零零七年起大幅縮減木材產品製造及分銷(「已終止木材業務」)。已終止木材業務自二零零七年起於本集團財務報表分類為已終止經營業務。已終止木材業務之業績進一步詳情，載於附註11。

此等經營分類之監控及策略決定按經調整分類經營業績作出。

分類間銷售按現行市場價格收費。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)  
20095. 分類資料(續)  
二零零九年

		Watches and timepieces 鐘錶及 時計產品 HK\$'000 千港元	Enamelled copper wires 漆包銅線 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and income:	分類收入及收益：				
Sales to external customers	向外界客戶銷售	569,114	471,149	5,451	1,045,714
Other income and financial income	其他收入及財務收入	8,886	15,964	6	24,856
Total	總計	<u>578,000</u>	<u>487,113</u>	<u>5,457</u>	<u>1,070,570</u>
Segment results	分類業績	<u>172,699</u>	<u>16,767</u>	<u>6,195</u>	<u>195,661</u>
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				<u>1,982</u>
					197,643
Share of profit of associates	應佔聯營公司溢利				1,877
Finance costs	財務費用				(8,597)
Equity-settled share-based compensation	以股本結算之股份補償				<u>(15,570)</u>
Profit before income tax	除所得稅前溢利				175,353
Income tax expense	所得稅開支				<u>(31,388)</u>
Profit for the year from continuing operations	來自持續經營業務之本年度溢利				143,965
Profit for the year from discontinued operations (note 11.2)	來自已終止經營業務之 本年度溢利 (附註11.2)				<u>225,651</u>
Profit for the year	本年度溢利				<u>369,616</u>
Segment assets	分類資產	547,023	242,661	76,027	865,711
Goodwill	商譽				621,382
Interests in associates	所佔聯營公司權益				343,277
Available-for-sale financial assets	可供出售金融資產				1,440,715
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損 之金融資產				82,482
Unallocated corporate assets	未分配公司資產				<u>127,515</u>
					<u>3,481,082</u>
Segment liabilities	分類負債	140,995	65,324	14,041	220,360
Borrowings	借貸				122,533
Unallocated corporate liabilities	未分配公司負債				<u>179,923</u>
					<u>522,816</u>
Other segment information	其他分類資料				
Interest income	利息收入	(525)	(405)	-	(930)
Depreciation and amortisation of prepaid land lease payments	預付土地租賃款項折舊及攤銷	5,485	6,631	12	12,128
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	-	(5,102)	(5,102)
Reversal of write-down of inventories to net realisable value	將存貨撇減至可變現淨值撥回	-	(4,256)	-	<u>(4,256)</u>

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 5. SEGMENT INFORMATION (Continued)

2008

## 5. 分類資料(續)

二零零八年

		Watches and timepieces 鐘錶及 時計產品 HK\$'000 千港元	Enamelled copper wires 漆包銅線 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and income:	分類收入及收益：				
Sales to external customers	向外界客戶銷售	270,319	589,869	5,116	865,304
Other income and financial income	其他收入及財務收入	659	24,965	1	25,625
Total	總計	270,978	614,834	5,117	890,929
Segment results	分類業績	72,247	464	11,034	83,745
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				(18,795)
Share of profit of associates	應佔聯營公司溢利				64,950
Finance costs	財務費用				241
Equity-settled share-based compensation	以股本結算之股份補償				(8,637)
Profit before income tax	除所得稅前溢利				(968)
Income tax expense	所得稅開支				55,586
Profit for the year from continuing operations	來自持續經營業務之本年度溢利				(16,082)
Profit for the year from discontinued operations	來自已終止經營業務之本年度溢利				39,504
Profit for the year	本年度溢利				251,812
Segment assets	分類資產	367,490	215,455	70,898	291,316
Goodwill	商譽				653,843
Interests in associates	所佔聯營公司權益				621,382
Available-for-sale financial assets	可供出售金融資產				34,582
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產				413,010
Unallocated corporate assets	未分配公司資產				29,059
					651,819
					2,403,695
Segment liabilities	分類負債	163,015	43,279	13,308	219,602
Borrowings	借貸				144,983
Due to related companies	應付有關連公司欠款				769
Unallocated corporate liabilities	未分配公司負債				370,694
					736,048
Other segment information	其他分類資料：				
Interest income	利息收入	(406)	(100)	-	(506)
Depreciation and amortisation of prepaid land lease payments	預付土地租賃款項折舊及攤銷	3,164	6,250	12	9,426
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	-	(9,348)	(9,348)
Write-off of obsolete inventories	撇銷陳舊存貨	745	4,305	-	5,050



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## 5. SEGMENT INFORMATION (Continued)

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

## 5. 分類資料(續)

本集團來自外界客戶之收益及非流動資產(除金融工具及遞延稅項資產以外)按以下地區劃分：

		Revenue from external customers (including continuing and discontinued operations) 外界客戶收益 (包括持續經營 及已終止經營業務)		Non-current assets 非流動資產	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Hong Kong (domicile)	香港(所在地)	120	120	21,375	19,875
PRC	中國	1,052,920	896,765	1,225,985	969,944
Other locations	其他地區	—	377	—	—
		<b>1,053,040</b>	<b>897,262</b>	<b>1,247,360</b>	<b>989,819</b>

The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the non-current assets is based on the physical location of the asset.

During the year, HK\$338,904,000 or 32% (2008: HK\$549,256,000 or 61%) of the Group's revenues were derived from a single customer, Citychamp Dartong Company Limited ("Citychamp"), in enamelled copper wires segment. Citychamp is the joint venturer of the Group's jointly controlled entity and a company listed in the Shanghai Stock Exchange in the PRC.

At the reporting date, HK\$48,793,000 (2008: HK\$43,536,000) of the Group's trade and bill receivables was due from Citychamp.

客戶地區以貨物運送地點為準；非流動資產地區以資產實際所在地點為準。

年內，本集團338,904,000港元或32%之收入(二零零八年：549,256,000港元或61%)源自漆包銅線分類單一客戶冠城大通股份有限公司(「冠城」)。冠城為本集團共同控制實體之合營方，於中國上海證券交易所上市。

於結算日，本集團之應收賬款及票據中，48,793,000港元為冠城結欠(二零零八年：43,536,000港元)。

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**6. REVENUE**

Revenue on continuing operations, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and rental income received and receivable. Revenue recognised during the year is as follows:

**6. 收入**

持續經營業務之收入亦即本集團營業額，乃指扣除退貨及貿易折扣之售出貨品發票淨值以及已收及應收租金收入。年內確認之收入如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Revenue on continuing operations</b>	<b>持續經營業務之收入</b>		
Sales of goods	貨品銷售	1,040,263	860,188
Gross rental income	租金收入總額	5,451	5,116
		<u>1,045,714</u>	<u>865,304</u>

**7. OTHER INCOME AND FINANCIAL INCOME****7. 其他收入及財務收入**

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>(a) Other income on continuing operations</b>	<b>持續經營業務之其他收入</b>		
Income from sale of scrapped materials	銷售零碎物料之收入	15,078	24,526
Others	其他	8,697	610
		<u>23,775</u>	<u>25,136</u>
<b>(b) Financial income on continuing operations</b>	<b>持續經營業務之財務收入</b>		
Bank interest income	銀行利息收入	1,121	523
Dividend income from financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產之股息收入	788	1,139
		<u>1,909</u>	<u>1,662</u>

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## 8. FINANCE COSTS

## 8. 財務費用

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Interest charged on bank and other loans wholly repayable within five years	須於五年內悉數償付之銀行及其他貸款利息	<b>8,597</b>	<b>8,637</b>

## 9. PROFIT BEFORE INCOME TAX

## 9. 除所得稅前溢利

Profit before income tax is arrived at after charging/(crediting):

除所得稅前溢利已扣除/(計入)下列各項：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Cost of inventories recognised as expense	確認為開支之存貨成本	<b>667,569</b>	696,597
Including:	包括：		
– Write-off of obsolete inventories	– 撇銷陳舊存貨	–	5,050
– Reversal of write-down of inventories to net realisable value*	– 撥回存貨撇減至可變現淨值*	<b>(4,256)</b>	–
– (Gain)/Loss on derivative financial instruments**	– 衍生金融工具(收益)/虧損**	<b>(6,772)</b>	2,571
Impairment losses on trade receivables (included in administrative expenses)	應收賬款減值虧損(計入行政費用)	<b>259</b>	80
Depreciation***	折舊***	<b>17,349</b>	11,145
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	<b>1,652</b>	242
Net foreign exchange loss	外匯損失淨額	<b>774</b>	64
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約項下最低租賃款項	<b>9,261</b>	13,887
Auditors' remuneration	核數師酬金	<b>1,380</b>	1,280
Gross rental income	租金收入總額	<b>(5,451)</b>	(5,116)
Less: direct operating expenses	減：直接經營開支	<b>1,983</b>	1,777
Net rental income	租金收入淨額	<b>(3,468)</b>	(3,339)
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	<b>63</b>	74

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## 9. PROFIT BEFORE INCOME TAX (Continued)

- \* During the year, the Group reversed HK\$4,256,000 (2008: Nil) of an inventory write down made in 2008. The Group has sold all of the goods to customers at above cost.
- \*\* During the year, the Group has entered into forward contracts for the purpose of purchases and sales of copper. These forward contracts recorded a gain of HK\$6,772,000 (2008: a loss of HK\$2,571,000) during the year.
- \*\*\* Depreciation expense of HK\$8,136,000 (2008: HK\$6,345,000) has been included in cost of sales, HK\$655,000 (2008: HK\$543,000) in selling and distribution expenses and HK\$8,558,000 (2008: HK\$4,257,000) in administrative expenses.

## 10. INCOME TAX EXPENSE

Profit for the year ended 31 December 2009, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. During the year ended 31 December 2008, no provision for Hong Kong profits tax has been provided in the financial statements as the Group had no assessable profits arising in Hong Kong.

The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 20% and 25% (2008: between 18% and 25%).

Income tax on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

## 9. 除所得稅前溢利(續)

- \* 年內，本集團撥回於二零零八年撇減存貨4,256,000港元(二零零八年：無)。本集團已按高於成本價向客戶售出全部貨品。
- \*\* 年內，本集團就買賣銅訂立遠期合約，該等遠期合約錄得收益6,772,000港元(二零零八年：虧損2,571,000港元)。
- \*\*\* 8,136,000港元之折舊開支(二零零八年：6,345,000港元)已計入銷售成本；655,000港元(二零零八年：543,000港元)計入銷售及分銷費用以及8,558,000港元(二零零八年：4,257,000港元)計入行政費用。

## 10. 所得稅開支

於截至二零零九年十二月三十一日止年度，於香港產生之估計應課稅溢利按稅率16.5%作出香港利得稅撥備。截至二零零八年十二月三十一日止年度內，由於本集團並無於香港產生應課稅溢利，故無於財務報表作出香港利得稅撥備。

於中國成立之附屬公司須按介乎20%至25%(二零零八年：18%至25%)之所得稅率繳稅。

海外溢利之所得稅按年內估計應課稅溢利以本集團經營所在國家之現行稅率計算。

		2009 二零零九年		2008 二零零八年	
		Continuing operations 持續 經營業務 HK\$'000 千港元	Discontinued operations 已終止 經營業務 HK\$'000 千港元	Continuing operations 持續 經營業務 HK\$'000 千港元	Discontinued operations 已終止 經營業務 HK\$'000 千港元
Current tax for the year	年內即期稅項				
Hong Kong	香港	1,365	-	-	-
PRC	中國	31,346	61,787	15,910	39,221
(Over)/Under-provision in respect of prior years	過往年度(超額撥備)/ 撥備不足				
PRC	中國	(1,323)	-	172	-
Total income tax expense	所得稅開支總額	<u>31,388</u>	<u>61,787</u>	<u>16,082</u>	<u>39,221</u>

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**10. INCOME TAX EXPENSE (Continued)**

Reconciliation between income tax expense and accounting profit at applicable tax rates:

**10. 所得稅開支(續)**

所得稅開支與按適用稅率計算之會計溢利對賬如下：

		2009 二零零九年		2008 二零零八年	
		Continuing operations 持續 經營業務 HK\$'000 千港元	Discontinued operations 已終止 經營業務 HK\$'000 千港元	Continuing operations 持續 經營業務 HK\$'000 千港元	Discontinued operations 已終止 經營業務 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	<u>175,353</u>	<u>287,438</u>	<u>55,586</u>	<u>291,033</u>
Tax calculated at the rates applicable to the tax jurisdictions concerned	按有關稅項司法權區之適用稅率計算之稅項	34,844	57,488	11,801	52,386
Tax effect of income not taxable	毋須課稅收入之稅務影響	(8,641)	-	(15,692)	-
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	5,601	4,299	9,667	2,004
(Over)/Under-provision in respect of prior years	過往年度(超額撥備)/撥備不足	(1,323)	-	172	-
Utilisation of unused tax losses not recognised	動用未確認未使用稅項虧損	(2,591)	-	-	(15,169)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	3,498	-	10,134	-
Total income tax expense	所得稅開支總額	<u>31,388</u>	<u>61,787</u>	<u>16,082</u>	<u>39,221</u>



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### 11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

#### 11.1 Discontinued Timber Business

In December 2007, Seti Timber Industry (Shenzhen) Co., Limited (“Seti”), a PRC wholly-owned subsidiary of the Group which was principally engaged in manufacture and distribution of timber products, entered into a land resumption agreement with the Shenzhen Municipal Government (the “Land Resumption Agreement”). In 2008, pursuant to the Land Resumption Agreement, the Shenzhen Municipal Government resumed the land in Shenzhen that was leased to Seti (the “PRC Land”). Seti had significantly scaled down its operations in manufacture and distribution of timber products since December 2007 and subsequently ceased its production operations in 2008. Details of this transaction were set out in the Company’s circular dated on 24 December 2007.

As the Discontinued Timber Business carried out by Seti represented components of the Group’s business, the operations and cash flows of which could be clearly distinguished from the rest of the Group and which represented separate major lines of businesses, the Group presented, in its financial statements, the operations of the Discontinued Timber Business as discontinued operations in accordance with HKFRS 5.

According to the Land Resumption Agreement, the Shenzhen Municipal Government retained 50% of the PRC Land (the “Government Retained Land”) and arranged the remaining 50% of the PRC Land (the “Auction PRC Land”) for the auction sale at an open auction (the “Open Auction”) in 2008. The compensation payable to Seti by the Shenzhen Municipal Government, as a result of the land resumption, was 89.5% of the proceeds of the Auction PRC Land as determined in the Open Auction.

### 11. 持作出售之非流動資產及已終止經營業務

#### 11.1 已終止木材業務

於二零零七年十二月，本集團內主要從事木材產品製造及分銷之中國全資附屬公司森帝木業(深圳)有限公司(「森帝」)與深圳市政府訂立收回土地協議(「收地協議」)。根據收地協議，深圳市政府於二零零八年收回租予森帝位於深圳之土地(「中國土地」)。森帝自二零零七年十二月起，大幅縮減其木材產品製造及分銷業務之規模，並於二零零八年終止其生產活動。有關交易詳情載於本公司日期為二零零七年十二月二十四日之通函。

由於森帝所經營已終止木材業務構成本集團業務其中部分，其業務及現金流量可與本集團於財務報表所呈報獨立主要業務清晰區別，故已終止木材業務根據香港財務申報準則第5號列為已終止經營業務。

根據收地協議，深圳市政府保留中國土地面積50%(「政府保留土地」)，並安排中國土地餘下50%面積(「拍賣中國土地」)於二零零八年透過公開拍賣(「公開拍賣」)出售。由於收回土地，深圳市政府須向森帝支付補償，金額相當於公開拍賣中國土地所得款項之89.5%。

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**11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)****11.1 Discontinued Timber Business (Continued)**

In November 2008, Shenzhen Seti Trading Development Company Limited (“Seti Trading”), a wholly owned subsidiary of the Group, and Suzhou Citychamp Hongye Property Development Company Limited (“Suzhou Citychamp”), a wholly-owned subsidiary of Citychamp, jointly won the bid at the Open Auction to acquire the Auction PRC Land. As described in note 4, Citychamp is the joint venturer of the Group’s jointly controlled entity and a company listed in the Shanghai Stock Exchange in the PRC.

On the same date, Shenzhen Municipal Bureau of Land Resources and Housing Management, the Shenzhen Municipal Government, Seti Trading and Suzhou Citychamp entered into a document which confirmed the results of the Open Auction and the Shenzhen Municipal Government, Seti Trading and Suzhou Citychamp entered into a project agreement setting out the terms of the acquisition of the Auction PRC Land (the “Project Agreement”).

According to the Project Agreement, the Auction PRC Land was acquired at Renminbi (“RMB”)800,000,000 (the “Consideration”). The total compensation to be payable to Seti by the Shenzhen Municipal Government, as a result of the land resumption, was amounted to RMB716,000,000 (being 89.5% of RMB800,000,000). Accordingly, the considerations for the Government Retained Land (50% of the PRC Land) and the Auction PRC Land (50% of the PRC Land) are both RMB358,000,000.

The first instalment of RMB240,000,000 had been already paid by Seti Trading and Suzhou Citychamp to the Shenzhen Municipal Government in 2008. During the year, the remaining portion of the Consideration of RMB560,000,000 was paid by Seti Trading and Suzhou Citychamp to the Shenzhen Municipal Government.

**11. 持作出售之非流動資產及已終止經營業務(續)****11.1 已終止木材業務(續)**

於二零零八年十一月，本集團全資附屬公司深圳市森帝貿易發展有限公司(「森帝貿易」)與冠城全資附屬公司蘇州冠城宏業房地產有限公司(「蘇州冠城」)於公開拍賣共同投得拍賣中國土地。誠如附註4所述，冠城為本集團共同控制實體之合營方，並為於中國上海證券交易所上市之公司。

同日，深圳市國土資源和房產管理局、深圳市政府、森帝貿易及蘇州冠城訂立文件，確認公開拍賣結果；而深圳市政府、森帝貿易及蘇州冠城則訂立項目改造合同，當中載列收購拍賣中國土地之條款(「項目改造合同」)。

根據項目改造合同，拍賣中國土地以人民幣800,000,000元(「代價」)購入。由於收回土地，深圳市政府須向森帝支付賠償合共人民幣716,000,000元(即人民幣800,000,000元之89.5%)。因此，政府保留土地(即中國土地面積50%)及拍賣中國土地(即中國土地面積50%)之代價均為人民幣358,000,000元。

首期人民幣240,000,000元已由森帝貿易及蘇州冠城於二零零八年向深圳市政府支付。年內，餘下代價人民幣560,000,000元由森帝貿易及蘇州冠城向深圳市政府支付。

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**11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)****11.1 Discontinued Timber Business (Continued)**

As a result of the success of the Auction PRC Land, Seti Trading and Suzhou Citychamp entered into a joint venture agreement in November 2008 in respect of the establishment of Shenzhen Guanyang Real Estate Co., Limited ("Guanyang Real Estate"), which is 30% and 70% owned by Seti Trading and Suzhou Citychamp respectively. In 2009, legal procedures to establish Guanyang Real Estate were completed and Guanyang Real Estate is regarded as the Group's associate as at 31 December 2009.

During the year, the restoration of the PRC Land was completed and the compensation was fully settled by the Shenzhen Municipal Government. Seti had demolished the buildings on the PRC Land and disposed of the property, plant and equipment of the Discontinued Timber Business on the PRC Land.

As at 31 December 2008, in accordance with the HKFRS 5, the property, plant and equipment and prepaid land lease payments were classified as held for sale in the consolidated statement of financial position as their carrying values can be recovered principally through a sale transaction. As there is no plan to deregister Seti when the Open Auction is completed, other assets and liabilities are retained by Seti and their carrying amounts are not classified as held for sale.

**11. 持作出售之非流動資產及已終止經營業務(續)****11.1 已終止木材業務(續)**

由於成功投得拍賣中國土地，森帝貿易與蘇州冠城於二零零八年十一月就成立深圳冠洋房地產有限公司(「冠洋房地產」)訂立聯營合同，由森帝貿易與蘇州冠城分別擁有30%及70%。於二零零九年，成立冠洋房地產之法律程序已完成，冠洋房地產於二零零九年十二月三十一日被視為本集團聯營公司。

復墾中國土地於年內完成。深圳市政府已全數支付賠償。森帝已拆卸於中國土地之樓宇以及出售已終止木材業務於中國土地之物業、廠房及設備。

於二零零八年十二月三十一日，根據香港財務申報準則第5號，物業、廠房及設備以及預付土地租賃款項乃於綜合財務狀況表分類為持作出售，此乃由於其賬面值可主要透過銷售交易收回。由於並無計劃於公開拍賣完成後撤銷森帝之註冊，其他資產及負債將由森帝保留，其賬面值不會分類為持作出售。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)**

11.2 An analysis of the results of the Discontinued Timber Business for the year ended 31 December 2009, with the comparatives for illustrative purpose, is as follows:

**11. 持作出售之非流動資產及已終止經營業務(續)**

11.2 截至二零零九年十二月三十一日止年度，已終止木材業務之業績分析及用作說明之比較數字載列如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Revenue	收入	7,326	31,958
Cost of sales	銷售成本	(12,522)	(35,762)
<b>Gross loss</b>	<b>毛損</b>	<b>(5,196)</b>	<b>(3,804)</b>
Other income	其他收入	2,421	8,088
Selling and distribution expenses	銷售及分銷費用	(143)	(277)
Administrative expenses	行政費用	(19,792)	(27,942)
Gain on disposals of non-current assets held for sale	出售持作出售非流動資產之收益	309,799	317,227
<b>Operating profit</b>	<b>經營溢利</b>	<b>287,089</b>	<b>293,292</b>
Financial income	財務收入	585	20
Finance costs – interest on bank loans wholly repayable within five years	財務費用－須於五年內悉數償還之銀行貸款利息	(236)	(2,279)
Profit before income tax	除所得稅前溢利	287,438	291,033
Income tax expense	所得稅開支	(61,787)	(39,221)
<b>Profit for the year</b>	<b>本年度溢利</b>	<b>225,651</b>	<b>251,812</b>
Operating cash flows	經營現金流量	51,844	(8,094)
Investing cash flows	投資現金流量	75,975	(82,226)
Financing cash flows	融資現金流量	(28,409)	89,290
Total cash inflows/(outflows)	現金流入／(流出)總額	99,410	(1,030)

Employee benefit expense of the discontinued operations for the year of HK\$2,979,000 (2008: HK\$6,985,000) included wages and salaries of HK\$2,609,000 (2008: HK\$6,422,000), and pension cost of HK\$370,000 (2008: HK\$563,000).

本年度已終止經營業務之僱員福利開支2,979,000港元(二零零八年：6,985,000港元)包括工資及薪金2,609,000港元(二零零八年：6,422,000港元)及退休金成本370,000港元(二零零八年：563,000港元)。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)**  
**11.2 (Continued)**

Gain on disposals of non-current assets held for sale was analysed as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Proceeds from disposals of non-current assets held for sale	出售持作出售之非流動資產所得款項	406,818	406,818
Carrying amounts of non-current assets held for sale	持作出售之非流動資產賬面值	(85,317)	(87,481)
Other direct expenses related to the disposal	有關出售之其他直接開支	(11,702)	(2,110)
		<b>309,799</b>	<b>317,227</b>

During the year, net proceeds of HK\$801,934,000 (2008: Nil) from disposal of non-current assets held for sale was fully received by the Group.

**11.3** An analysis of the non-current assets of the Discontinued Timber Business classified as held for sale at the reporting date is as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Non-current assets classified as held for sale:	分類為持作出售之非流動資產：		
Property, plant and equipment	物業、廠房及設備	-	89,671
Prepaid land lease payments	預付土地租賃款項	-	27,222
		<b>-</b>	<b>116,893</b>

During the year, certain property, plant and equipment with a carrying amount of HK\$24,724,000 and prepaid land leases payment with a carrying amount of HK\$6,852,000 which were previously classified as non-current assets held-for-sale are now retained by the Group. These assets are all located outside the PRC Land and can be used by the Group. Therefore, these assets are now classified as non-current assets under appropriate categories (note 17 and 19).

**11. 持作出售之非流動資產及已終止經營業務(續)**  
**11.2 (續)**

出售持作出售之非流動資產收益分析如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Proceeds from disposals of non-current assets held for sale	出售持作出售之非流動資產所得款項	406,818	406,818
Carrying amounts of non-current assets held for sale	持作出售之非流動資產賬面值	(85,317)	(87,481)
Other direct expenses related to the disposal	有關出售之其他直接開支	(11,702)	(2,110)
		<b>309,799</b>	<b>317,227</b>

年內，本集團已悉數收取出售持作出售非流動資產之所得款項淨額801,934,000港元(二零零八年：無)。

**11.3** 於結算日，分類為持作出售之已終止木材業務之非流動資產分析如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Non-current assets classified as held for sale:	分類為持作出售之非流動資產：		
Property, plant and equipment	物業、廠房及設備	-	89,671
Prepaid land lease payments	預付土地租賃款項	-	27,222
		<b>-</b>	<b>116,893</b>

年內，賬面值為24,724,000港元之若干物業、廠房及設備以及賬面值為6,852,000港元之預付土地租賃款項，過往分類為持作出售之非流動資產，現由本集團保留。該等資產全部位於中國土地以外，可由本集團使用。因此，該等資產現於適當類別下分類為非流動資產(附註17及19)。

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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**12. PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY**

Of the consolidated profit attributable to the owners of the Company of HK\$362,561,000 (2008: HK\$290,213,000), a profit of HK\$34,543,000 (2008: a loss of HK\$75,817,000) has been dealt with in the financial statements of the Company.

**13. DIVIDENDS****13.1 Dividend attributable to the year**

Interim dividend of HK1.0 cent per share (2008: Nil)	中期股息每股1.0港仙 (二零零八年：無)
Proposed final dividend of HK4.1 cents per share (2008: HK2.5 cents)	擬派末期股息每股4.1港仙 (二零零八年：2.5港仙)

The final dividend declared after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of retained profits and share premium account for the year ended 31 December 2009.

**13.2 Dividend attributable to the previous financial year, approved and paid during the year**

Final dividend in respect of the previous financial year, of HK2.5 cents per share (2008: Nil)	過往財政年度末期股息 每股2.5港仙 (二零零八年：無)
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**12. 本公司擁有人應佔溢利**

本公司擁有人應佔綜合溢利362,561,000港元(二零零八年：290,213,000港元)中，包括已於本公司財務報表處理之溢利34,543,000港元(二零零八年：虧損75,817,000港元)。

**13. 股息****13.1 本年度應佔股息**

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	35,420	-
	<u>145,250</u>	<u>88,551</u>
	<u>180,670</u>	<u>88,551</u>

於結算日後宣派之末期股息並無於結算日確認為負債，惟已反映為截至二零零九年十二月三十一日止年度之保留溢利及股份溢價賬撥款。

**13.2 年內批准及派付過往財政年度應佔股息**

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	88,551	-



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## 14. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share attributable to the owners of the Company are based on the following data:

## Earnings

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Profit attributable to the owners of the Company for the purpose of basic and diluted earnings per share:	計算每股基本及攤薄盈利所依據之本公司擁有人應佔溢利：		
Continuing operations	持續經營業務	136,910	38,401
Discontinued operations	已終止經營業務	225,651	251,812
Total profit from continuing and discontinued operations	持續經營及已終止經營業務溢利總額	<u>362,561</u>	<u>290,213</u>

## Number of shares

		2009 二零零九年 Number of shares 股份數目 '000 千股	2008 二零零八年 Number of shares 股份數目 '000 千股
Weighted average number of shares for the purpose of basic earnings per share	計算每股基本盈利所依據之加權平均股數	3,542,047	2,160,200
Effect of dilutive potential shares: – share options issued by the Company	潛在股份之攤薄影響： — 本公司發行之 優先認購股份權	<u>92,142</u>	—
Weighted average number of shares for the purpose of diluted earnings per share	計算每股攤薄盈利所依據之加權平均股數	<u>3,634,189</u>	<u>2,160,200</u>

For the year ended 31 December 2008, the share options had no dilutive effect as the average market price of the ordinary shares was below the exercise price of the options. Diluted earnings per share for the year ended 31 December 2008 were not disclosed as no dilutive events existed during that year.

## 14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

## 盈利

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Profit attributable to the owners of the Company for the purpose of basic and diluted earnings per share:	計算每股基本及攤薄盈利所依據之本公司擁有人應佔溢利：		
Continuing operations	持續經營業務	136,910	38,401
Discontinued operations	已終止經營業務	225,651	251,812
Total profit from continuing and discontinued operations	持續經營及已終止經營業務溢利總額	<u>362,561</u>	<u>290,213</u>

## 股份數目

		2009 二零零九年 Number of shares 股份數目 '000 千股	2008 二零零八年 Number of shares 股份數目 '000 千股
Weighted average number of shares for the purpose of basic earnings per share	計算每股基本盈利所依據之加權平均股數	3,542,047	2,160,200
Effect of dilutive potential shares: – share options issued by the Company	潛在股份之攤薄影響： — 本公司發行之 優先認購股份權	<u>92,142</u>	—
Weighted average number of shares for the purpose of diluted earnings per share	計算每股攤薄盈利所依據之加權平均股數	<u>3,634,189</u>	<u>2,160,200</u>

截至二零零八年十二月三十一日止年度，由於普通股平均市價低於優先認購股份權行使價，故優先認購股份權不具攤薄影響。由於截至二零零八年十二月三十一日止年度並無出現攤薄事件，故並無披露該年內每股攤薄盈利。

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## 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) 15. 僱員福利開支(包括董事酬金)

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Wages and salaries	工資及薪金	83,058	56,816
Pension costs – defined contribution plans	退休金成本—定額供款計劃	6,545	3,737
Equity-settled share-based compensation	以股本結算之股份補償	11,177	695
		<u>100,780</u>	<u>61,248</u>

## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS 16. 董事酬金及高層管理人員酬金

16.1 Directors' emoluments  
200916.1 董事酬金  
二零零九年

		Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK\$'000 千港元	Contributions to pension scheme 退休計劃供款 HK\$'000 千港元	Equity-settled share-based compensation 以股本結算之股份補償 HK\$'000 千港元	Total 總額 HK\$000 千港元
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Hon Kwok Lung	韓國龍先生	-	1,690	12	304	2,006
Mr. Shang Jianguang	商建光先生	-	3,206	60	696	3,962
Mr. Shi Tao	石濤先生	-	1,690	-	435	2,125
Mr. Lam Toi Man	林代文先生	-	1,430	12	304	1,746
<b>Non-executive director</b>	<b>非執行董事</b>					
Ms. Sit Lai Hei	薛黎曦女士	100	-	-	-	100
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Fung Tze Wa	馮子華先生	150	-	-	304	454
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	100	-	-	304	404
Mr. Li Qiang	李強先生	100	-	-	304	404
		<u>450</u>	<u>8,016</u>	<u>84</u>	<u>2,651</u>	<u>11,201</u>

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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

16.1 Directors' emoluments (Continued)  
2008

	Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK\$'000 千港元	Contributions to pension scheme 退休計劃供款 HK\$'000 千港元	Equity-settled share-based compensation 以股本結算之股份補償 HK\$'000 千港元	Total 總額 HK\$000 千港元
<b>Executive directors 執行董事</b>					
Mr. Hon Kwok Lung 韓國龍先生	-	1,690	12	19	1,721
Mr. Wang Shaolan 王少蘭先生 (Resigned on 29 December 2008) (於二零零八年十二月二十九日辭任)	-	992	-	-	992
Mr. Shang Jianguang 商建光先生	-	2,135	60	43	2,238
Mr. Shi Tao 石濤先生	-	1,690	-	27	1,717
Mr. Lam Toi Man 林代文先生	-	1,430	12	19	1,461
<b>Non-executive director 非執行董事</b>					
Ms. Sit Lai Hei 薛黎曦女士	100	-	-	-	100
<b>Independent non-executive directors 獨立非執行董事</b>					
Mr. Fung Tze Wa 馮子華先生	150	-	-	19	169
Dr. Kwong Chun Wai, Michael 鄺俊偉博士	100	-	-	19	119
Mr. Li Qiang 李強先生	100	-	-	19	119
	450	7,937	84	165	8,636

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2008: Nil).

No emolument was paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2008: Nil).

## 16.2 Five highest paid individuals

During the year, the five individuals whose emoluments were the highest in the Group included four (2008: five) directors whose emoluments are reflected in the analysis presented in note 16.1. Emoluments payable to the remaining one (2008: Nil) individual during the year are as follows:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	910	-
Contributions to pension scheme 退休計劃供款	12	-
Equity-settled share-based compensation 以股本結算之股份補償	391	-
	<b>1,313</b>	<b>-</b>

## 16. 董事酬金及高層管理人員酬金(續)

16.1 董事酬金(續)  
二零零八年

年內並無董事豁免或同意豁免任何酬金安排(二零零八年：無)。

本集團並無向董事支付酬金，作為其加入本集團或加入本集團後之獎勵或離職補償(二零零八年：無)。

## 16.2 五名最高酬金人士

年內本集團之五名最高酬金人士中四名(二零零八年：五名)為董事，彼等之酬金已反映於上文附註16.1分析。年內應付餘下一名(二零零八年：無)人士之酬金如下：

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17. PROPERTY, PLANT AND EQUIPMENT  
Group17. 物業、廠房及設備  
本集團

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置 及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	CIP 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2008	於二零零八年 一月一日							
Cost	成本	52,177	5,502	65,199	12,951	10,806	11,849	158,484
Accumulated depreciation	累計折舊	(4,661)	(4,732)	(9,709)	(10,297)	(3,691)	-	(33,090)
Net carrying amount	賬面淨值	47,516	770	55,490	2,654	7,115	11,849	125,394
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	47,516	770	55,490	2,654	7,115	11,849	125,394
Acquisition of subsidiaries (note 42.2)	收購附屬公司 (附註42.2)	959	176	4,941	1,087	1,493	-	8,656
Additions	添置	3	2,242	4,861	6,619	5,005	9,957	28,687
Transfer from CIP	轉撥自在建工程	-	-	10,382	157	-	(10,539)	-
Disposals	出售	-	(186)	(68)	(29)	(154)	-	(437)
Depreciation	折舊	(1,656)	(758)	(4,938)	(1,659)	(2,134)	-	(11,145)
Exchange realignment	匯兌調整	3,214	13	3,667	90	193	815	7,992
Closing net book amount	年終賬面淨值	50,036	2,257	74,335	8,919	11,518	12,082	159,147
At 31 December 2008	於二零零八年 十二月三十一日							
Cost	成本	56,702	6,413	89,586	21,226	16,278	12,082	202,287
Accumulated depreciation	累計折舊	(6,666)	(4,156)	(15,251)	(12,307)	(4,760)	-	(43,140)
Net carrying amount	賬面淨值	50,036	2,257	74,335	8,919	11,518	12,082	159,147
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	50,036	2,257	74,335	8,919	11,518	12,082	159,147
Acquisition of subsidiaries (note 42.1)	收購附屬公司 (附註42.1)	-	-	-	62	-	-	62
Additions	添置	2,277	308	3,714	3,051	3,036	1,063	13,449
Reclassification from non-current asset held for sale (note 11.3)	自持作出售之非流動 資產重新分類 (附註11.3)	24,724	-	-	-	-	-	24,724
Transfer from CIP	轉撥自在建工程	6,012	-	7,133	-	-	(13,145)	-
Disposals	出售	-	-	(42)	(30)	(158)	-	(230)
Depreciation	折舊	(5,323)	(584)	(6,256)	(2,059)	(3,127)	-	(17,349)
Closing net book amount	年終賬面淨值	77,726	1,981	78,884	9,943	11,269	-	179,803
At 31 December 2009	於二零零九年 十二月三十一日							
Cost	成本	89,715	6,721	100,091	24,087	17,656	-	238,270
Accumulated depreciation	累計折舊	(11,989)	(4,740)	(21,207)	(14,144)	(6,387)	-	(58,467)
Net carrying amount	賬面淨值	77,726	1,981	78,884	9,943	11,269	-	179,803

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (Continued)  
Company17. 物業、廠房及設備(續)  
本公司

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2008	於二零零八年一月一日				
Cost	成本	1,767	1,083	5,831	8,681
Accumulated depreciation	累計折舊	(1,228)	(624)	(1,948)	(3,800)
Net book amount	賬面淨值	539	459	3,883	4,881
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	539	459	3,883	4,881
Additions	添置	1,606	410	2,659	4,675
Disposals	出售	(186)	(19)	–	(205)
Depreciation	折舊	(446)	(250)	(1,267)	(1,963)
Closing net book amount	年終賬面淨值	1,513	600	5,275	7,388
At 31 December 2008	於二零零八年 十二月三十一日				
Cost	成本	3,187	1,474	8,490	13,151
Accumulated depreciation	累計折舊	(1,674)	(874)	(3,215)	(5,763)
Net carrying amount	賬面淨值	1,513	600	5,275	7,388
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	1,513	600	5,275	7,388
Additions	添置	6	56	–	62
Depreciation	出售	(359)	(216)	(1,555)	(2,130)
Closing net book amount	年終賬面淨值	1,160	440	3,720	5,320
At 31 December 2009	於二零零九年 十二月三十一日				
Cost	成本	3,193	1,530	8,490	13,213
Accumulated depreciation	累計折舊	(2,033)	(1,090)	(4,770)	(7,893)
Net carrying amount	賬面淨值	1,160	440	3,720	5,320

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**17. PROPERTY, PLANT AND EQUIPMENT (Continued)**

The costs of the Group's buildings separated from the element of the land included above are all situated in the PRC and are held under the following lease terms:

Short-term leases	短期租約
Medium-term leases	中期租約
Long-term leases	長期租約

As at 31 December 2009, no buildings have been pledged to secure banking facilities granted to the Group. At 31 December 2008, certain of the Group's buildings with carrying amount of HK\$906,000 were pledged to secure certain banking facilities granted to the Group (note 33).

As at 31 December 2009, certain of the Group's buildings with carrying amount of HK\$43,427,000 (2008: HK\$44,485,000) have been pledged to secure banking facilities granted to the joint venturer.

At 31 December 2009, the Group has not yet obtained the title certificates for certain leasehold buildings in the PRC with an aggregate carrying value of approximately HK\$2,212,000 (2008: HK\$562,000). The Group's legal advisors have confirmed that the Group has legally obtained the rights to use the buildings. The directors are now in process of obtaining the title certificates from the relevant government authorities.

**17. 物業、廠房及設備(續)**

與上文包括之土地部份分開之本集團樓宇全部位於中國大陸，並按下列租期持有：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Short-term leases	2,696	2,415
Medium-term leases	85,763	53,031
Long-term leases	1,256	1,256
	<b>89,715</b>	<b>56,702</b>

於二零零九年十二月三十一日，並無樓宇就授予本集團之銀行融資抵押。於二零零八年十二月三十一日，本集團賬面值為906,000港元之若干樓宇已抵押，以為本集團取得若干銀行融資(附註33)。

於二零零九年十二月三十一日，本集團賬面值43,427,000港元(二零零八年：44,485,000港元)之若干樓宇亦已抵押，以為合營方取得銀行融資。

於二零零九年十二月三十一日，本集團尚未就其於中國賬面總值約2,212,000港元(二零零八年：562,000港元)之若干租賃樓宇取得任何業權證明。本集團法律顧問確認，本集團已取得有關樓宇之合法使用權，董事正在向有關政府機關申請業權證明。



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 18. INVESTMENT PROPERTIES – GROUP

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

Changes to the carrying amounts presented in the statement of financial position can be summarised as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	69,606	60,258
Net surplus on revaluation of investment properties	投資物業重估之盈餘淨額	5,102	9,348
Carrying amount at 31 December	於十二月三十一日之賬面值	<u>74,708</u>	<u>69,606</u>

The carrying amounts of the Group's investment properties situated in Hong Kong and the PRC held under medium-term leases are analysed as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Hong Kong	香港	15,500	12,450
PRC	中國	59,208	57,156
		<u>74,708</u>	<u>69,606</u>

Investment properties were revalued at 31 December 2009 by Asset Appraisal Limited and Chung, Chan & Associate, independent, professionally qualified valuers, at HK\$74,708,000 in aggregate on market approach by reference to market prices for similar properties. Asset Appraisal Limited is a member of Hong Kong Institutes of Surveyors, and Chung, Chan & Associates is a member of Royal Institution of Chartered Surveyors. Both have appropriate qualifications and recent experiences in the valuation of similar properties.

## 18. 投資物業 – 本集團

所有本集團就賺取租金或資本增值而以經營租約持有之物業權益，乃按公平值模式計量，並分類及入賬為投資物業。

於財務狀況表呈列之賬面值變動概述如下：

本集團位於香港及中國以中期租賃持有之投資物業之賬面值分析如下：

投資物業於二零零九年十二月三十一日由獨立專業認可估值師資產評估顧問有限公司及衡量行參考同類物業市價後採用市場法重估為合共74,708,000港元，資產評估顧問有限公司為香港測量師學會成員，衡量行則為英國皇家特許測量師學會成員。兩者均於同類物業估值方面具備適當資格及近期經驗。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**18. INVESTMENT PROPERTIES – GROUP (Continued)**

At 31 December 2009, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying value of HK\$33,060,000 (2008: HK\$32,770,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these investment properties. The directors are now in process of obtaining the title certificates from the relevant government authorities.

At 31 December 2009, investment properties in Hong Kong with an aggregate carrying value of HK\$15,500,000 (2008: HK\$12,450,000) have been pledged to secure banking facilities granted to the Group (note 33).

**19. PREPAID LAND LEASE PAYMENTS – GROUP**

These represent interests in leasehold land and land use rights in the PRC held under medium-term leases. Changes to the carrying amounts are summarised as follows:

Carrying amount at 1 January	於一月一日之賬面值	
Reclassification from non-current assets held for sale (note 11.3)	自持作出售之非流動資產重新分類(附註11.3)	
Additions	添置	
Acquisition of subsidiaries (note 42.2)	收購附屬公司(附註42.2)	
Amortisation during the year	年內攤銷	
Exchange realignment	匯兌調整	
Carrying amount at 31 December	於十二月三十一日之賬面值	
Less: Current portion	減：即期部分	
Non-current portion	非即期部分	

At 31 December 2009, certain of the Group's prepaid land lease payments with carrying value of HK\$10,678,000 (2008: HK\$10,914,000) have been pledged to secure the banking facilities granted to the joint venturer.

**18. 投資物業 – 本集團(續)**

於二零零九年十二月三十一日，本集團並未就賬面總值33,060,000港元(二零零八年：32,770,000港元)之投資物業取得相關所有權證。本集團法律顧問確認，本集團為該等投資物業之正式合理業主。董事現正就向相關政府機關取得所有權證。

於二零零九年十二月三十一日，賬面總值15,500,000港元(二零零八年：12,450,000港元)之若干投資物業已抵押，以為本集團取得銀行融資(附註33)。

**19. 預付土地租賃款項 – 本集團**

此等款項代表於中國根據中期租約持有之租賃土地及土地使用權之權益。呈列之賬面值變動概述如下：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Carrying amount at 1 January	21,186	10,437
Reclassification from non-current assets held for sale (note 11.3)	6,852	–
Additions	–	9,565
Acquisition of subsidiaries (note 42.2)	–	706
Amortisation during the year	(1,652)	(242)
Exchange realignment	–	720
Carrying amount at 31 December	26,386	21,186
Less: Current portion	(602)	(444)
Non-current portion	25,784	20,742

於二零零九年十二月三十一日，賬面值為10,678,000港元(二零零八年：10,914,000港元)之本集團若干預付土地租賃款項已抵押，以為合營方取得銀行融資。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**19. PREPAID LAND LEASE PAYMENTS – GROUP (Continued)**

At 31 December 2009, the Group has obtained all relevant land use right certificates for prepaid land lease payments. As at 31 December 2008, the Group did not obtain the relevant land use right certificates for prepaid land lease payments with an aggregate carrying value of HK\$9,565,000.

**20. GOODWILL – GROUP**

Goodwill of HK\$621,382,000, arose in 2008, related to the acquisition of Jia Cheng Investment Limited (“Jia Cheng”). Jia Cheng is an investment holding company with an indirect 91% equity interest, held through its wholly owned subsidiary Actor Investments Limited, in the issued share capital of Zhuhai Rossini Watch Industry Limited (“Rossini”). Rossini is principally engaged in manufacturing and distribution of watches and timepieces. Details of the acquisition of Jia Cheng and its subsidiaries (collectively the “Jia Cheng Group”) were set out in note 42.2 to the financial statements. Goodwill of HK\$621,382,000 was allocated to the CGUs for manufacturing and distribution of watches and timepieces. Net carrying amount of goodwill is summarised as follows.

**19. 預付土地租賃款項 – 本集團(續)**

於二零零九年十二月三十一日，本集團已就預付土地租賃款項取得所有相關土地使用權證書。於二零零八年十二月三十一日，本集團並未就賬面總值為9,565,000港元之預付土地租賃款項取得相關土地使用權證書。

**20. 商譽 – 本集團**

二零零八年產生之商譽621,382,000港元與收購佳城投資有限公司(「佳城」)有關。佳城為一家投資控股公司，透過其全資附屬公司安達投資有限公司間接持有珠海羅西尼錶業有限公司(「羅西尼」)已發行股本91%股權。羅西尼主要業務為手錶製造及分銷。收購佳城及其附屬公司(「佳城集團」)詳情已載於附註42.2。商譽621,382,000港元已分配至製造及分銷鐘錶及時計之現金產生單位。商譽賬面淨值分析概述如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
At 1 January	於一月一日		
Gross carrying amount	賬面總值	626,198	4,816
Accumulated impairment	累計減值	(4,816)	(4,816)
Net carrying amount	賬面淨值	<u>621,382</u>	<u>–</u>
Net carrying amount at 1 January	於一月一日之賬面淨值	621,382	–
Acquisition of subsidiaries during the year (note 42.2)	年內收購附屬公司(附註42.2)	–	621,382
Net carrying amount at 31 December	於十二月三十一日之賬面淨值	<u>621,382</u>	<u>621,382</u>
At 31 December	於十二月三十一日		
Gross carrying amount	賬面總值	626,198	626,198
Accumulated impairment	累計減值	(4,816)	(4,816)
Net carrying amount	賬面淨值	<u>621,382</u>	<u>621,382</u>

## Notes to the Financial Statements 財務報表附註

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**20. GOODWILL – GROUP (Continued)**

A valuation of the business enterprise value was carried out by Asset Appraisal Limited to assess the recoverable amount of the goodwill arising from the acquisition of the Jia Cheng Group. As described in note 4.2, the recoverable amounts for the above CGU have been determined based on the fair value calculations, covering a detailed five-year budget plan, followed by an extrapolation of expected cash flow at the growth rates stated below.

The growth rates reflect the long-term average growth rates for the product lines of the CGU. The discount rates used are pre-tax and reflect specific risk relating to the relevant business segments. The key assumptions used for fair value calculations are:

		2009 二零零九年	2008 二零零八年
Growth rates	增長率	<b>2.89% to 20.32%</b>	17.00%
Discount rates	貼現率	<b>14.10%</b>	13.72%

The Group's management's key assumptions for the Group include stable profit margins, which have been determined based on the past performance and its expectations for the market share after taking into consideration to published market forecasts included in industry reports. The discount rates used is pre-tax and reflect specific risks relating to the relevant segments. On the other hand, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates. Had the discount rate for the Jia Cheng Group been increased by 1% (2008: 1%), an impairment loss of HK\$13,089,000 (2008: HK\$25,017,000) would be recognised and written off against the goodwill.

Goodwill with gross amount of HK\$4,816,000 and carrying forward from previous years was attributable to the Discontinued Timber Business. This had been fully impaired in the previous years.

Goodwill arising from business combinations prior to 2001 had been eliminated against the consolidated reserves. As at 31 December 2009, the carrying amount of goodwill in the consolidated reserves was HK\$15,300,000 (2008: HK\$15,300,000).

**20. 商譽 – 本集團(續)**

資產評估顧問有限公司進行商業企業價值估值，以評估收購佳城集團所產生之商譽之可收回款額。誠如附註4.2所述，上述現金產生單位之可收回款額按公平值計算釐定，涵蓋一項詳盡五年預算計劃，再按上述增長率推斷預期現金流量。

增長率反映現金產生單位生產線之長期平均增長率。所用貼現率為反映相關業務分部特定風險之除稅前比率。計算公平值之主要假設如下：

本集團管理層就本集團之主要假設包括穩定邊際溢利，乃經計及於業內報告所公佈市場預測後，按過往表現及其市場佔有率預測釐定。所用貼現率為反映相關分部特定風險之除稅前比率。另一方面，本集團管理層現時並不知悉有任何其他可能變動需要對其主要估計作出變動。倘佳城集團之貼現率增加1%(二零零八年：1%)，將確認並於商譽中沖銷之減值虧損為13,089,000港元(二零零八年：25,017,000港元)。

自以前年度結轉之總值為4,816,000港元之商譽由已終止木材業務產生。有關商譽已於過往年度全數減值。

於二零零一年前業務合併產生之商譽已於綜合儲備對銷。於二零零九年十二月三十一日，於綜合儲備內之商譽賬面值為15,300,000港元(二零零八年：15,300,000港元)。

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## 21. INTERESTS IN SUBSIDIARIES – COMPANY

## 21. 所佔附屬公司權益 – 本公司

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，成本值	793,174	793,174
Due from subsidiaries	應收附屬公司欠款	386,461	445,438
		<b>1,179,635</b>	1,238,612
Less: Provision for impairment	減：減值撥備	<b>(303,703)</b>	(303,703)
		<b>875,932</b>	934,909

Amounts due from subsidiaries are unsecured, interest-free and are not expected to be repaid within the next twelve months. These balances are classified as non-current assets accordingly.

應收附屬公司欠款乃無抵押、免息及預期毋須於未來十二個月償還，故該等餘額分類為非流動資產。

Particulars of the principal subsidiaries at 31 December 2009 are as follows:

於二零零九年十二月三十一日主要附屬公司詳情如下：

Name 名稱	Place/country of incorporation 註冊地點/國家	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held 所持已發行普通/ 繳入股本百分比		Principal activities and place of operation 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Qingapen Limited 晴嘉投資有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Property investment in the PRC 於中國投資物業
China Haidian Commercial Network Services Limited 中國海澱商業網絡服務有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Property investment in the PRC 於中國投資物業
Haidian-Creation International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Investment holding in Hong Kong 於香港投資控股
Sure Best Management Limited 港益管理有限公司	Hong Kong 香港	HK\$1 1港元	100	–	Property investment in Hong Kong 於香港投資物業
EBOHR Luxuries International Co., Limited 依波精品(深圳)有限公司	PRC 中國	HK\$36,000,000 36,000,000港元	–	100	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及時計產品

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## 21. INTERESTS IN SUBSIDIARIES – COMPANY (Continued) 21. 所佔附屬公司權益 – 本公司(續)

Particulars of the principal subsidiaries at 31 December 2009 are as follows: (Continued)

於二零零九年十二月三十一日主要附屬公司詳情如下：

Name 名稱	Place/country of incorporation 註冊地點/國家	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held		Principal activities and place of operation 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Seti Timber Industry (Shenzhen) Co., Ltd. 森帝木業(深圳)有限公司	PRC 中國	US\$45,525,860 45,525,860美元	-	100	Sale of timber products in the PRC 於中國銷售木材產品
Shenzhen Seti Trading Development Company Limited 深圳市森帝貿易發展有限公司	PRC 中國	RMB500,000 人民幣500,000元	-	100	Investment holding in the PRC 於中國投資控股
Jia Cheng Investment Limited 佳城投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	Investment holding in Hong Kong 於香港投資控股
Actor Investments Limited 安達投資有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Investment holding in Hong Kong 於香港投資控股
Zhuhai Rossini Watch Industry Limited 珠海羅西尼錶業有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	-	91	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及時計產品
PAMA Precision Manufacturing Limited 深圳市帕瑪精品制造有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	-	100	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及時計產品
Ocean Montres SA	Switzerland 瑞士	CHF100,000 100,000瑞士法郎	-	89	Manufacture and distribution of watches and timepieces in Switzerland 於瑞士製造及分銷鐘錶及時計產品
Shenzhen Permanence Commerce Co., Limited 深圳市恒譽嘉時貿易有限公司	PRC 中國	RMB5,000,000 人民幣5,000,000元	-	60	Distribution of watches and timepieces in the PRC 於中國分銷鐘錶及時計產品
Zhuhai Rossini Glasses Industry Limited 珠海羅西尼眼鏡有限公司	PRC 中國	RMB1,000,000 人民幣1,000,000元	-	91	Distribution of glasses in the PRC 於中國分銷眼鏡
Swiss Chronometric AG	Switzerland 瑞士	CHF500,000 500,000瑞士法郎	-	100	Not yet commence business 尚未展開業務



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**21. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)**

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The Group also holds a 51% equity interest in Shunde Everbright Sunto Computer Co. Limited (“Sunto”), a company established in the PRC through which the Group had intended to be engaged in the manufacture and the sale of computer casing products with third parties. The directors of the Company are of the opinion that Sunto is still in a management dead-lock, and the recoverability of the Group’s investment in Sunto and the amount due from Sunto of HK\$60.5 million in aggregate is doubtful. Accordingly, the Group’s interest in Sunto was fully provided for since 1998. In addition, Sunto was put under a compulsory winding up pursuant to a court order issued in 2001 and the winding up process had not yet been completed up to the date of issue of these financial statements. The Group will not make any further investment in Sunto.

**22. INTERESTS IN A JOINTLY-CONTROLLED ENTITY – COMPANY**

Unlisted investments, at cost	非上市投資，成本值
Due from a jointly-controlled entity	應收一家共同控制實體欠款

Amounts due from the jointly-controlled entity are unsecured, interest-free and not repayable within next twelve months from the reporting date.

**21. 所佔附屬公司權益 – 本公司(續)**

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部份之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

本集團亦持有於中國成立之順德市光大順通電腦有限公司(「順通」)51%股本權益。本集團原擬透過該公司聯同第三方，參與製造及銷售電腦機箱產品。本公司董事會認為順通之管理實際上已陷入僵局，所以本集團於順通之投資及應收順通欠款合共60,500,000港元能否收回均存疑問。因此，本集團於順通之權益已自一九九八年起作出全面撥備。此外，順通根據於二零零一年頒佈之一項法院命令被強制清盤，清盤程序於截至本財務報表刊發日期尚未完成。本集團不會對順通作出任何進一步投資。

**22. 所佔一家共同控制實體權益 – 本公司**

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
		<b>64,215</b>	64,215
		<b>227</b>	227
		<b>64,442</b>	64,442

應收一家共同控制實體之欠款為無抵押、免息，毋須於結算日起十二個月還款。

## Notes to the Financial Statements 財務報表附註

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## 22. INTERESTS IN JOINTLY-CONTROLLED ENTITY – COMPANY (Continued)

Particulars of the jointly-controlled entity at 31 December 2009 are as follows:

Name 名稱	Place/ country of incorporation 成立地點/ 國家	Percentage of ownership interest 擁有權益 百分比	Percentage of voting power 投票權 百分比	Percentage of profit sharing 應佔溢利 百分比	Principal activities and place of operation 主要業務及營業地點
Fuzhou Dartong Mechanic and Electronic Company Limited ("Fuzhou Dartong") 福州大通機電有限公司 ("福州大通")	PRC 中國	49	50	49	Manufacture and distribution of enamelled copper wire in the PRC 於中國製造及分銷漆包銅線

Fuzhou Dartong's financial statements have been incorporated into the Group's consolidated financial statements using proportionate consolidation. The aggregate amounts relating to Fuzhou Dartong that have been included in the Group's consolidated financial statements are as follows:

## 22. 所佔一家共同控制實體權益 – 本公司 (續)

於二零零九年十二月三十一日，共同控制實體之詳情如下：

福州大通之財務報表已按比例綜合計入本集團綜合財務報表。有關已計入本集團綜合財務報表之福州大通之總額如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Non-current assets	非流動資產	126,030	130,484
Current assets	流動資產	116,631	84,971
Current liabilities	流動負債	(142,343)	(118,171)
Non-current liabilities	非流動負債	(17,818)	(25,614)
Net assets	資產淨值	82,500	71,670
Revenue	收入	471,149	589,869
Other income and financial income	其他收入及財務收入	20,220	24,965
Total costs and expenses	總成本及開支	(480,531)	(622,453)
Income tax expense	所得稅開支	(8)	(153)
Profit/(Loss) for the year	本年度溢利/(虧損)	10,830	(7,772)

As at 31 December 2009, Fuzhou Dartong did not provide any financial guarantee to Citychamp, the joint venturer. As at 31 December 2008, Fuzhou Dartong had provided a financial guarantee of HK\$43,182,000 for a bank loan granted to Citychamp. Details of the financial guarantee contracts as at 31 December 2008 were set out in note 45 to the financial statements.

於二零零九年十二月三十一日，福州大通並無向合營方冠城提供財務擔保。於二零零八年十二月三十一日，福州大通就銀行向合營方冠城授出貸款提供擔保43,182,000港元。於二零零八年十二月三十一日之財務擔保合約詳情，載於財務報表附註45。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 23. INTERESTS IN ASSOCIATES

## 23. 所佔聯營公司權益

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
At 1 January	於一月一日	34,582	31,484	29,336	24,244
Acquisition of an associate (note 42.2)	收購一家聯營公司 (附註42.2)	-	154	-	-
Investment in an associate	投資一家聯營公司	34,091	5,092	-	5,092
Dividend income received from an associate	自一家聯營公司收取之 股息收入	-	(2,389)	-	-
Share of profit of associates	應佔聯營公司溢利	1,877	241	-	-
		<b>70,550</b>	<b>34,582</b>	<b>29,336</b>	<b>29,336</b>
Amount due from an associate	應收一家聯營公司款項	272,727	-	-	-
		<b>343,277</b>	<b>34,582</b>	<b>29,336</b>	<b>29,336</b>

Amount due from an associate is unsecured, interest-free and is not repayable within twelve months from the reporting date. In the opinion of the directors, the settlement of amount due from an associate is neither planned nor likely to occur in the foreseeable future and in substance, these amounts are extensions of the Group's investment in the associate.

應收一家聯營公司款項為無抵押、免息及毋須於結算日起十二個月內償還。董事認為，應收一家聯營公司款項並無計劃亦不大可能於可見將來結清。實際上，此款項為本集團於該聯營公司之投資延續。

Particulars of the associates at 31 December 2009 are as follows:

於二零零九年十二月三十一日，聯營公司之資料如下：

Name 名稱	Particulars of equity held 持有權益資料	Country of incorporation 成立國家	Percentage of interest held 持有權益所佔百分比
Jiangsu Dartong M&E Co., Limited 江蘇大通機電有限公司	Paid up capital of RMB29,475,000 繳入股本 人民幣29,475,000元	PRC 中國	25.58 (2008: 25.58) (二零零八年：25.58)
Changzhou Zhongxing Department Store Co., Limited 常州中興百貨有限公司	Paid up capital of RMB182,000 繳入股本 人民幣182,000元	PRC 中國	36.40 (2008: 36.40) (二零零八年：36.40)
Shenzhen Guanyang Real Estate Co., Limited 深圳冠洋房地產有限公司	Paid up capital of RMB100,000,000 繳入股本 人民幣100,000,000元	PRC 中國	30.00 (2008: Nil) (二零零八年：無)

## Notes to the Financial Statements 財務報表附註

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**23. INTERESTS IN ASSOCIATES (Continued)**

The summarised financial information of the Group's associates extracted from their management accounts for the year ended 31 December 2009 is as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Assets	資產	1,244,232	305,892
Liabilities	負債	(758,362)	(167,450)
Revenue	收入	1,015,310	1,307,540
Profit for the year	本年度溢利	<u>7,322</u>	<u>965</u>

**23. 所佔聯營公司權益(續)**

以下為摘錄自本集團聯營公司截至二零零九年十二月三十一日止年度之管理賬目之財務資料概要：

**24. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP**

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Listed equity investment, at fair value (note a)	上市股本投資，公平值(附註a)	1,440,641	412,936
Unlisted equity investment, at cost	非上市股本投資，成本值		
– 合肥光大木材工業有限公司 (“Hefei Everbright”) (note b)	– 合肥光大木材工業有限公司 (“合肥光大”)(附註b)	3,477	3,477
– Others (note c)	– 其他(附註c)	74	74
Less: Provision for impairment	減：減值撥備	<u>(3,477)</u>	<u>(3,477)</u>
		<u>74</u>	<u>74</u>
Total	總計	<u>1,440,715</u>	<u>413,010</u>

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 24. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP (Continued)

Notes:

- (a) As at 1 January 2008, the Group held 78,799,392 shares in Citychamp Dartong Company Limited (referred to “Citychamp” and its shares referred to as the Citychamp Shares). In April 2008, Citychamp declared a bonus issue of 1.5 shares together with a cash dividend of RMB0.167 for every 10 shares and 11,819,909 bonus shares and cash dividends of RMB1,316,000 were received by the Group. A dividend income totalling HK\$73,624,000 was recognised by the Group for the year ended 31 December 2008. As at 31 December 2008, the Group held 90,619,301 Citychamp Shares.

During the year ended 31 December 2009, Citychamp declared a cash dividend of RMB0.8 for every 10 Citychamp Shares. Cash dividends of HK\$8,238,000 was received and recognised as a dividend income by the Group for the year ended 31 December 2009.

All 90,619,301 (2008: 90,619,301) Citychamp Shares held by the Group are subject to a lock up period ending in May 2010.

Particulars of the available-for-sale financial assets of which the carrying amount of the Group’s interest exceeded 10% of the total assets of the Group are as follows:

Name 名稱	Country of incorporation 成立國家	Particulars of issued shares held 所持已發行股份詳情	Percentage of ownership interest attributable to the Group 本集團所佔擁有 權益之百分比	
			2009 二零零九年	2008 二零零八年
Citychamp Dartong Company Limited 冠城大通股份有限公司	PRC 中國	Ordinary A Share A股普通股	14.78%	14.78%

During the year, the increase in fair value of Citychamp Shares of HK\$1,027,705,000 (2008: decrease of HK\$512,573,000) has been dealt with in the other comprehensive income and the investment revaluation reserve.

- (b) The Group held an equity interest of 25.5% in Hefei Everbright, a joint venture company established in the PRC in 2003. Having regard to the deteriorating financial positions of Hefei Everbright, the directors are in the opinion that the investment in Hefei Everbright is not likely to be recoverable and accordingly, an impairment loss of HK\$3,477,000 was recognised in 2005. As the financial position of Hefei Everbright continued deteriorating during the year, there was no change in the accumulated impairment as at 31 December 2009. The fair value information has not been disclosed for the investment in Hefei Everbright because its fair value cannot be measured reliably.
- (c) These are investments in unlisted equity securities of private entities incorporated in the PRC (note 42.2). The fair value information has not been disclosed for this unlisted equity investment because its fair value cannot be measured reliably.

## 24. 可供出售金融資產 – 本集團(續)

附註:

- (a) 於二零零八年一月一日，本集團持有冠城大通股份有限公司(「冠城」，其股份稱為冠城股份) 78,799,392股。於二零零八年四月，冠城就每10股股份宣派1.5股紅股及現金股息人民幣0.167元，本集團已收取11,819,909股紅股及現金股息人民幣1,316,000元。於截至二零零八年十二月三十一日止年度，本集團確認總數為73,624,000港元之股息收入。於二零零八年十二月三十一日，本集團持有90,619,301股冠城股份。

截至二零零九年十二月三十一日止年度，冠城就每10股冠城股份宣派現金股息人民幣0.8元。於截至二零零九年十二月三十一日，本集團已收取現金股息人民幣8,238,000元，並確認現金股息收入。

本集團所持全部90,619,301(二零零八年：90,619,301)股冠城股份之禁售期至二零一零年五月。

本集團於可供出售金融資產之權益賬面值超過本集團資產總值之10%詳情如下：

年內，冠城股份公平值增加1,027,705,000港元(二零零八年：減少512,573,000港元)已於其他全面收入及投資重估儲備內處理。

- (b) 本集團持有合肥光大25.5%股本權益，該公司為於二零零三年在中國成立之合營公司。基於合肥光大之財務狀況轉壞，董事認為不大可能收回於合肥光大之投資，故在二零零五年度綜合損益表中確認減值虧損3,477,000港元。由於合肥光大在本年度之財務狀況繼續轉壞，故於二零零九年十二月三十一日之累計減值並無變動。由於合肥光大投資之公平值未能可靠計量，故並無披露其公平值資料。
- (c) 此為於中國成立之私人公司之非上市股本證券投資(附註42.2)。由於非上市股本投資之公平值未能可靠計量，故並無披露其公平值資料。

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## 25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 25. 預付款項、按金及其他應收款

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Other receivables	其他應收款	14,882	43,846	1,084	10,218
Receivable from disposals of the Auction PRC Land (note a)	出售拍賣中國土地之應收款(附註a)	-	406,818	-	-
Prepayments for acquisition of the Auction PRC Land (note b)	收購拍賣中國土地之預付款項(附註b)	-	81,818	-	-
Other prepayments	其他預付款項	18,054	15,299	516	53
Deposits	按金	3,873	5,902	1,677	1,674
Carrying amount at 31 December	於十二月三十一日之賬面值	36,809	553,683	3,277	11,945
Less: Current portion	減：即期部分	(34,403)	(469,323)	(3,277)	(11,945)
Non-current portion	非即期部分	2,406	84,360	-	-

## Notes:

- (a) The balance as at 31 December 2008 represented the outstanding proceeds of HK\$406,818,000 due from the Shenzhen Municipal Government arising from the disposal of the Government Retained Land, pursuant to the Land Resumption Agreement as described in note 11.1. The balance has been fully received during the year.
- (b) The balance as at 31 December 2008 represented the prepayments for acquisition of the Auction PRC Land. As described in note 11.1, pursuant to the Project Agreement, the consideration for the acquisition of the Auction PRC Land was RMB800,000,000. In 2008, the first instalment of the consideration of RMB240,000,000 was paid by Seti Trading and Suzhou Citychamp to the Shenzhen Municipal Government of which the amount of HK\$81,818,000 (equivalent to RMB72,000,000, being 30% of the first instalment), had been paid by Seti Trading. The balance was transferred to amount due from an associate during the year.

## 附註：

- (a) 於二零零八年十二月三十一日之結餘為附註11.1所述根據收地協議就出售政府保留土地應收深圳市政府之未償還所得款項406,818,000港元。結餘已於年內收訖。
- (b) 於二零零八年十二月三十一日之結餘為收購拍賣中國土地之預付款項。誠如附註11.1所述，根據項目改造合同，收購拍賣中國土地之代價為人民幣800,000,000元。於二零零八年，森帝貿易及蘇州冠城已向深圳政府支付首期代價人民幣240,000,000元，其中81,818,000港元(相當於人民幣72,000,000元，即首期30%)已由森帝貿易支付。該結餘已於年內轉為應收一家聯營公司款項。



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## 26. INVENTORIES – GROUP

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Raw materials	原材料	98,225	80,543
Work in progress	在製品	10,980	12,612
Finished goods	製成品	155,029	124,794
		<u>264,234</u>	<u>217,949</u>

## 26. 存貨 – 本集團

## 27. TRADE AND BILL RECEIVABLES – GROUP

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Trade and bill receivables	應收賬款及票據	154,777	180,074
Less: Provision for impairment	減：減值撥備	(2,102)	(76,423)
Trade and bill receivables – net	應收賬款及票據 – 淨額	<u>152,675</u>	<u>103,651</u>

## 27. 應收賬款及票據 – 本集團

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of three months (2008: three months) for major customers except for customers of the Group's discontinued operations where settlements were made in accordance with the sales contract entered into between the Group and the customers. Each customer has a maximum credit limit. Trade debtors with balances that are more than three months overdue are required to settle all outstanding balances before any further credit is granted. In view of the aforementioned and the fact that the Group's trade receivables relate to a wide range of customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Impairment losses in respect of trade and bill receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

除若干客戶需要預先付款外，本集團與其客戶訂立之買賣條款主要為記賬方式，主要客戶一般可獲三個月(二零零八年：三個月)之信貸期，惟本集團已終止經營業務客戶之間交易乃按本集團與客戶訂立之銷售合約付款。每個客戶設有信貸上限。逾期三個月以上之應收賬款債務人，於獲授出任何進一步信貸前須清還所有未償還餘額。鑑於上述事項及本集團應收賬款涉及大量不同之客戶，故並無高度集中信貸風險。應收賬款並不計息。

應收賬款及票據之減值虧損記入撥備賬，除非本集團確認不大可能收回有關款項，在此情況下，減值虧損直接於應收賬款扣減。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**27. TRADE AND BILL RECEIVABLES – GROUP (CONTINUED)**

The directors of the Company consider that as trade and bill receivables are expected to be recovered within one year, their fair values are not materially different from their carrying amounts because these balances have short maturity periods on their inception. Movement in the provision for impairment of trade and bill receivables is as follows:

At 1 January	於一月一日	<b>76,423</b>	70,812
Acquisition of subsidiaries	收購附屬公司	-	704
Amount written off (Note)	撇銷款額(附註)	<b>(74,580)</b>	-
Impairment loss charged to profit or loss	於損益扣除之減值虧損	<b>259</b>	80
Exchange realignment	匯兌調整	-	4,827
At 31 December	於十二月三十一日	<b>2,102</b>	76,423

Note: This amount has been fully provided in the previous years and the balance related to the Discontinued Timber Business.

At each reporting date, the Group reviews trade and bill receivables for evidence of impairment on both individual and collective basis. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific impairment provision of HK\$2,102,000 (2008: HK\$76,423,000) is recognised during the year. The Group does not hold any collateral over these balances.

**27. 應收賬款及票據 – 本集團(續)**

本公司董事認為應收賬款及票據預期於一年內收回，由於該等結餘於開始時所訂年期短，其公平值與賬面值並無重大差異。應收賬款及票據減值撥備變動如下：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
At 1 January	<b>76,423</b>	70,812
Acquisition of subsidiaries	-	704
Amount written off (Note)	<b>(74,580)</b>	-
Impairment loss charged to profit or loss	<b>259</b>	80
Exchange realignment	-	4,827
At 31 December	<b>2,102</b>	76,423

附註：有關款額已於過往年度全數撥備，而結餘與已終止木材業務有關。

於各結算日，本集團按個別及集體基準審閱應收賬款及票據之減值證據。個別已減值應收款項與財務有困難之客戶有關，管理層估計，預期僅可收回部分應收款項。因此，已確認特別減值撥備2,102,000港元（二零零八年：76,423,000港元）。本集團並無就該等結餘持有任何抵押品。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**27. TRADE AND BILL RECEIVABLES – GROUP (CONTINUED)**

Ageing analysis of trade and bill receivables (including amounts due from the joint venturer of trading in nature as disclosed in note 41.1(iii)) as at the reporting date, based on invoice date, and net of provisions, is as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
1 to 3 months	1至3個月	138,358	99,779
4 to 6 months	4至6個月	10,689	2,998
Over 6 months	超過6個月	3,628	874
		<b>152,675</b>	<b>103,651</b>

Ageing analysis of trade receivables that are not impaired is as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Neither past due nor impaired	尚未逾期或減值	129,196	96,235
1 – 90 days past due	已逾期1 – 90日	18,839	4,884
91 – 180 days past due	已逾期91 – 180日	4,640	2,532
		<b>23,479</b>	<b>7,416</b>
		<b>152,675</b>	<b>103,651</b>

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, management believes that no additional impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

**27. 應收賬款及票據 – 本集團(續)**

應收賬款及票據(包括附註41.1(iii)所披露屬交易性質之應收合營方款項)於結算日按照發票日期及扣減撥備後之賬齡分析如下:

並無減值之應收賬款賬齡分析如下:

並無逾期或減值之應收款與多名客戶有關，該等客戶最近並無拖欠記錄。

已逾期但並無減值之應收款與若干於本集團擁有良好付款記錄之獨立客戶有關。根據過往經驗，管理層相信，由於信貸質素並無重大變化，加上有關結餘仍被視為可悉數收回，故毋需就該等結餘作出額外減值撥備。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 28. 按公平值計入溢利或虧損之金融資產

	Group 本集團		Company 本公司	
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Listed equity investments in Hong Kong, at market value 香港上市股票投資，市值	<b>82,482</b>	29,059	<b>38,330</b>	16,706

Financial assets at fair value through profit or loss are held for trading purposes.

按公平值計入溢利或虧損之金融資產乃持有作買賣用途。

## 29. CASH AND CASH EQUIVALENTS

## 29. 現金及現金等價物

	Group 本集團		Company 本公司	
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Cash and bank balances 銀行結存及現金	<b>257,404</b>	62,340	<b>300</b>	221

Cash at bank earns interest at the floating rates based on the daily bank deposits rates.

銀行現金按每日銀行存款利率計算之浮動利率計息。

Included in cash and cash equivalents of the Group are the amount of HK\$254,902,000 (2008: HK\$56,951,000) denominated in RMB which placed with the banks in the PRC. RMB is not freely convertible into other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB into foreign currencies through the banks authorised to conduct foreign exchange business.

本集團現金及現金等價物包括為數254,902,000港元(二零零八年: 56,951,000港元)以人民幣為單位存於中國之銀行之款額。人民幣不得自由兌換為其他貨幣。根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可在獲授權於中國進行外匯業務之銀行將人民幣兌換為外幣。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 30. TRADE AND BILL PAYABLES – GROUP

Ageing analysis of trade and bill payables (including amounts due to related parties with trading in nature) as at the reporting dates, based on the invoice dates, is as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
1 to 3 months	1至3個月	118,609	83,552
4 to 6 months	4至6個月	449	988
Over 6 months	超過6個月	6,205	1,778
		<b>125,263</b>	<b>86,318</b>

Trade and bill payables are non-interest-bearing and are normally settled on 60-day terms.

## 30. 應付賬款及票據—本集團

應付賬款及票據(包括應付有關連人士之貿易款項)按照發票日期於結算日之賬齡分析如下:

應付賬款及票據並不計息，一般須於60日期限內支付。

## 31. OTHER PAYABLES AND ACCRUALS

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Accruals	應計費用	26,400	23,889	3,036	3,134
Other payables	其他應付款	99,345	92,931	20,708	10,930
Dividend payable to minority interests (note)	應付少數股東權益之股息(附註)	—	33,649	—	—
		<b>125,745</b>	<b>150,469</b>	<b>23,744</b>	<b>14,064</b>

Note: As at 31 December 2008, dividend of HK\$33,649,000 was payable to a minority shareholder of Rossini, namely Fujian Fengrong Investment Company Limited which is beneficially owned by Ms. Sit Lai Hei, the non-executive director of the Company. This balance was fully repaid in 2009.

Other payables are non-interest bearing and repayable on demand.

## 31. 其他應付款及應計費用

附註：於二零零八年十二月三十一日，應付羅西尼一名少數股東福建豐榕投資有限公司之股息為33,649,000港元，該公司由本公司一名非執行董事薛黎曦女士實益擁有。結餘已於二零零九年悉數償還。

其他應付款並不計息，須按的要求償還。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**32. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP**

The balance at the reporting dates related to the forward contracts entered for the purpose of purchases and sales of copper. As the balance is due within the next twelve months, the balance is classified as a current liability. The fair values of the derivative financial instruments are determined with reference to the quoted market price of the instruments at reporting date.

**32. 衍生金融工具 – 本集團**

於結算日之結餘與就買賣銅訂立之遠期合約有關。由於有關結餘將於下一個十二個月到期，故有關結餘分類為流動負債。衍生金融工具之公平值乃參考於結算日之工具所報市價釐定。

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Copper cathodes</b>	<b>電解銅</b>		
Purchases	購入		
– tonne	– 噸	–	440
– average price (RMB/tonne)	– 平均價(人民幣/噸)	–	RMB54,112 人民幣54,112元
– maturity	– 到期日	–	January 2009 to July 2009 二零零九年一月至 二零零九年七月
Sales	賣出		
– tonne	– 噸	175	–
– average price (RMB/tonne)	– 平均價(人民幣/噸)	RMB51,147 人民幣51,147元	–
– maturity	– 到期日	March 2010 二零一零年三月	–



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 33. BORROWINGS

## 33. 借貸

		Effective interest rates 實際利率	Group 本集團		Company 本公司	
			2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Non-current</b> 非流動						
Bank borrowings 銀行借貸	Floating 浮息	5.76%	17,818	25,614	-	-
<b>Current</b> 流動						
Bank overdrafts 銀行透支	Floating 浮息	5.25%-5.5%	3,787	7,660	3,787	-
Bank borrowings 銀行借貸	Floating 浮息	5.22%-7.72%	8,000	65,227	8,000	12,660
Bank borrowings 銀行借貸	Fixed 定息	3.92%-5.35%	92,928	74,892	-	-
			<u>104,715</u>	<u>147,779</u>	<u>11,787</u>	<u>12,660</u>
Total borrowings 總借貸			<u>122,533</u>	<u>173,393</u>	<u>11,787</u>	<u>12,660</u>

At the reporting date, the Group's bank borrowings were secured by:

- (i) as at 31 December 2009, no legal charge over the Group's buildings, and as at 31 December 2008, a legal charge over certain of the Group's buildings situated in the PRC with a carrying amount of HK\$906,000 (note 17);
- (ii) a legal charge over certain of the Group's investment properties with carrying amounts of HK\$15,500,000 (2008: HK\$12,450,000) (note 18); and
- (iii) guarantee granted by a joint venturer (2008: guarantees granted by a director of the Company, a joint venturer, a related company and certain independent third parties).

於結算日，本集團銀行借貸以下列各項作抵押：

- (i) 於二零零九年十二月三十一日，本集團樓宇並無法定押記，而於二零零八年十二月三十一日，本集團位於中國賬面值為906,000港元樓宇之法定押記(附註17)；
- (ii) 本集團若干賬面值為15,500,000港元(二零零八年：12,450,000港元)投資物業之法定押記(附註18)；及
- (iii) 一名合營方作出之擔保(二零零八年：本公司一名董事、一名合營方、一家有關連公司以及若干獨立第三方作出之擔保)。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**33. BORROWINGS (Continued)**

The carrying amounts of the borrowings approximate to their fair value. As at 31 December 2009, the borrowings were repayable as follows:

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Within one year	一年內	104,715	147,779	11,787	12,660
In the second year	第二年	7,795	7,796	—	—
In the third to fifth year	第三年至第五年	10,023	17,818	—	—
Repayable within five years	五年內償還	<u>122,533</u>	<u>173,393</u>	<u>11,787</u>	<u>12,660</u>

**33. 借貸(續)**

借貸之賬面值與其公平值相若。於二零零九年十二月三十一日，本集團之借貸須於以下年期償還：

**34. DUE TO RELATED COMPANIES**

During the year, the Group and the Company had fully repaid the amounts due to related companies. As at 31 December 2008, amounts due to related companies were unsecured, interest-free and repayable on demand.

**34. 應付有關連公司欠款**

年內，本集團及本公司已全數償還應付有關連公司欠款。於二零零八年十二月三十一日，應付有關連公司之欠款為無抵押、免息及須按要求償還。

**35. DEFERRED TAX**

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates prevailing in the jurisdictions in which the Group operates.

**35. 遞延稅項**

遞延稅項就暫時差額按負債法採用本集團業務所在司法權區現行適用稅率作全數撥備。

## Notes to the Financial Statements 財務報表附註

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## 35. DEFERRED TAX (Continued)

Movement on the deferred tax assets is as follows:

At 1 January	於一月一日
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日

As at 31 December 2009, the Group has tax losses arising in Hong Kong of HK\$154,805,000 (2008: HK\$149,307,000), subject to the agreement of Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as these losses were incurred by the companies that have been loss-making for some time.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders during the year.

As at 31 December 2009, deferred taxation has not been provided in the financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries amounted to HK\$174,018,000 (2008: HK\$59,142,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

## 35. 遞延稅項(續)

遞延稅項資產變動載列如下：

Provision for inventories 存貨撥備	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
1,207	1,130
-	77
<u>1,207</u>	<u>1,207</u>

於二零零九年十二月三十一日，本集團於香港產生稅項虧損154,805,000港元(二零零八年：149,307,000港元)，有待與稅務局協議，可用作抵銷產生虧損公司之日後應課稅溢利。由於產生稅項虧損之公司已錄得虧損一段時間，故並無就該等虧損確認任何遞延稅項資產。

年內，本公司並無因向其股東支付股息而須承擔任何所得稅責任。

於二零零九年十二月三十一日，財務報表並無就中國附屬公司所賺取溢利應佔之暫時差額174,018,000港元(二零零八年：59,142,000港元)作出遞延稅項撥備，原因為本集團能夠控制撥回暫時差額之時間，加上暫時差額很可能不會於可見將來撥回。

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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 36. SHARE CAPITAL

## 36. 股本

		2009 二零零九年		2008 二零零八年	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
		'000 千股		'000 千股	
Authorised :	法定 :				
Ordinary shares of HK\$0.10 each	每股面值0.10 港元之普通股				
At 1 January	於一月一日	4,000,000	400,000	4,000,000	400,000
Increase in authorised ordinary shares (note i)	增加法定普通股 (附註i)	2,000,000	200,000	—	—
At 31 December	於十二月三十一日	6,000,000	600,000	4,000,000	400,000
Issued and fully paid :	已發行及繳足 :				
At 1 January	於一月一日	3,542,031	354,203	1,792,031	179,203
Share option scheme – proceeds from shares issued (note ii)	優先認購股份權計劃 發行股份 所得款項(附註ii)	645	65	—	—
Issued on acquisition of subsidiaries (note iii)	就收購附屬公司發行 (附註iii)	—	—	1,750,000	175,000
At 31 December	於十二月三十一日	3,542,676	354,268	3,542,031	354,203

## Notes:

- (i) Pursuant to an ordinary resolution passed on 30 June 2009, the authorised share capital was increased from 4,000,000,000 ordinary shares to 6,000,000,000 ordinary shares.
- (ii) During the year, the 645,000 new ordinary shares of the Company was issued upon the exercise of share options. Details of the share options exercised during the year are summarised in note 37. The shares issued in relation to share options exercised have the same rights as other ordinary shares of the Company in issue.
- (iii) In October 2008, the Company issued 1,750,000,000 new shares of HK\$0.1 each at the price of at HK\$0.38 per share to the shareholders of Full Day Limited as the purchase consideration for the acquisition of the Jia Cheng Group (notes 20 and 42.2). The ordinary shares issued have the same rights as the other ordinary shares in issue. The fair value of the ordinary shares issued at the date of acquisition amounted to HK\$665,000,000 (note 42.2) and therefore an amount of HK\$490,000,000 was credited to share premium account. As the shares are issued in exchange of the cost of investment in the acquisition, the issue of the shares are non-cash transaction and therefore are not reflected in the cash flow statement for the year ended 31 December 2008.

## 附註 :

- (i) 根據於二零零九年六月三十日通過之普通決議案，法定股本由4,000,000,000股普通股增加至6,000,000,000股普通股。
- (ii) 年內，645,000股本公司新普通股於優先認購股份權行使時發行。年內行使之優先認購股份權詳情，於附註37概述。就已行使優先認購股份權發行之股份與本公司其他已發行普通股享有同等權益。
- (iii) 於二零零八年十月，本公司按每股0.38港元之價格向朝豐有限公司股東發行1,750,000,000股每股面值0.1港元之新股份，作為收購佳城集團之購買代價(附註20及42.2)。所發行普通股與其他已發行普通股具有相同權利。於收購日期，已發行普通股之公平值為665,000,000港元(附註42.2)。因此，有關款額490,000,000港元已計入股份溢價賬。由於發行股份以交換作收購事項之投資成本，故發行股份為非現金交易，因此，並無於截至二零零八年十二月三十一日止年度之現金流量表中反映。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 37. SHARE-BASED COMPENSATION

At the general meeting held on 30 May 2008, the shareholders of the Company terminated the option scheme adopted on 25 May 2001 and adopted a new share option scheme (the "New Scheme") for a period of 10 years commencing on the adoption date.

The directors may, at their discretion, invite the eligible participants to take up options to subscribe for shares. The eligible participants include (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any directors (including executive directors, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

Under the New Scheme, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme shall not exceed 30% of the share capital of the Company in issue from time to time. No options may be granted under the New Scheme if the grant of such option will result in the limit being exceeded. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme shall not exceed 30% of the Company's shares in issue from time to time.

The total number of shares issued and which may fall to be issued upon exercise of the options and the options granted under the New Scheme (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company. Where any further grant of options to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the New Scheme in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant requires approval of the shareholders of the Company in general meeting with such grantee and his associates abstaining from voting.

### 37. 以股份為基礎的僱員補償

於二零零八年五月三十日舉行之股東大會上，本公司股東終止於二零零一年五月二十五日採納之優先認購股份權計劃，並採納新優先認購股份權計劃（「新計劃」），自採納日期起計為期十年。

董事可酌情邀請合資格參與者承購優先認購股份權，以認購股份。合資格參與者包括(i)本公司或其任何附屬公司之任何全職或兼職僱員、行政人員或高級人員；(ii)本公司或其任何附屬公司之任何董事（包括執行董事、非執行董事及獨立非執行董事）；及(iii)本公司或其任何附屬公司之任何顧問、諮詢人士、供應商、客戶及代理。

根據新計劃，根據新計劃授出及有待行使之所有尚未行使優先認購股份權在行使時可予發行之最高股份數目，於任何時間均不得超過本公司不時已發行股本之30%。倘授出之優先認購股份權導致超出有關上限，則不得根據新計劃授出優先認購股份權。除經本公司股東批准外，根據新計劃授出及有待行使之所有尚未行使優先認購股份權在行使時可予發行之本公司股份總數，於任何時間均不得超過本公司不時已發行股份之30%。

在任何十二個月期間根據新計劃向每名承授人授出之優先認購股份權（包括已行使或尚未行使之優先認購股份權）行使時已發行及將予發行之股份總數不得超過本公司已發行股本之1%。倘向一名承授人進一步授出優先認購股份權，導致該名人士根據新計劃於十二個月期間直至進一步授出日期（包括當日）行使獲授及建議獲授之所有優先認購股份權（包括已行使、註銷及尚未行使優先認購股份權）後，已發行及將發行股份之數目合共超過已發行股份1%，有關進一步授出優先認購股份權必須於股東大會獲本公司股東批准，而有關承授人及彼之聯繫人士須放棄表決。

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### 37. SHARE-BASED COMPENSATION (Continued)

The maximum number of shares issued and to be issued upon exercise of the options granted under the New Scheme to each of any eligible persons (including those cancelled, exercised and outstanding options), in any 12 months period up to the date of the latest grant shall not exceed 1% of the Company's shares in issue provided that the number of shares issued and to be issued upon exercise of all options granted and to be granted to each of the independent non-executive directors or substantial shareholders of the Company or any of their respective associates in the 12 months period up to the date of such grant in excess of 0.1% of the Company's shares in issue and with a value in excess of HK\$5 million must be approved in advance by the Company's independent shareholders. Any further grant of options in excess of such limit requires the approval of the shareholders in general meeting in accordance with the requirements of the Listing Rules.

The exercise period of the share options granted is determinable by the directors, and should not be later than 10 years from the date of the acceptance of the share options (the "Option Period").

The subscription price is equal to the higher of (i) the nominal value of the share of the Company; (ii) the closing price per share of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant.

The fair value of share options granted is recognised in profit or loss taking into account the probability that the options will vest over the vesting period. Upon the exercise of the options the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account. At the time when the share options are exercised, the amount previously recognised in share options reserve is transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share options reserve is transferred to retained profits. Lapsed options, prior to their exercise date, are deleted from the outstanding options. All equity-settled share-based compensation expense are settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

### 37. 以股份為基礎的僱員補償(續)

在任何十二個月期間直至最後授出日期根據新計劃向每名合資格人士授出之優先認購股份權(包括已註銷、行使及尚未行使之優先認購股份權)行使時已發行及將予發行之股份最高數目,不得超過本公司已發行股本之1%,惟於截至有關授出日期止十二個月期間向本公司各獨立非執行董事或主要股東或彼等各自之任何聯繫人士授出及將予授出之所有優先認購股份權(包括已行使、已註銷及尚未行使優先認購股份權)獲行使時發行及將發行之股份數目合共超過本公司已發行股份0.1%及價值超過5,000,000港元,有關授予必須事先獲本公司獨立股東批准。任何進一步授出超過有關限額之優先認購股份權必須根據上市規則之規定獲股東於股東大會上批准。

所授出優先認購股份權之行使期由董事釐定,且不應超過優先認購股份權接納日期後十年(「優先認購股份權期間」)。

認購價相當於下列各項之最高者:(i)本公司股份面值;(ii)本公司股份於授出日期於聯交所每日報價表所示之每股收市價;及(iii)緊接授出日期前五個營業日股份於聯交所每日報價表所示之平均收市價。

優先認購股份權之公平值於計及優先認購股份權於歸屬期歸屬之可能性後在損益表確認。於本公司優先認購股份權獲行使時,所引伸之已發行股份按股份面值記入額外股本,而每股行使價超出股份面值之差額則記入股份溢價賬。優先認購股份權行使時,先前於優先認購股份權儲備中確認之款額會轉撥至股份溢價。當優先認購股份權被沒收或於屆滿日期仍未行使,先前於優先認購股份權儲備中確認之款額會轉撥至保留溢利。於行使日期前已失效優先認購股份權會自尚未行使優先認購股份權中剔除。所有以股本結算之股份付款開支將以權益結算。本集團並無法定或推定責任以現金購回或結算優先認購股份權。



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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**37. SHARE-BASED COMPENSATION (Continued)**

The grantees may exercise the options in whole or in part by giving exercise notice to the grantor at any time during the Option Period provided that the grantees shall exercise the options to acquire the option shares in accordance with the following vesting schedule:

**Vesting schedule**  
歸屬時間表

One year after the grant date	授出日期後一年	30%
Two years after the grant date	授出日期後兩年	35%
Three years after the grant date	授出日期後三年	35%

Details of the share options granted up to the reporting date are as follows:

Date of grant:	9 December 2008
Exercisable period:	9 December 2009 to 7 January 2019
Exercise price:	HK\$0.325

Share options and weighted average exercise price are as follows for the reporting periods presented:

**37. 以股份為基礎的僱員補償(續)**

承授人可於優先認購股份權期間任何時間向授予人發出行使通知，行使全部或部分優先認購股份權，惟承授人將根據下列歸屬期時間表行使優先認購股份權購入優先認購股份權股份：

**Maximum percentage of  
option shares  
comprised in an option  
which may be exercised**  
可行使優先認購股份權所包含  
優先認購股份權股份最高百分比

直至結算日為止已授出優先認購股份權詳情如下：

授出日期：	二零零八年十二月九日
行使期：	二零零九年十二月九日至 二零一九年一月七日
行使價：	0.325港元

報告期間內之優先認購股份權及加權平均行使價呈列如下：

		2009 二零零九年		2008 二零零八年	
		Number '000 數目 千份	Weighted average exercise price 加權平均 行使價	Number '000 數目 千份	Weighted average exercise price 加權平均 行使價
Outstanding at 1 January	於一月一日尚未行使	179,000	0.325	—	—
Granted	已授出	—	0.325	179,000	0.325
Exercised	已行使	(645)	0.325	—	—
Outstanding at 1 January	於一月一日尚未行使	<u>178,355</u>	<u>0.325</u>	<u>179,000</u>	<u>0.325</u>
Exercisable at the end of the year	於年終可予行使	<u>53,055</u>	<u>0.325</u>	<u>—</u>	<u>—</u>

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For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 37. SHARE-BASED COMPENSATION (Continued)

Movements of the New Scheme for the years ended 31 December 2008 and 2009 are as follows:

## 37. 以股份為基礎的僱員補償(續)

於二零零八年及二零零九年十二月三十一日，新計劃之變動詳情如下：

Name or category of participants 參與者姓名或所屬類別	At		Number of share options 優先認購股份權數目		
	1 January 2008 於二零零八年一月一日	Granted in 2008 二零零八年授出	At 31 December 2008 and 1 January 2009 於二零零八年十二月三十一日及二零零九年一月一日	Exercised in 2009 二零零九年行使	At 31 December 2009 於二零零九年十二月三十一日
<b>Executive directors</b> 執行董事					
Mr. Hon Kwok Lung 韓國龍先生	-	3,500,000	3,500,000	-	3,500,000
Mr. Shang Jianguang 商建光先生	-	8,000,000	8,000,000	-	8,000,000
Mr. Shi Tao 石濤先生	-	5,000,000	5,000,000	-	5,000,000
Mr. Lam Toi Man 林代文先生	-	3,500,000	3,500,000	-	3,500,000
<b>Independent non-executive directors</b> 獨立非執行董事					
Mr. Fung Tze Wa 馮子華先生	-	3,500,000	3,500,000	-	3,500,000
Dr. Kwong Chun Wai, Michael 鄺俊偉博士	-	3,500,000	3,500,000	-	3,500,000
Mr. Li Qiang 李強先生	-	3,500,000	3,500,000	-	3,500,000
Sub-total 小計	-	30,500,000	30,500,000	-	30,500,000
<b>Other eligible employees</b> 其他合資格僱員					
In aggregate 合計	-	98,000,000	98,000,000	(645,000)	97,355,000
<b>Other eligible persons</b> 其他合資格人士					
In aggregate 合計	-	50,500,000	50,500,000	-	50,500,000
Total 總計		179,000,000	179,000,000	(645,000)	178,355,000

The following significant assumptions were used to derive the fair value of share options granted in 2008, using the Black-Scholes Option Pricing Model:

Expected volatility	54.21%
Expected option life (year)	5
Risk-free interest rate	1.65%
Expected dividend yield	0%

以柏力克-舒爾斯期權定價模式計算於二零零八年授出之優先認購股份權公平值已使用以下主要假設：

預期波幅	54.21%
優先認購股份權預計年期(年)	5
無風險利率	1.65%
預期股息回報	0%

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 37. SHARE-BASED COMPENSATION (Continued)

The expected volatility is based on the historical volatility of the Company's share price, adjusted for any expected changes to future volatility based on publicly available information. The expected option life used in the model has been adjusted based on management's best estimate.

The options outstanding at 31 December 2009 had a weighted average remaining contractual life of 9 years (2008: 10 years). The weighted average share price for share options exercised during the year at the date of exercise was HK\$0.77.

Equity-settled share-based compensation of HK\$15,570,000 (2008: HK\$968,000), comprising HK\$2,651,000 (2008: HK\$165,000) to directors and HK\$12,919,000 (2008: HK\$803,000) to employees and other eligible persons, has been included in profit or loss during the year. The corresponding amount has been credited to share options reserve (note 38). No liabilities were recognised on the equity-settled share-based compensation transactions.

### 38. RESERVES Group

The amounts of the Group's reserves and the movements therein during the year are presented in the consolidated statement of changes in equity.

In accordance with the PRC regulations, certain of the Group's subsidiaries established in the PRC are required to transfer part of their profits after tax to the statutory reserve before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of the directors of these subsidiaries, in accordance with their joint venture agreements and/or articles of association. The statutory reserve is non-distributable and has restricted use.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves as explained in note 20 to the financial statements.

### 37. 以股份為基礎的僱員補償(續)

預期波幅乃按本公司股份價格之過往波幅釐定，並已根據公開資料就未來波幅之任何預期變動作出調整。優先認購股份權預計年期已按管理層最佳估算作出調整。

於二零零九年十二月三十一日到期之購股權之加權平均餘下合約年期為9年(二零零八年：10年)。年內已行使購股權於行使日期之加權平均股價為0.77港元。

以股本結算之股份補償為15,570,000港元(二零零八年：968,000港元)，包括董事開支2,651,000港元(二零零八年：165,000港元)、僱員及其他合資格人士開支12,919,000港元(二零零八年：803,000港元)，有關開支已計入年內損益。相應款額已計入優先認購股份權儲備(附註38)。概無就以股本結算之股份賠償交易確認負債。

### 38. 儲備 本集團

本集團於本年度之儲備數額及有關變動已載於綜合權益變動表中。

按照中國大陸規例，若干於中國成立之本集團附屬公司作出溢利分派前，須將其部分除稅後溢利轉撥至法定儲備基金。轉撥款額須由該等附屬公司之董事會按各自之合營協議及／或公司章程細則批准。法定儲備基金不可分派，且其用途有所限制。

誠如財務報表附註20所闡釋，於過往年度收購附屬公司所產生商譽之若干數額仍於綜合儲備對銷。

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38. RESERVES (Continued)  
Company38. 儲備(續)  
本公司

		Share premium account 股份溢價賬 HK\$'000 千港元 (note a) (附註a)	Share options reserve 優先認購 股份權儲備 HK\$'000 千港元 (note b) (附註b)	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2008	於二零零八年一月一日	23,700	-	244,400	268,100
Issuance of new shares (note 36(iii))	發行新股份 (附註36(iii))	490,000	-	-	490,000
Equity-settled share based compensation	以股本結算之股份補償	-	968	-	968
Loss and total comprehensive income for the year (note 12)	本年度虧損及全面 收入總額(附註12)	-	-	(75,817)	(75,817)
Proposed final 2008 dividend (note 13)	擬派二零零八年末期 股息(附註13)	-	-	(88,551)	(88,551)
At 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日 及二零零九年一月一日	513,700	968	80,032	594,700
Proceeds from shares issued under share option scheme	根據優先認購股份權計劃 發行股份所得款項	145	-	-	145
Exercise of equity-settled share based compensation	行使以股本結算之股份 補償	98	(98)	-	-
Equity-settled share based compensation (note 37)	以股本結算之股份補償 (附註37)	-	15,570	-	15,570
Profit and total comprehensive income for the year (note 12)	本年度溢利及全面 收入總額 (附註12)	-	-	34,543	34,543
Payment of interim 2009 dividend (note 13)	派付二零零九年中 股息(附註13)	-	-	(35,420)	(35,420)
Proposed final 2009 dividend (note 13)	擬派二零零九年末期 股息(附註13)	(66,095)	-	(79,155)	(145,250)
<b>At 31 December 2009</b>	<b>於二零零九年 十二月三十一日</b>	<b>447,848</b>	<b>16,440</b>	<b>-</b>	<b>464,288</b>

Notes:

附註:

- (a) Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- (b) This represents the fair value of share options granted as further explained in the accounting policy adopted for share-based compensation in note 3.21.

- (a) 根據開曼群島第22章公司法(一九六一年第3條法例, 經綜合及修訂), 本公司股份溢價賬之資金可供分派予本公司股東, 惟緊隨建議分派股息日期後, 本公司須有能力償還其於日常業務過程中已到期之債務。
- (b) 此指所授出優先認購股份權之公平值, 進一步詳情載於附註3.21就以股份為基礎補償所採納會計政策內。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**39. OPERATING LEASE ARRANGEMENTS/ COMMITMENTS**

**39.1** At 31 December 2009, the total future minimum lease receivables by the Group under non-cancellable leases are as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Within one year	一年內	10,155	5,657
In the second to fifth years	第二年至第五年	30,629	26,920
After five years	五年後	39,336	47,613
		<b>80,120</b>	<b>80,190</b>

The Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. None of the leases include contingent rentals.

**39.2** At 31 December 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Within one year	一年內	8,374	6,289	4,899	5,444
In the second to fifth years	第二年至第五年	19,480	16,635	10,003	16,570
Total	總計	<b>27,854</b>	<b>22,924</b>	<b>14,902</b>	<b>22,014</b>

The Group and the Company lease certain offices and factory premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years. None of the leases include contingent rentals.

**39. 經營租賃承擔**

**39.1** 於二零零九年十二月三十一日，根據不可註銷之租約，本集團應收未來最低租賃款項總額如下：

本集團根據經營租約安排出租其若干投資物業，該等租約之議定期期介乎一年至二十年不等。有關租約不包括或然租金。

**39.2** 於二零零九年十二月三十一日，根據不可註銷之經營租約應付未來最低租賃款項總額如下：

本集團及本公司根據經營租約安排出租若干辦公室及工廠物業，該等租約之議定期期介乎一年至十年不等。有關租約不包括或然租金。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**39. OPERATING LEASE ARRANGEMENTS/ COMMITMENTS (Continued)**

**39.3** The Group is required to pay an annual fee in respect of a leasehold land in the PRC from 1992 up to 2042 with a 20% increment for every five years. During the year, an annual fee of HK\$473,000 (2008: HK\$463,000) was charged as an expense in profit or loss of the Group.

**40. CAPITAL COMMITMENTS Group**

<b>Contracted, but not provided for</b>	<b>已訂約但未撥備</b>
Investment in an associate	於聯營公司之投資
Acquisition of Auction PRC Land	收購拍賣中國土地
Purchases of property, plant and equipment	購買物業、廠房及設備

In October 2009, the Group undertook to take up its rights entitlement in full under the rights issue proposed by Citychamp (the "Citychamp Rights Issue") at a cash consideration of not more than RMB236,516,373 (equivalent to approximately HK\$268,769,000). The Citychamp Rights Issue is subject to approval from the relevant PRC government authorities. As at 31 December 2009 and up to the date of this report, the Citychamp Rights Issue has not been completed. Details about the Citychamp Rights Issue are set out in the Company's announcement dated 16 October 2009.

**Company**

At 31 December 2009, the Company did not have any capital commitments (2008: Nil).

**39. 經營租賃安排／承擔(續)**

**39.3** 本集團自一九九二年至二零四二年止，須就其在中國之一幅租賃土地支付年費，年費每五年增加20%。年內，本集團支付年費473,000港元(二零零八年：463,000港元)已於本集團損益按開支扣除。

**40. 資本承擔本集團**

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	-	34,091
	-	190,909
	<b>1,374</b>	<b>3,229</b>
	<b>1,374</b>	<b>228,229</b>

於二零零九年十月，本集團承諾，以現金代價不多於人民幣236,516,373元(約相當於268,769,000港元)悉數承購冠城建議供股(「冠城供股」)項下配額。冠城供股有待有關中國政府機關批准。於二零零九年十二月三十一日及截至本報告日期，冠城供股尚未完成。冠城供股詳情載於本公司日期為二零零九年十月十六日之公佈。

**本公司**

於二零零九年十二月三十一日，本公司並無任何資本承擔(二零零八年：無)。



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 41. RELATED PARTY TRANSACTIONS

41.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

## (i) Sales of goods

Sales of goods to joint venturer	向合營方銷售貨物

Sales to joint venturer of the Group's jointly-controlled entity, of which certain directors of the Company is also directors.

## (ii) Rental income

Rental income received	已收租金收入
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This was received from a company of which a director of the Company is also director and this was charged at HK\$82,000 per month on average (2008: HK\$82,000).

## (iii) Outstanding balances arising from sales of goods included in trade receivables:

Due from joint venturer	應收合營方欠款
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## 41. 有關連人士交易

41.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：

## (i) 銷售貨物

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
338,904	549,256

向本公司若干董事亦為其董事之本集團共同控制實體之合營方作出銷售。

## (ii) 租金收入

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
984	980

上述租金乃向本公司一名董事亦為董事之公司收取租金為平均每月82,000港元(二零零八年：82,000港元)。

## (iii) 銷售貨物之未償付結餘已計入應收賬款：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
48,793	43,536

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**41. RELATED PARTY TRANSACTIONS (Continued)****41.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties: (Continued)****(iv) Outstanding balances included in other receivables:**

Due from a subsidiary of the joint venturer	應收合營方一家附屬公司之欠款
Due from joint venturer	應收合營方欠款

**(v) Outstanding balances included in other payables**

Due to a subsidiary of the joint venturer	應付合營方一家附屬公司之欠款
Due to a director	應付一名董事欠款

**(vi) Acquisition of subsidiaries**

In 2008, the Group completed the acquisition of the Jia Cheng Group from a company controlled by a director at a consideration of HK\$665,000,000. Upon the acquisition of the Jia Cheng Group, the Company indirectly holds 91% equity interest in Rossini through Jia Cheng. Further details of the transaction were included in note 42.2 to the financial statements.

**41. 有關連人士交易 (續)****41.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：(續)****(iv) 已計入其他應收款之未償付結餘：**

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
-	5,117
<b>673</b>	-

**(v) 已計入其他應付款之未償付結餘**

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
-	5,114
<b>9,000</b>	-

**(vi) 收購附屬公司**

二零零八年，本集團完成自由一名董事控制之公司收購佳城集團，代價為665,000,000港元。收購佳城集團後，本公司透過佳城間接持有羅西尼91%股權。該項交易之進一步詳情載於財務報表附註42.2。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 41. RELATED PARTY TRANSACTIONS (Continued)

## 41.2 Key management personnel compensation:

Included in staff costs are key management personnel compensation and comprises the following categories:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity-settled share-based compensation	以股本結算之股份補償

The key management represents the directors of the Group. Further details of directors' emoluments are included in note 16.1 to the financial statements.

## 41. 有關連人士交易(續)

## 41.2 主要管理人員之補償：

主要管理人員之補償計入員工成本內，包括以下類別：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
8,466	8,387
84	84
2,651	165
<b>11,201</b>	<b>8,636</b>

主要管理人員為本集團董事。有關董事酬金之進一步詳情載於財務報表附註16.1。

## 42. ACQUISITION OF SUBSIDIARIES

## 42.1 Acquisition of Permanence

On 31 July 2009, the Group acquired 60% of the equity interests of Permanence, which is principally engaged in distribution of watches and timepieces in the PRC, for a cash consideration of HK\$3,415,000. Details of the net assets acquired as at the date of acquisition are as follows:

	HK\$'000 千港元
Purchase consideration:	
Cash paid	3,415
Less: Fair value of net assets acquired shown below	(3,415)
Goodwill	—

## 42. 收購附屬公司

## 42.1 收購恒譽

於二零零九年七月三十一日，本集團以現金代價3,415,000港元收購恒譽60%股本權益，該公司主要於中國分銷鐘錶及時計。於收購日期所購入資產淨值之詳情如下：

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**42. ACQUISITION OF SUBSIDIARIES (Continued)****42.1 Acquisition of Permanence (Continued)**

The fair values of the identifiable assets and liabilities arising from the acquisition of Permanence as at the date of acquisition and the corresponding carrying amounts immediately prior to the acquisition were as follows:

**42. 收購附屬公司(續)****42.1 收購恒譽(續)**

收購恒譽所產生可識別資產及負債於收購日期之公平值以及緊接收購前相應賬面值如下：

		Fair value 公平值 HK\$'000 千港元	Acquirees' carrying amount 收購對象賬面值 HK\$'000 千港元
Property, plant and equipment (note 17)	物業、廠房及設備 (附註17)	62	62
Inventories	存貨	6,240	6,240
Trade and bill receivables	應收賬款及票據	3,120	3,120
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	1,792	1,792
Cash and cash equivalents	現金及現金等價物	177	177
Trade payables	應付賬款	(1,169)	(1,169)
Other payables and accruals	其他應付款及應計費用	(4,527)	(4,527)
Net assets	資產淨值	5,695	5,695
Minority interests	少數股東權益	(2,280)	
Net assets attributed to the Group	本集團應佔資產淨值	3,415	
Cash and cash equivalents in subsidiary acquired	所收購附屬公司現金 及現金等價物		177
Purchase consideration settled in cash	現金結算收購代價		(3,415)
Net cash outflow	現金流出淨額		(3,238)

Since the acquisition, the Permanence contributed revenue of approximately HK\$16,593,000 and net loss of approximately HK\$91,000 to the Group for the year ended 31 December 2009.

收購後，恒譽於截至二零零九年十二月三十一日止年度對本集團帶來收入約16,593,000港元及虧損淨額約91,000港元。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**42. ACQUISITION OF SUBSIDIARIES (Continued)****42.1 Acquisition of Permanence (Continued)**

Had the business combination taken place on 1 January 2009, the revenue and the profit of the Group for the year ended 31 December 2009 would have been approximately HK\$1,064,489,000 and HK\$369,688,000 respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had the acquisition of Permanence been completed on 1 January nor are they intended to be a projection of future results.

**42.2 Acquisition of the Jia Cheng Group**

On 15 October 2008, the Group completed the acquisition of the Jia Cheng Group for a consideration of HK\$665,000,000, which was all satisfied by the allotment and issue of 1,750,000,000 new ordinary shares at HK\$0.38 per share, being the market price of the ordinary shares at the date of acquisition. Details of the net assets acquired and goodwill as at the date of acquisition are as follows:

		HK\$'000 千港元
Purchase consideration:	購買代價：	
Fair value of ordinary shares issued (note a)	已發行普通股公平值(附註a)	665,000
Less: Fair value of net assets acquired shown below	減：下文所示購入資產淨值之公平值	(43,618)
		<u>621,382</u>
Goodwill (note b)	商譽(附註b)	<u>621,382</u>

## Notes:

- (a) The fair value of the shares issued was based on the published share price on the date of acquisition.
- (b) The goodwill was attributable to the high profitability expected to arise after the acquisition of the Jia Cheng Group and the synergies expected to arise after this acquisition.

## 附註：

- (a) 已發行股份之公平值乃根據於收購日期已公佈股份價格計算。
- (b) 為預期於收購佳城集團後產生之高溢利水平及預期於收購後產生之協同效益應佔之商譽。

**42. 收購附屬公司(續)****42.1 收購恒譽(續)**

倘業務合併已於二零零九年一月一日進行，本集團於截至二零零九年十二月三十一日止年度之收入及溢利應分別約1,064,489,000港元及369,688,000港元。備考資料僅供闡釋之用，並非假設收購恒譽於一月一日完成後本集團實際應取得之收入及經營業績之指標，亦不擬作未來業績之預測。

**42.2 收購佳城集團**

於二零零八年十月十五日，本集團已完成收購佳城集團，代價為665,000,000港元，全數以配發及發行1,750,000,000股每股面值0.38港元(即普通股於收購日期之市價)之新普通股償付。於收購日期，所收購資產淨值及商譽詳情如下：

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 42. ACQUISITION OF SUBSIDIARIES (Continued)

## 42.2 Acquisition of the Jia Cheng Group (Continued)

The fair values of the identifiable assets and liabilities arising from the acquisition of the Jia Cheng Group as at the date of acquisition and the corresponding carrying amounts immediately prior to the acquisition were as follows:

## 42. 收購附屬公司(續)

## 42.2 收購佳城集團(續)

於收購日期，自收購佳城集團產生之可資識別資產及負債公平值以及緊接收購前之相應賬面值如下：

		Fair value 公平值 HK\$'000 千港元	Acquirees' carrying amount 收購數據 賬面值 HK\$'000 千港元
Property, plant and equipment (note 17)	物業、廠房及設備 (附註17)	8,656	8,656
Prepaid land lease payments (note 19)	預付土地租賃款項 (附註19)	706	706
Interest in an associate (note 23)	應佔一家聯營公司權益(附註23)	154	154
Available-for-sale financial assets (note 24)	可供出售金融資產(附註24)	74	74
Inventories	存貨	75,760	75,760
Trade and bill receivables	應收賬款及票據	47,096	47,096
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	2,948	2,948
Cash and cash equivalents	現金及現金等價物	23,598	23,598
Trade payables	應付賬款	(37,628)	(37,628)
Dividend payables (note 31)	應付股息(附註31)	(33,649)	(33,649)
Other payables and accruals	其他應付款及應計費用	(36,039)	(36,039)
Tax payables	應付稅項	(3,743)	(3,743)
Net assets	資產淨值	47,933	47,933
Minority interests	少數股東權益	(4,315)	
Net assets attributed to the Group	本集團應佔資產淨值	43,618	
Cash and cash equivalents in subsidiaries acquired	所收購附屬公司現金及 現金等價物		23,598
Purchase consideration settled in cash	以現金結算購買代價		—
Net cash inflow	現金流入淨額		23,598

Since the acquisition, the Jia Cheng Group contributed revenue of approximately HK\$45,886,000 and net profit of approximately HK\$11,165,000 to the Group for the year ended 31 December 2008.

收購後，佳城集團於截至二零零八年十二月三十一日止年度為本集團帶來收入約45,886,000港元及純利約11,165,000港元。



## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

### 42. ACQUISITION OF SUBSIDIARIES (Continued)

#### 42.2 Acquisition of the Jia Cheng Group (Continued)

Had the business combination taken place on 1 January 2008, the revenue and the profit of the Group for the year ended 31 December 2008 would have been approximately HK\$1,088,155,000 and HK\$352,268,000 respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had the acquisition of the Jia Cheng Group been completed on 1 January nor are they intended to be a projection of future results.

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bill receivables, other receivables, trade and bill payables, other payables, amounts due to related companies, financial assets at fair value through profit or loss, available-for-sale financial assets and derivatives financial instruments, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board has reviewed and agreed policies for managing each of these risks and they are summarised below.

#### 43.1 Summary of financial assets and liabilities by category

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. Its treasury department works under the policies approved by the board of directors and identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the board of directors.

### 42. 收購附屬公司(續)

#### 42.2 收購佳城集團(續)

倘業務合併已於二零零八年一月一日進行，本集團於截至二零零八年十二月三十一日止年度之收入及溢利應分別約1,088,155,000港元及352,268,000港元。備考資料僅供闡釋之用，並非假設收購已於一月一日完成後本集團實際應取得之收入及經營業績之指標，亦不擬作未來業績之預測。

### 43. 財務風險管理目標及政策

本集團之主要金融工具包括現金及現金等價物。此等金融工具之主要用途乃為本集團業務籌集資金。本集團有其他直接源自業務之金融資產及負債，例如應收賬款及票據、其他應收款、應付賬款及票據、其他應付款、應付有關連公司欠款、按公平值計入溢利或虧損之金融資產、可供出售金融資產及衍生金融工具。

本集團金融工具所產生主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及協定管理上述各項風險之政策，有關政策概述如下。

#### 43.1 金融資產及負債分類概要

本集團之政策並非就投機目的積極買賣金融工具。其庫務部門根據經董事會批准之政策行事，並確定涉足金融市場之方法及監察本集團所面對財務風險，並定期向董事會提供報告。

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 43.1 Summary of financial assets and liabilities by category (Continued)

## Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities.

## 43. 財務風險管理目標及政策(續)

## 43.1 金融資產及負債分類概要(續)

## 金融資產及負債分類

於財務狀況表呈列之賬面值與下列金融資產及金融負債有關。

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Available-for-sale financial assets	可供出售金融資產	1,440,715	413,010
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	82,482	29,059
Loans and receivables:	貸款及應收款：		
- Trade and bill receivables	— 應收賬款及票據	152,675	103,651
- Other receivables	— 其他應收款	14,882	450,664
- Cash and cash equivalents	— 現金及現金等價物	257,404	62,340
		<u>424,961</u>	<u>616,655</u>
		<u>1,948,158</u>	<u>1,058,724</u>
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities at fair value through profit or loss	按公平值計入溢利或虧損之金融負債		
- Derivative financial instruments	— 衍生金融工具	816	7,588
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
- Trade and bill payables	— 應付賬款及票據	125,263	86,318
- Other payables	— 其他應付款	99,345	126,580
- Dividend payable	— 應付股息	17,600	—
- Borrowings	— 借貸	122,533	173,393
- Due to related companies	— 應付關連公司欠款	—	256,288
		<u>364,741</u>	<u>642,579</u>
		<u>365,557</u>	<u>650,167</u>

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### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 43.2 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from borrowings. Borrowings bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The exposure to interest rates for the Group's short term bank deposits is considered immaterial.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain approximately 40% – 70% of its interest-bearing borrowings at fixed interest rates. The Group currently had not implemented any procedures to hedge its interest rate risk.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

At 31 December 2009, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profit after income tax and retained profits by approximately HK\$148,000 (2008: HK\$493,000).

The sensitivity analysis above was determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 50 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis was performed on the same basis for 2008.

### 43. 財務風險管理目標及政策(續)

#### 43.2 利率風險

利率風險與金融工具之公平值及現金流量因市場利率變動而波動有關。本集團之利率風險主要源自借貸。本集團分別因按浮息及定息計息之借貸面對現金流量利率風險及公平值利率風險。本集團之短期銀行存款利率風險極微。

本集團之政策為同時運用定息及浮息債務管理其利息成本。本集團之政策為將40%至70%計息借貸保持為定息借貸。本集團現時並無實行任何程序對沖其利率風險。

本集團所承擔市場利率變動風險主要與本集團浮息債務責任有關。

於二零零九年十二月三十一日，假設所有其他因素維持不變，估計假如利率整體上調／下調50基點，將導致本集團之除所得稅後溢利及保留溢利減少／增加約148,000港元(二零零八年：493,000港元)。

上述敏感度分析乃假設利率於結算日出現變動，已應用於該日存在之衍生及非衍生金融工具利率風險。50基點上調或下調幅度反映管理層合理估計直至下個年度結算日止期間利率可能出現之變動。二零零八年之分析已採納相同基準進行。

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 43.3 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong and the PRC with most of the transactions denominated and settled in HK\$ and RMB. No foreign currency risk has been identified for those PRC subsidiaries' financial assets and liabilities denominated in RMB, which is the functional currency of the PRC subsidiaries to which these transactions relate. The Group's exposure to foreign currency risk primarily arise from certain financial instruments which are denominated in RMB, which are currencies other than the functional currency of the entities to which it relate. The Group currently does not have a foreign currency hedging policy.

The following table summaries the Group's major financial assets/(liabilities) denominated in currencies other than the functional currencies of the respective group companies as at 31 December 2009 and 2008.

## 43. 財務風險管理目標及政策(續)

## 43.3 外匯風險

外匯風險指金融工具之公平值及現金流量因匯率變動而波動之風險。本集團主要於香港及中國經營，大部分交易以港元及人民幣計值及結算。中國附屬公司以人民幣列值之金融資產及負債並無外匯風險，人民幣為該等交易有關中國附屬公司之功能貨幣。本集團主要就若干以人民幣列值之金融資產面對外匯風險，人民幣並非有關實體之功能貨幣。本集團目前並無外匯對沖風險政策。

下表概述於二零零九年及二零零八年十二月三十一日本集團以有關集團公司各自功能貨幣以外貨幣列值之主要金融資產／(負債)。

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Denominated in RMB	以人民幣列值		
Available-for-sale financial assets	可供出售金融資產	1,440,641	412,936
Other receivables	其他應收款	1,046	695
Other payables	其他應付款	<u>(10,845)</u>	<u>(10,845)</u>

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 43.3 Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the reporting date to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's profit for the year and of the Group's investment revaluation reserve (due to changes in the fair value of monetary assets and liabilities).

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Effect to the profit for the year: 5% strengthening in HK\$	對本年度溢利之影響： 港元匯率升值5%	<u>489</u>	<u>508</u>
5% weakening in HK\$	港元匯率貶值5%	<u>(489)</u>	<u>(508)</u>
Effect on other comprehensive income and to the investment revaluation reserve (due to the change in fair value of the available-for-sale financial assets):	對其他全面收入及投資重估 儲備之影響(由於可供出售 金融資產公平值變動)：		
5% strengthening in HK\$	港元匯率升值5%	<u>(72,036)</u>	<u>(20,651)</u>
5% weakening in HK\$	港元匯率貶值5%	<u>72,036</u>	<u>20,651</u>

## 43.4 Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets at fair value through profit or loss, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

## 43. 財務風險管理目標及政策(續)

## 43.3 外匯風險(續)

下表顯示假設所有其他因素維持不變，本集團年內溢利及本集團投資重估儲備(由於貨幣資產及負債公平值變動所致)對人民幣匯率於結算日可能出現之合理變動之敏感度分析。

## 43.4 信貸風險

本集團僅與信譽良好之第三方進行買賣。本集團之政策為全部獲授信貸期之客戶均須通過信貸評核程序。此外，本集團不斷監控應收款結餘，且其所面對壞賬風險並不重大。

本集團其他金融資產包括現金及現金等價物及按公平值計入溢利或虧損之金融資產，有關信貸風險源自訂約方失責，最高款額相等於該等工具賬面值。

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**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****43.4 Credit risk (Continued)**

As at 31 December 2009, the Group has trade and bill receivables due from Citychamp in trading nature of HK\$48,793,000 (2008: HK\$43,536,000) (note 41.1 (iii)). With respect to the credit risk arising from the trade and bill receivables due from Citychamp, management actively monitors Citychamp's creditworthiness to avoid excessive concentrations of credit risk. Save as receivables due from Citychamp, the Group's trade and bill receivables relate to a large number of diversified customers and there is no significant concentration of credit risk.

Since the Group trades only with recognised and creditworthy parties, there is no requirement for collateral.

The Group did not provide any financial guarantee as at 31 December 2009. As a 31 December 2008, except for the financial guarantee given by the Group as set out in note 45, the Group also did not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at 31 December 2008 is disclosed in note 45.

**43.5 Liquidity risk**

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored on a day-to-day basis. Long-term liquidity needs for a 360-day lookout period are identified monthly.

The Group maintains mainly cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

**43. 財務風險管理目標及政策(續)****43.4 信貸風險(續)**

於二零零九年十二月三十一日，本集團有應收冠城賬款及票據48,793,000港元(二零零八年：43,536,000港元)(附註41.1(iii))，該款額屬貿易性質。管理層就應收冠城賬款及票據產生之信貸風險，積極監察冠城之信用狀況，以免信貸風險過度集中。除應收冠城款項外，本集團應收賬款及票據與大量客戶有關，並無信貸風險過度集中情況。

由於本集團僅與信譽良好之認可第三方進行買賣，故毋須抵押品。

於二零零九年十二月三十一日，本集團並無提供任何財務擔保。於二零零八年十二月三十一日，除附註45所述本集團所給予財務擔保外，本集團並無因提供任何其他擔保而面對信貸風險。就此等財務擔保而於二零零八年十二月三十一日面對之最大信貸風險於附註45披露。

**43.5 流動資金風險**

本集團透過謹慎監控長期金融負債之還款期及日常業務現金流出，以管理其流動資金需要。本集團按日監察其流動資金需求。擁有360日固定期限之長期流動資金需求乃按月計算。

本集團主要利用現金維持其最多30日期間之流動資金需求。長期流動資金需求透過保持充足承諾信貸融資提供。



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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 43.5 Liquidity risk (Continued)

As at 31 December 2009 and 31 December 2008, the Group's financial liabilities have contractual maturities which are summarised below:

## 43. 財務風險管理目標及政策(續)

## 43.5 流動資金風險(續)

於二零零九年十二月三十一日及二零零八年十二月三十一日，本集團之金融負債按合約到期日概述如下：

		2009 二零零九年			
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	Over 1 year
		賬面值 HK\$'000 千港元	合約未貼現 現金流量總額 HK\$'000 千港元	1年內或按要求 HK\$'000 千港元	超過1年 HK\$'000 千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>				
Trade and bill payables	應付賬款及票據	125,263	125,263	125,263	-
Other payables	其他應付款	99,345	99,345	99,345	-
Dividend payable	應付股息	17,600	17,600	17,600	-
Borrowings	借貸	122,533	128,091	107,101	20,990
		<u>364,741</u>	<u>370,299</u>	<u>349,309</u>	<u>20,990</u>
<b>Derivative financial liabilities</b>	<b>衍生金融負債</b>				
Derivative financial instruments (on net settlement basis) - cash outflow	衍生金融工具 (按淨結算基準) - 現金流出量	816	816	816	-
		<u>816</u>	<u>816</u>	<u>816</u>	<u>-</u>
		2008 二零零八年			
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	Over 1 year
		賬面值 HK\$'000 千港元	合約未貼現 現金流量總額 HK\$'000 千港元	1年內或按要求 HK\$'000 千港元	超過1年 HK\$'000 千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>				
Trade and bill payables	應付賬款及票據	86,318	86,318	86,318	-
Other payables	其他應付款	126,580	126,580	126,580	-
Borrowings	借貸	173,393	186,590	154,533	32,057
Due to related companies	應付有關連公司欠款	256,288	256,288	256,288	-
		<u>642,579</u>	<u>655,766</u>	<u>623,719</u>	<u>32,057</u>
<b>Derivative financial liabilities</b>	<b>衍生金融負債</b>				
Derivative financial instruments (on net settlement basis) - cash outflow	衍生金融工具 (按淨結算基準) - 現金流出量	7,588	7,588	7,588	-
		<u>7,588</u>	<u>7,588</u>	<u>7,588</u>	<u>-</u>
Financial guarantees issued: maximum amounts guaranteed (note 45)	所發出財務擔保：擔保最高款項(附註45)	-	43,182	43,182	-
		<u>-</u>	<u>43,182</u>	<u>43,182</u>	<u>-</u>

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### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 43.6 Fair value risk

The fair value of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity. The fair values of non-current financial assets and liabilities were not disclosed because the carrying values were not materially different from their fair values.

#### 43.7 Commodity price risk

The Group's exposure to commodity price risk relates principally to the market price fluctuation in copper which can affect the Group's results of operations.

The Group entered into forward contracts for the purchase and sale of copper (note 32). All forward commodity contracts can only be carried out at the approval of management. In addition, the price range of the forward commodity contracts was closely monitored by management.

At 31 December 2009, a reasonably possible increase/decrease of 30% in commodity price, with all other variables held constant, would decrease/increase the Group's profit after income tax and retained profits by approximately HK\$1,740,000. At 31 December 2008, a reasonably possible increase/decrease of 30% in commodity price, with all other variables held constant, would increase/decrease the Group's profit after income tax and retained profits by approximately HK\$1,762,000.

#### 43.8 Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as financial assets at fair value through profit or loss and available-for-sale financial assets. Other than unlisted equity investments held for strategic purposes, all of these investments are listed.

Decisions to buy or sell financial assets at fair value through profit or loss are based on daily monitoring of the performance of individual securities and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale financial assets are based on their longer term growth potential and are monitored regularly for performance against expectations.

### 43. 財務風險管理目標及政策(續)

#### 43.6 公平值風險

本集團現時金融資產及負債於即時或於短期內到期，故其公平值與賬面值並無重大差異，因此，並無披露非流動金融資產及負債之公平值。

#### 43.7 商品價格風險

本集團所面對商品價格風險主要與銅之市價波動有關，該等波動可能影響本集團之經營業績。

本集團就買賣銅訂立遠期合約(附註32)。所有遠期商品合約僅可在獲得管理層批准之情況下進行。此外，遠期商品合約之價格水平受管理層密切監控。

於二零零九年十二月三十一日，假設所有其他變數不變，如商品價格合理上升/下跌30%，本集團之除所得稅後溢利及保留溢利將減少/增加約1,740,000港元。於二零零八年十二月三十一日，假設所有其他變數不變，如商品價格合理上升/下跌30%，本集團之除所得稅後溢利及保留溢利將增加/減少約1,762,000港元。

#### 43.8 股價風險

本集團須面對來自分類為按公平值計入溢利或虧損之金融資產及可供出售金融資產之股本投資之股價變動。除持作策略目的之非上市股本投資外，此等投資均已上市。

買賣按公平值計入溢利或虧損之金融資產之決定乃按每日監察個別證券之表現及其他業內指標以及本集團之流動資金需要作出。本集團按投資於較長期間之增長潛力決定，以可供出售金融資產持有上市投資，並定期監察投資之表現是否符合預期。

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 43.8 Equity price risk (Continued)

The following table indicates the approximate change in the Group's profit after income tax and consolidated equity in response to reasonably possible changes in the share prices of the listed investments classified as financial assets at fair value through profit or loss and available-for-sale financial assets to which the Group has significant exposure at the reporting date.

## 43. 財務風險管理目標及政策(續)

## 43.8 股價風險(續)

下表顯示分類為按公平值計入溢利或虧損之金融資產之上市投資之股價及本集團於結算日所持大量分類為可供出售金融資產之上市投資之股價之合理可能變動，對本集團之除所得稅後溢利及綜合權益之概約影響。

		2009 二零零九年		2008 二零零八年	
		Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響 HK\$'000 千港元	Effect on other comprehensive income and investment revaluation reserve 對其他全面 收入及投資 重估儲備之影響 HK\$'000 千港元	Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響 HK\$'000 千港元	Effect on other comprehensive income and investment revaluation reserve 對其他全面 收入及投資 重估儲備之影響 HK\$'000 千港元
Financial assets at fair value through profit or loss:	按公平值計入溢利或虧損之金融資產：				
Increase in share prices of the listed investments by 30% (2008: 30%)	上市投資之股價上升30% (二零零八年：30%)	24,745	-	8,718	-
Decrease in share prices of the listed investments by 30% (2008: 30%)	上市投資之股價下跌30% (二零零八年：30%)	(24,745)	-	(8,718)	-
Available-for-sale financial assets at fair value:	可供出售金融資產公平值：				
Increase in share price of the listed investment by 30% (2008: 30%)	上市投資之股價上升30% (二零零八年：30%)	-	432,192	-	123,881
Decrease in share price of the listed investment by 30% (2008: 30%)	上市投資之股價下跌30% (二零零八年：30%)	-	(432,192)	-	(123,881)

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****43.9 Fair value measurements recognised in the statement of financial position – Group**

The Group adopted the amendments to HKFRS 7 Improving Disclosures about Financial Instruments effective from 1 January 2009. These amendments introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements. The Group has taken advantage of the transitional provisions in the amendments to HKFRS 7 and accordingly, no comparatives for the hierarchy for fair value measurement disclosures have been presented.

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

**43. 財務風險管理目標及政策(續)****43.9於財務狀況表確認之公平值計量 – 本集團**

本集團採納二零零九年一月一日生效之香港財務申報準則第7號修訂本改進金融工具披露。該修訂就公平值計量披露引入三層式結構及有關公平值計量相對可靠程度之額外披露。本集團已採用香港財務申報準則第7號修訂本之過渡條文，因此並無按公平值計量披露級別呈報比較數字。

下表呈列根據公平值級別於財務狀況表計量之金融資產及負債公平值。金融資產及負債根據計量該等金融資產及負債公平值所用重大輸入數值之相對可靠程度按級別分為三層。公平值級別包括以下各層：

- 第一層：相同資產及負債之活躍市場報價(未經調整)；
- 第二層：第一層所包括報價以外就資產及負債直接(如價格)及間接(如源自價格)觀察所得輸入數值；及
- 第三層：並非以觀察所得市場數據為準之資產及負債輸入數值。

金融資產或負債所屬公平值級別層次完全基於對公平值計量屬重大之最低水平輸入數值分類。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 43.9 Fair value measurements recognised in the statement of financial position – Group (Continued)

The Group's financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

## 43. 財務風險管理目標及政策(續)

## 43.9 於財務狀況表確認之公平值計量 – 本集團(續)

於財務狀況表按公平值計量之本集團金融資產及負債分為以下公平值級別：

		2009 二零零九年			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>				
Available-for-sale financial assets	可供出售金融資產				
– Listed	– 上市	1,440,641	–	–	1,440,641
Listed securities designated at fair value through profit or loss	按公平值計入溢利或虧損之上市證券	82,482	–	–	82,482
Total fair values	公平值總額	1,523,123	–	–	1,523,123
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	(816)	–	–	(816)
Total fair values	公平值總額	(816)	–	–	(816)
<b>Net fair values</b>	<b>公平值淨額</b>	<b>1,522,307</b>	<b>–</b>	<b>–</b>	<b>1,522,307</b>

There have been no significant transfers between Levels 1 and 2 in the reporting period.

報告期內，第一級及第二級之間並無重大轉撥。

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

計量公平值所用方法及評估方式與上一報告期間相同。

## – Listed instruments

The listed debt and equity instruments are denominated in HK\$ and RMB. Fair values have been determined by reference to their quoted bid prices at the reporting date and have been translated using the spot foreign currency rates at the end of the reporting period where appropriate.

## – 上市工具

上市債務及股本證券以港元及人民幣計值。公平值參考結算日買入報價釐定，已於適用情況應用結算日即期外匯匯率換算。

## Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

## 44. CAPITAL MANAGEMENT

The Group's capital management objectives are:

- (i) to ensure the Group's ability to continue as a going concern;
- (ii) to provide an adequate return to shareholders;
- (iii) to support the Group's sustainable growth; and
- (iv) to provide capital for the purpose of potential mergers and acquisitions.

The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the amount dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

The capital-to-overall financing ratio at reporting date was as follows:

## 44. 資金管理

本集團之資金管理目標為：

- (i) 確保本集團能夠持續經營；
- (ii) 為股東提供充足回報；
- (iii) 支持本集團持續增長；及
- (iv) 為潛在合併及收購提供資金。

本集團根據其整體財務結構釐定股本金額。本集團管理資金結構，並因應經濟狀況轉變及相關資產之風險特徵作出調整。為維持或調整資本結構，本集團或會調整向股東支付之股息、向股東退回資金、發行新股或出售資產以減低債務。

於結算日，資本佔整體融資比率如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Capital</b>	<b>資本</b>		
Total equity	權益總額	<u>2,958,266</u>	<u>1,667,647</u>
<b>Overall financing</b>	<b>整體融資</b>		
Borrowings	借貸	<u>122,533</u>	173,393
Due to related companies	應付有關連公司欠款	<u>-</u>	<u>256,288</u>
		<u>122,533</u>	<u>429,681</u>
Capital-to-overall financing ratio	資本佔整體融資比率	<u>24.14</u>	<u>3.88</u>



**Notes to the Financial Statements 財務報表附註**

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

**45. FINANCIAL GUARANTEE CONTRACTS**

As at 31 December 2009, the Group did not provide any financial guarantee.

As at 31 December 2008, the Group's jointly controlled entity executed guarantees amounting to approximately HK\$43,182,000 with respect to the bank loans to the joint venturer (note 22). Under the financial guarantees, the Group's jointly controlled entity was liable to the bank if the bank was unable to recover the loan. At 31 December 2008, no provision for the obligations of the Group's jointly controlled entity under the guarantee contract had been made as the directors consider that it was not probable that the repayments of the loan would be in default. At 31 December 2008, the outstanding balance of the bank loans under these financial guarantees was HK\$43,182,000 and this represented the Group's maximum exposure under the financial guarantee contracts.

**45. 財務擔保合約**

於二零零九年十二月三十一日，本集團並無提供財務擔保。

於二零零八年十二月三十一日，本集團之共同控制實體就銀行授予合營方貸款簽立合共約43,182,000港元之擔保(附註22)。根據該項擔保，倘銀行無法收回貸款，則本集團之共同控制實體須向銀行償還。於二零零八年十二月三十一日，由於董事認為合營方不可能不履行償還貸款責任，故本集團之共同控制實體並無就擔保合約項下之責任作出撥備。於二零零八年十二月三十一日，該等財務擔保項下之尚未償付銀行貸款結餘為43,182,000港元，即本集團於財務擔保合約項下所面對最大承擔。

# Five Year Financial Summary

## 五年財務資料摘要

### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>					
Revenue	收入	1,045,714	865,304	576,058	330,774	144,847
Cost of sales	銷售成本	(667,569)	(696,597)	(468,903)	(251,462)	(78,713)
<b>Gross profit</b>	<b>毛利</b>	<b>378,145</b>	168,707	107,155	79,312	66,134
Other income and financial income	其他收入及財務收入	25,684	26,798	21,285	14,922	7,821
Selling and distribution expenses	銷售及分銷費用	(156,575)	(78,518)	(54,708)	(45,602)	(36,259)
Administrative expenses	行政費用	(120,755)	(99,009)	(66,021)	(51,906)	(48,800)
Gain/(Loss) on fair value changes in financial assets at fair value through profit or loss, net	按公平值計入溢利或 虧損之金融資產 公平值變動之收益/ (虧損)淨額	42,234	(36,968)	24,629	38,589	13,335
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	5,102	9,348	10,178	22,031	996
Dividend income from available-for-sale financial assets	可供出售金融資產之 股息收入	8,238	73,624	48,383	-	-
Gain on disposal of an investment property	出售一項投資物業收益	-	-	22,853	-	-
Finance costs	財務費用	(8,597)	(8,637)	(7,157)	(2,880)	-
Share of profit of an associate	應佔一家聯營公司溢利	1,877	241	2,212	5,028	-
Profit before income tax	除所得稅前溢利	175,353	55,586	108,809	59,494	3,227
Income tax expense	所得稅開支	(31,388)	(16,082)	(7,168)	(7,815)	(3,362)
Profit/(loss) after income tax from continuing operations	持續經營業務除所得稅後 溢利/(虧損)	143,965	39,504	101,641	51,679	(135)
Discontinued operations	已終止經營業務					
Profit/(loss) from discontinued operations	已終止經營業務溢利/ (虧損)	225,651	251,812	325,566	(29,612)	(43,576)
<b>Profit/(loss) for the year</b>	<b>本年度溢利/(虧損)</b>	<b>369,616</b>	291,316	427,207	22,067	(43,711)
<b>Other comprehensive income</b>	<b>其他全面收入</b>					
- Exchange gain on translation of financial statements of foreign operations	- 換算海外業務財務 報表之匯兌收益	11	2,855	6,318	8,237	6,370
- Change in fair value of available-for-sale financial assets	- 可供出售金融資產 之公平值變動	1,027,705	(512,573)	241,797	-	-

## Five Year Financial Summary 五年財務資料摘要

## RESULTS (Continued)

## 業績(續)

		Year ended 31 December 截至十二月三十一日止年度				
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Other comprehensive income for the year	本年度其他全面收入	1,027,716	(509,718)	248,115	8,237	6,370
Total comprehensive income for the year	本年度全面收入總額	1,397,332	(218,402)	675,322	30,304	(37,341)
Profit for the year attributable to:	以下人士應佔本年度溢利：					
Owners of the Company	本公司擁有人	362,561	290,213	427,467	22,347	(43,275)
Minority interest	少數股東權益	7,055	1,103	(260)	(280)	(436)
		369,616	291,316	427,207	22,067	(43,711)
Total comprehensive income for the year attributable to:	以下人士應佔本年度全面收入總額：					
Owners of the Company	本公司擁有人	1,390,275	(219,642)	675,439	30,497	(36,950)
Minority interest	少數股東權益	7,057	1,240	(117)	(193)	(391)
		1,397,332	(218,402)	675,322	30,304	(37,341)

## ASSETS, LIABILITIES AND MINORITY INTERESTS 資產、負債及少數股東權益

		As at 31 December 於十二月三十一日				
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	總資產	3,481,082	2,403,695	1,685,361	2,077,710	1,546,256
Total liabilities	總負債	(522,816)	(736,048)	(469,595)	(1,507,072)	(1,066,361)
Minority interests	少數股東權益	(16,482)	(7,947)	(2,392)	(32,703)	(20,877)
		2,941,784	1,659,700	1,213,374	537,935	459,018

## Schedule of Principal Investment Properties

### 主要投資物業附表

31 December 2009 二零零九年十二月三十一日

Description 詳情	Group interest 集團權益	Use 用途	Tenure 年期
Flat B, 21st Floor, Jolly Villa, No. 8 Tai Hang Road, Hong Kong and Car parking space No. 32 on 3rd Floor of the same building 香港大坑道8號竹麗苑21樓B室 及同一幢樓宇內3樓之32號車位	100%	Residential 住宅	Medium term lease 中期租約
Industrial Complex, including Dormitories In the Sixth Industrial Zone Houjie Town, Dongguan County Guangdong Province The People's Republic of China (the "PRC") 中華人民共和國(「中國」)廣東省東莞市厚街鎮 第六工業區工廠綜合大樓(包括宿舍)	100%	Industrial/ Residential 工業/住宅	Medium term lease 中期租約
2nd Lower Ground Level Jin Hua Building Yan He South Road Luohu District, Shenzhen Guangdong Province The PRC 中國廣東省深圳市羅湖區 沿河南路錦花大廈地下層二層	100%	Commercial 商業	Medium term lease 中期租約
Shops at Street Nos. 13, 14 and 15 New City Centre Plaza Garden Nos. 459, 461 and 463 Xiang Hua Road Zhuhai City Guangdong Province The PRC 中國廣東省珠海市 香華路459、461和463號 新城市中心花園·商舖13、14和15號	100%	Commercial 商業	Medium term lease 中期租約