



CHINA HAIDIAN

Holdings Limited
中國海澱集團有限公司



ANNUAL REPORT | 年報 2010



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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
5. BI Bo (Appointed on 24 August 2010)

Non-Executive Director

6. SIT Lai Hei

Independent Non-executive Directors

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

董事會

執行董事

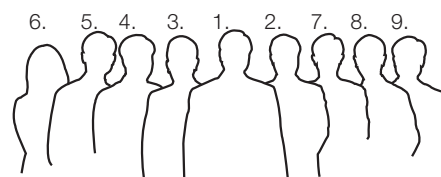
1. 韓國龍(主席)
2. 商建光(行政總裁)
3. 石濤
4. 林代文
5. 畢波(於二零一零年八月二十四日委任)

非執行董事

6. 薛黎曦

獨立非執行董事

7. 馮子華
8. 鄺俊偉
9. 李強



Corporate Information 公司資料

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

FONG Chi Wah

AUDITOR

BDO Limited

PRINCIPAL BANKERS

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

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

香港立信德豪會計師事務所有限公司

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
渣打銀行(香港)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 2010 二零一零年公司大事記要

MARCH 2010 二零一零年三月

- Zhuhai Rossini Watch Industry Ltd. ("Rossini") was ranked as 1st in overall market share standing in its product category in 2009 by China General Chamber of Commerce and China National Commercial Information Centre. It has been ranked as 1st in sales volume of its product category for eight consecutive years since 2002.

羅西尼錶業有限公司(「羅西尼」)獲中國商業聯合會、中華全國商業資訊中心評為2009年度同類產品市場綜合佔有率第一位，自2002年以來，連續八年榮列同類產品市場銷量第一位。



APRIL 2010 二零一零年四月

- Mr. Shang Jianguang, the Chief Executive Officer of China Haidian Holdings Ltd. and General Manager of Rossini, was elected as chairman of the board (7th session) of Guangdong Province Horologe Industry Association.

中國海澱集團有限公司行政總裁兼羅西尼總經理商建光先生當選廣東省鐘錶行業協會第七屆理事會會長。

- EBHOR Luxuries International Company Limited ("EBHOR") hosted the "KANA Charity Event" at Lan Club, Beijing. This event raised fund to support a project initiated jointly with China Women's Development Foundation to help bring up orphans and other children in great need from "the quake zone at Wenchuan, Sichuan".

依波精品(深圳)有限公司(「依波精品」)在北京蘭會所舉行「卡納慈善時光」活動。該活動是為與中國婦女發展基金會共同啟動的撫育「四川汶川地震災區」孤貧兒童成長的慈善項目籌款。



Artist Ms Pace Wu is the current brand ambassador.
藝人吳佩慈小姐現擔任品牌代言人

Corporate Highlights in 2010 二零一零年公司大事記要

MAY 2010 二零一零年五月

- The grand opening of the Enterprise-Academy Co-operative Research Centre jointly established by Rossini and Zhuhai Campus of Beijing Institute of Technology.

羅西尼與北京理工大學珠海學院產學研合作基地正式揭牌運營。

- EBOHR was granted the Platinum Award for Excellence and Business Prestige by Quality Summit New York 2010 from B.I.D. (an authoritative international quality assessment organisation).

依波精品榮獲B.I.D.(國際權威品質評價組織)頒授二零一零年紐約國際質量之傑出企業獎白金獎。



JUNE 2010 二零一零年六月

- Rossini and EBOHR were both awarded China's 500 most valuable brands of the year 2010 by the World Brand Laboratory. Rossini ranked 1st in Horologe category with brand value at RMB1.899 billion, while EBOHR ranked 2nd with brand value at RMB1.797 billion. Their brand values grew 17% and 11% respectively from previous year.

羅西尼與依波均被世界品牌實驗室評為2010年中國500最具價值品牌，羅西尼以人民幣18.99億元品牌價值位居中國鐘錶行業榜首，依波以人民幣17.97億元位居第二。其品牌價值分別比上年增長17%及11%。

JULY 2010 二零一零年七月

- Rossini won the gold prize in booth design at the 21st China (Shenzhen) International Watch and Clock Fair which contributed to maintaining its brand image and market position in the international watch and clock arena.

羅西尼在第21屆中國(深圳)國際鐘錶展中獲得展位設計金獎。在國際鐘表市場上保持了良好的品牌形象和地位。



Corporate Highlights in 2010 二零一零年公司大事記要

AUGUST 2010 二零一零年八月

- Grand opening of the flagship store of CODEX, a EBOHR's proprietary brand, at Lucerne, Switzerland.

依波精品投資創立的豪度品牌旗艦店在瑞士盧塞恩盛大開幕。



Robert Ismajlovic, Mr. Switzerland and Codex's global ambassador. (Centre)

豪度全球形象代言人瑞士先生Robert Ismajlovic(中)

- The Group entered into a joint venture agreement for the establishment of Ruihuang (Chongqing) Watch Co., Ltd. ("Ruihuang"). Ruihuang mainly engages in the distribution of well known Swiss and Japanese watch brands.

本集團訂立合營協議成立瑞皇(重慶)鐘錶有限公司(「瑞皇」)。瑞皇主要分銷瑞士及日本知名手錶品牌。

SEPTEMBER 2010 二零一零年九月

- Rossini was awarded as one of the "Asia's 500 Most Influential Brands of the year 2010" by the World Brand Laboratory and World Entrepreneur magazine. It is the only domestic horologe brand in China that has received this award for three consecutive years.

羅西尼榮獲世界品牌實驗室、《世界企業家》雜誌頒發的《2010年亞洲最具影響力品牌500強》。是目前國內鐘錶行業中唯一的手錶品牌連續三年榮登亞洲品牌500強之列。



- The new "Ao Li Wei" lady watch series by Rossini was selected as the official watch in "Asian Super Model Contest 2010" Final.

羅西尼全新力作「奧麗薇」女裝系列表榮獲「2010亞洲超級模特大賽」總決賽指定女裝腕表。



Corporate Highlights in 2010 二零一零年公司大事記要

OCTOBER 2010 二零一零年十月

- The Group has established Guangdong Juxin Watch Co., Ltd. ("Juxin"). Juxin will mainly engage in the distribution of leading Swiss and Japanese watch brands. Juxin will also establish maintenance centre for various imported watches.

本集團已成立廣東鉅信鐘錶有限公司(「鉅信」)，鉅信主要經銷瑞士及日本知名手錶品牌。鉅信亦將設立維修中心，供修理多款進口手錶之用。

- In the China International Fashion Week, Rossini sponsored Dorian Ho, a leading fashion designer from Hong Kong, to stage a presentation of his spring and summer series 2011.

在中國國際時裝周，羅西尼贊助香港頂級時裝設計師何國鉅舉辦高級時裝2011春夏系列發佈會。



DECEMBER 2010 二零一零年十二月

- Rossini's "CRONOS" optoelectronic radio-controlled watch series, the first domestically developed high-tech environmental-friendly watch in China, received the "Kapok Prize" in China Innovative Design Award 2010 as well as the "Governor Cup" for outstanding industrial design award in the 5th National Industrial Design Week & 5th Guangdong Industrial Design Week.

國內品牌界首創的高科技環保型手錶，羅西尼光電能電波表「CRONOS」系列，獲得廣州國際設計周與中國工業設計協會聯合主辦的《2010年度中國創新設計大獎》「紅棉獎」，以及第五屆中國工業設計周暨第五屆廣東工業設計活動周「省長杯」優良工業設計作品獎。



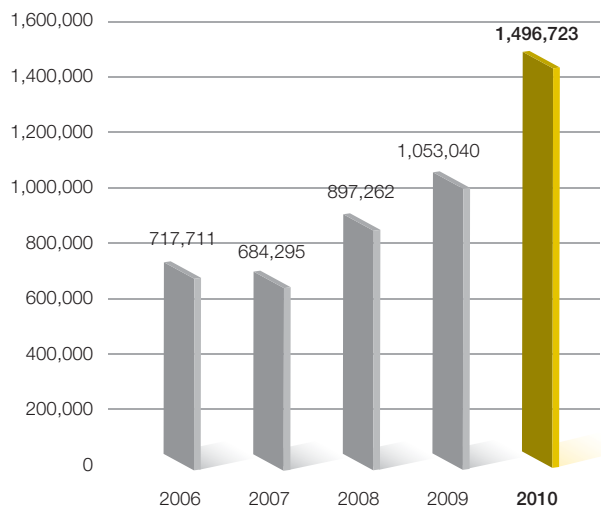
Corporate Financial Highlights

公司財務摘要

REVENUE

收入

HK\$'000
千港元

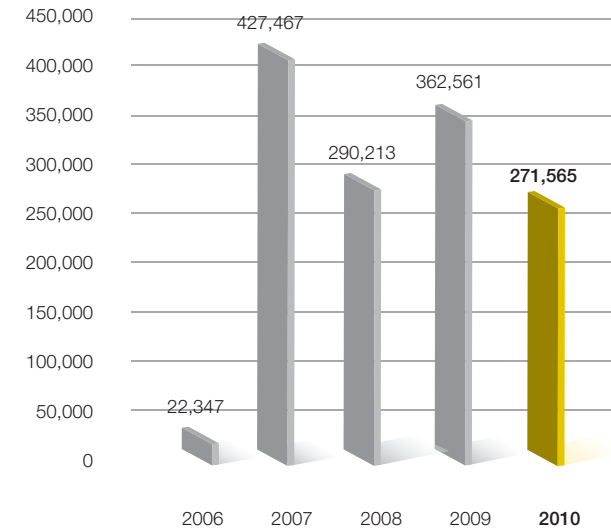


Total revenue including both continuing and discontinued operations
包括持續經營及已終止經營業務之總收入

PROFIT

溢利

HK\$'000
千港元

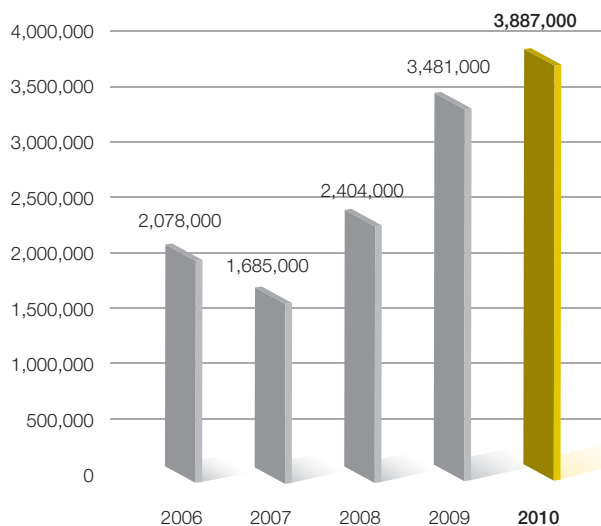


Profit attributable to owners of the Company
本公司擁有人應佔溢利

TOTAL ASSETS

總資產

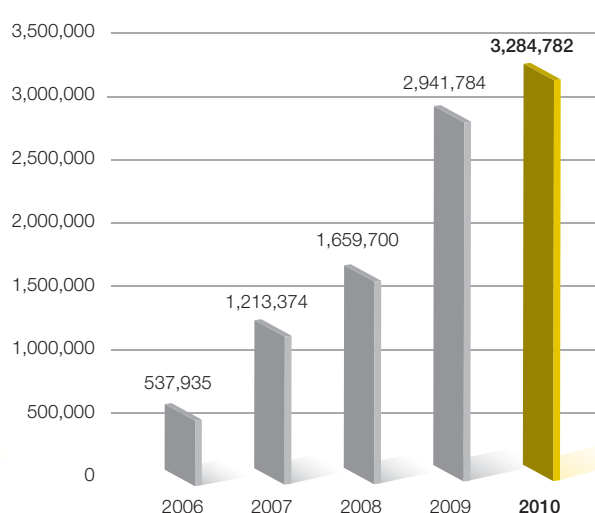
HK\$'000
千港元



OWNERS' EQUITY

擁有人權益

HK\$'000
千港元

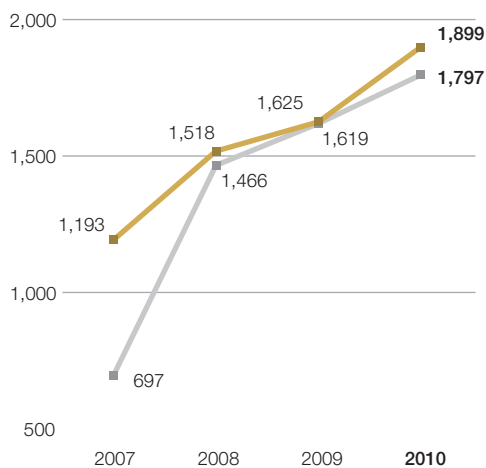


Equity attributable to owners of the Company
本公司擁有人應佔權益

Watches and Timepieces Segment Highlights 鐘錶及時計產品分類摘要

Brand Value 品牌價值

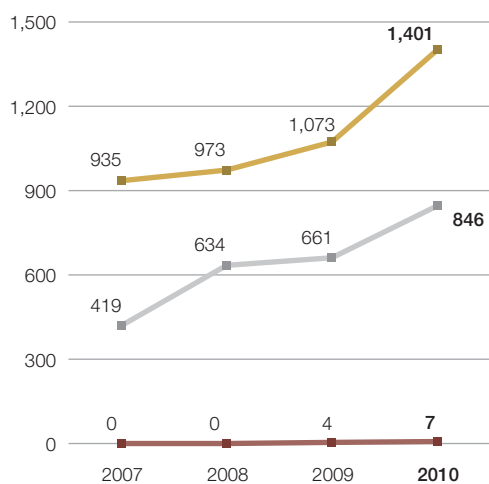
RMB million
人民幣百萬元



Source: the World Brand Laboratory
資料來源: 世界品牌實驗室

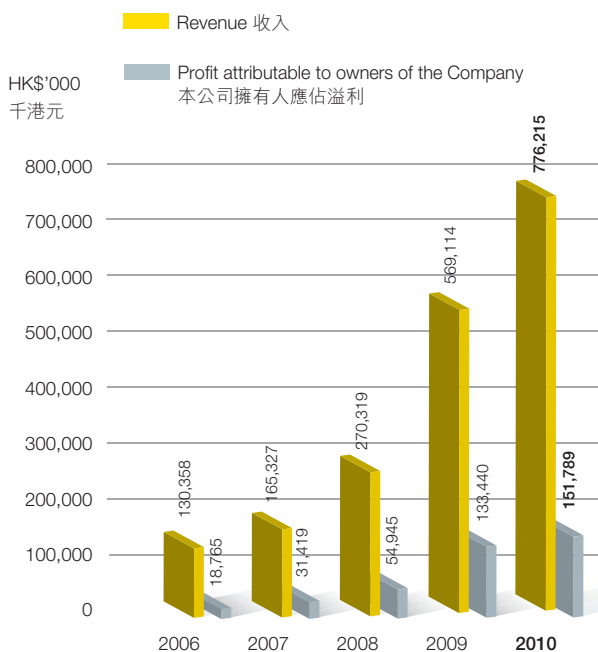
■ Rossini 羅西尼
■ EBOHR 依波

Distribution Outlets 銷售網點

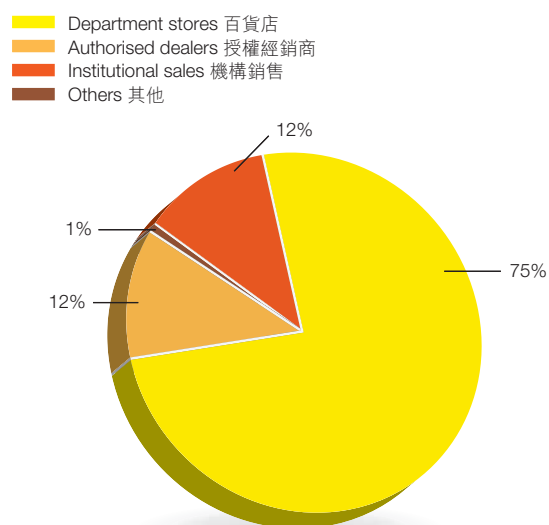


■ Department stores 百貨店
■ Authorised dealers 授權經銷商
■ Boutiques 專賣店

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 reflects the integrated efforts of the Board, management team and staff, as well as our business partners in successfully pursuing our mission to be one of leaders in the domestic watch-making industry of Mainland China.

2010: ANOTHER FRUITFUL YEAR

2010 was another fruitful year for the Group as our performance benefitted from Mainland China’s burgeoning economic recovery and buoyant growth in consumption.

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出董事會、管理團隊及員工上下齊心地努力，加上本集團之業務夥伴作出的貢獻，力求推動本集團成功達成目標，晉身為中國大陸國內手錶業翹楚。

二零一零年：又一個豐碩的年度

二零一零年是本集團又一個豐碩的年度。本集團的業務受惠於中國大陸的迅速經濟復甦及不斷擴大的消費增長。

Chairman's Statement 主席報告

The Group achieved substantial revenue growth in 2010. Revenue for the year amounted to HK\$1,496,723,000, an increase of HK\$443,683,000 over that of 2009. Our net profit attributable to owners for the year ended 31 December 2010 was HK\$271,565,000. The watch and timepieces segment contributed an increase in revenue of HK\$207,102,000 and net profit of HK\$18,349,000. In addition, the disposal of 30% equity interest in Shenzhen Guanyang Real Estate Co. Ltd ("Shenzhen Guanyang") realized a gain on disposal before tax of approximately HK\$177,700,000. Net asset value per share was HK\$0.81.

The Board, after deliberation, resolved to recommend a final dividend of HK3.5 cents per share, which, together with the interim dividend of HK1.5 cents per share paid in 2010, makes an aggregate of the dividend for the full year of HK5.0 cents per share, a decrease of 2% over the total dividend of HK5.1 cents per share for 2009.

RESTRUCTURING

The Group is committed to build a portfolio of extensive products and markets through various watch related companies. During 2010, the Group sold the 30% equity interests in Shenzhen Guanyang and recognized a gain on disposal before tax of approximately HK\$177,711,000. The Group also agreed to sell the 49% equity interests in Fuzhou Dartong and the 25.58% equity interests in Jiangsu Dartong in January 2011. These transactions were consistent with our strategy to concentrate our resources and focus our efforts on developing our watch business, which has the most potential.

本集團於二零一零年取得可觀的利潤增長。年度收入達1,496,723,000港元，較二零零九年增加443,683,000港元。擁有人應佔截至二零一零年十二月三十一日止年度的溢利為271,565,000港元。手錶及時計業務分別為收入及溢利帶來207,102,000港元及18,349,000港元的增幅。此外，出售深圳冠洋房地產有限公司（「深圳冠洋」）之30%股本權益實現除稅前出售收益約177,700,000港元。每股資產淨值為0.81港元。

董事會經商議後，議決建議宣派末期股息每股3.5港仙。連同二零一零年中期股息每股1.5港仙，全年股息合計為每股5.0港仙，較二零零九年合計股息每股5.1港仙減少2%。

重組

本集團致力透過各個與手錶相關的公司，建立具有廣泛的產品及市場的業務組合。於二零一零年，本集團出售深圳冠洋30%股本權益，確認除稅前出售收益約177,711,000港元。本集團亦同意於二零一一年一月出售福州大通49%股本權益和江蘇大通25.58%股本權益。該等交易切合本集團集中資源、著力投入發展最具有潛力的手錶業務的策略。

Chairman's Statement 主席報告

FUND RAISING

On 3 May 2010, 106,815,620 shares of the Company were issued at the price of HK\$0.77 and the net proceeds received thereon were approximately HK\$82,248,000. At an exercise price of HK\$0.88, 242,115,405 share options were also granted on the same date.

On 15 December 2010, 390,138,000 shares of the Company were issued at the price of HK\$1.21 with the net proceeds received thereon of approximately HK\$472,067,000.

The total proceeds from the above fund raising activities will be primarily used by the Group for any future acquisitions and investments.

TAKING A LEADING POSITION IN THE DOMESTIC WATCH-MAKING INDUSTRY

Focusing on quality, value and design, Rossini and EBOHR, the dominant leaders in the domestic watching industry, achieved record-setting performance. Leveraging on the more comprehensive distribution network and wide range of quality products, both companies generated robust recurring income from the established watch market for the general public and developed additional income from selectively targeted market segments. Comprehensive market information from regional sale offices and actual sales contributed to the success of the new product lines and the understanding of and targeting at changing customer needs in the different regions of Mainland China. Sustained efforts in brand building reined in the high awareness of our proprietary brands. Having expanded our distribution network at an expeditious pace in 2010, the Group had over 2,000 outlets all over Mainland China as at the end of 2010.

Leveraging on our strong brand awareness, Rossini and EBOHR continue the retail-oriented strategy with the majority of its products distributed directly through our own concessionaries in department stores. Such unique competitive advantages would lead to multipliable growth in revenue and profit year after year.

集資活動

於二零一零年五月三日，本公司發行106,815,620股本公司股份，每股作價0.77港元。就發行股份收取的所得款項淨額約為82,248,000港元。本公司亦於同日授出242,115,405份認購股份權，行使價為0.88港元。

於二零一零年十二月十五日，本公司發行390,138,000股本公司股份，每股作價1.21港元，就發行股份收取的所得款項淨額約為472,067,000港元。

本集團會將上述集資活動的全部所得款項，主要用作日後任何收購及投資項目。

領導國內手錶業

羅西尼及依波精品均為國內手錶業內舉足輕重的公司。兩間公司均重視質量、價值及設計，因此創出破紀錄的業績。憑著日益完善的分銷網絡及一應俱全的高質素產品，兩間公司從已確立的一般大眾手錶市場取得強勁經常性收入，並從選定的目標市場群體，開發出額外收入。區域銷售分部取得之全面市場資訊及實際銷售，均有助新產品線的成功，而針對中國內地不同地區的客戶日新月異的需求，亦加深了了解。持續穩定對品牌建設作出之努力，提高了本集團自有品牌的知名度。於二零一零年，分銷網絡迅速擴張，截至二零一零年末，本集團旗下逾2,000個分銷點遍佈中國內地。

羅西尼及依波精品將把握本集團強大的品牌知名度，繼續推行以零售為主的政策，將大部分產品透過百貨店中本集團自身的特許經營店面直接分銷。此等獨特的競爭優勢將年復一年帶來複合增長的收入及溢利。

Chairman's Statement 主席報告

DEVELOPING DISTRIBUTION OF NON-PROPRIETARY BRANDS

Subsequent to our investment in the distribution of Citizen and Casio through Shenzhen Permanence Commerce Co, Ltd. ("Permanence"), the Group has also invested in Ruihuang (Chongqing) Watch Co., Ltd. ("Ruihuang") in September 2010 and has committed to invest in Guangdong Juxin Watch Co., Ltd. ("Juxin"). Both Ruihuang and Juxin focus on the distribution of mid-price Swiss watches.

Permanence, Ruihuang and Juxin collectively own over 100 distribution outlets, distributing over 20 local and international brands and spanning 30 cities nationwide.

These distribution companies not only provide additional distribution network for the Group's watches but also generate revenue from the distribution of other well-known local and foreign brands. Given the good relationship with the outlet providers and well-known foreign brands, the number of distribution outlets and their contributions to the Group are expected to increase rapidly.

STRENGTHENING THE SWISS OPERATION

The Group's operation in Swiss, despite a loss of HK\$18,178,000 in 2010, heralded remarkable milestones. A distribution outlet for Codex, the high-end mechanical watches designed and produced in Switzerland, has been established in Lucerne. Leveraging on the Group's expansive distribution network, Codex watches will gradually enter into the Mainland China market. At the same time, with our distribution network in Europe, Mainland China-made high-end watches will gradually reciprocate its entry into Europe.

發展非自有品牌的分銷

本集團透過投資深圳市恒譽嘉時貿易有限公司(「恒譽」)分銷西鐵城及卡西歐後，本集團亦於二零一零年九月對瑞皇(重慶)鐘錶有限公司(「瑞皇」)作出投資，及承諾投資廣東鉅信鐘錶有限公司(「鉅信」)。瑞皇及鉅信均專注分銷中價瑞士錶。

恒譽、瑞皇及鉅信合共擁有超過100家分銷店，分銷超過20個本土及國際品牌，覆蓋全國超過30個城市。

該等分銷公司不止為本集團的手錶提供更多分銷網絡，亦從分銷其他知名本土及國外品牌取得收入。由於本集團與分銷店供應商及知名國外品牌維持良好關係，分銷店數目及分銷店對本集團的貢獻預期將急速增加。

鞏固瑞士業務

雖然本集團在瑞士的業務於二零一零年錄得虧損18,178,000港元，但仍然標誌了矚目的里程碑。豪度為在瑞士設計及生產的高級機械錶，本集團已為其於盧塞恩建立分銷點。借助本集團廣泛的分銷網絡，豪度手錶將逐步進軍中國大陸。與此同時，借助本集團於歐洲的分銷網絡，中國大陸製高級手錶亦將逐步踏足歐洲。

Chairman's Statement 主席報告

PROSPECTS

2011 is the definitive year of the “Twelve Five-Year Plan” of the Central Government, which has designated that one of its key objectives is to stimulate domestic demand, i.e., releasing the potential underlying consumption power of both urban and rural citizens so as to bring about a new growth phase for the economy. As our business is consumption-related, we would undoubtedly benefit from relevant government policies.

Looking ahead, the Group will further enhance the dominant positions of our proprietary brands by product development, brand-building, and distribution outlet construction. While developing proprietary brands is considered as our top priority, we will also develop the distribution of non-proprietary brands, covering more products and expanding distribution outlets. Besides, we would focus on improving operational efficiency and corporate governance so as to prepare for the sustainable development of the Group.

Our commitment to build a portfolio of watch companies engaged in different products and markets necessitates further mergers and acquisitions and strategic alliances in Mainland China and overseas. Sources of funds for development have been made available through the disposals of non-core businesses and the placements of equity. The Group will strive to identify and evaluate opportunities and execute deals that are in the best interest of the shareholders.

We believe our major efforts during 2010 and the year before have lay strong foundation for the sustainable growth of the Group in Mainland China and overseas.

前景

就中央政府推出的第十二個五年計劃而言，二零一一年是具決定性的一年，其特定的主要目標之一是刺激內需，即釋放城市及鄉村居民的相關消費潛力，帶動新階段的經濟增長。由於本集團的業務與消費相關，本集團勢必受惠於有關政府政策。

展望將來，本集團將透過發展產品、品牌建設及拓展分銷點，進一步提升本集團自有品牌的主導地位。儘管本集團認為發展自有品牌為首要重任，惟本集團亦將開發非自有品牌的分銷業務，涵蓋更多產品及擴充分銷店。此外，本集團將重點改善營運效能及企業管治，為本集團的持續增長做好準備。

本集團矢志建立包含在各個市場經銷各款產品的手錶公司組合，因而定必需要進一步在中國內地及海外進行合併及收購，以及策略性結盟。出售非核心業務及股本配售後，發展所需資金已準備就緒。本集團將致力評估及物色機會，執行符合股東最佳利益的交易。

本集團相信於二零一零年及先前年度作出的重要努力，已奠下基石，支持本集團在中國及海外的持續增長。

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, in particular, all stakeholders of Fuzhou Dartong and Jiangsu Dartong for all their prior valuable contributions to the Group.

Hon Kwok Lung
Chairman

Hong Kong, 29 March 2011

致謝

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，特別是福州大通及江蘇大通的所有權益相關人士先前對本集團作出的寶貴貢獻，本人亦藉此機會表達謝意。

主席
韓國龍

香港，二零一一年三月二十九日

EBOHR

依波表





 羅西尼

Management Discussion and Analysis

管理層討論及分析



REVIEW OF RESULTS

For the year ended 31 December 2010, the Group's revenue (continuing and discontinued operations) amounted to HK\$1,496,723,000, an increase of HK\$443,683,000 over the last year. Gross profit increased by HK\$122,315,000 to HK\$495,263,000 while net profit attributable to owners decreased by HK\$90,996,000 to HK\$271,565,000. Earnings per share decreased from HK10.24 cents in 2009 to HK7.42 cents in 2010. Having set apart the financial impact of the discontinued operations for the year of HK\$7,063,000 (2009: HK\$236,481,000), the Group should have an increase of net profit attributable to owners of HK\$138,422,000 from its continuing operations compared with last year.

(1) Watches and timepieces – proprietary brands Zhuhai Rossini Watch Industry Ltd.

Zhuhai Rossini Watch Industry Ltd. ("Rossini"), a 91% subsidiary of the Group, also achieved satisfactory result in 2010. Revenue was HK\$363,315,000, an increase of HK\$82,709,000, or 29%, from HK\$280,606,000 of last year, contributing net profit of approximately HK\$92,168,000 to the Group.

業績回顧

截至二零一零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1,496,723,000港元，較去年上升443,683,000港元。毛利增加122,315,000港元至495,263,000港元，而擁有人應佔溢利則減少90,996,000港元至271,565,000港元。每股盈利由二零零九年的10.24港仙減至二零一零年的7.42港仙。撇除年內已終止經營業務之財務影響7,063,000港元（二零零九年：236,481,000港元），本集團來自持續經營業務之擁有人應佔溢利則較去年增加138,422,000港元。

(1) 鐘錶及時計產品－自有品牌 珠海羅西尼錶業有限公司

本集團擁有91%之附屬公司珠海羅西尼錶業有限公司（「羅西尼」）亦於二零一零年錄得滿意業績。收入為363,315,000港元，較去年280,606,000港元增加82,709,000港元或29%，為本集團貢獻溢利約92,168,000港元。

Management Discussion and Analysis 管理層討論及分析

Rossini continued to invest in brand building and develop channels of distribution. Rossini put tremendous efforts on improving its advertising materials and equipment in the department stores so as to enhance the brand image of Rossini. Besides, the promotion vehicle, travelled 60,000 km in last 12 months all over Mainland China, contributed to the brand awareness among the second-tier and third-tier cities. Coupled with the advertisement campaign through the central television, magazine and billboard, revenue from the sale through department stores increased significantly. During the year, Rossini has developed 275 distribution outlets mostly in the second- and third-tier cities and increased from 837 to 1,112 outlets. Cities with relatively higher increase in the number of outlets were Jinan, Nanjing and Shenyang. Rossini also developed the overseas markets such as Germany, Canada, India, Turkey, Singapore and Vietnam.

To cater for sustainable development, Rossini also developed the human resources and made fixed asset investment. In September 2010, Rossini worked with various universities to train students for sales and marketing and precision mechanical movement maintenance in Zhuhai. The talent pool would be important for the sustainable development of Rossini. The construction for the new office and manufacturing and other facilities of Rossini was commenced on 22 November 2010. The new facilities, situated on a land area of 23,000 sqm, are composed of office facilities, manufacturing facilities, museum and tourist attractions. The manufacturing facilities would have a production capacity of 1.4 million watches. The museum and tourist attractions would not only promote the Rossini and related brands but also generate further revenue as they would be two of only a few tourist attractions in Zhuhai. The land price of approximately HK\$13,000,000 was paid in 2010 while the construction cost of approximately HK\$60,000,000 would be incurred in 2011. The new facilities would be operational by January 2012.

Rossini has been awarded China's 500 most valuable brands and Asia's 500 most valuable brands of the year 2010 by the World Brand Laboratory. Rossini is the only watch company from Mainland China that obtains the latter award and the value of the brand is the highest among all the local watches brands.

Moreover, Rossini has developed its spectacles frame brand and established a comprehensive network of over 100 outlets.

羅西尼繼續在品牌建設和分銷渠道開發方面投入資金。羅西尼積極改善其於百貨公司之宣傳材料及設備，務求提高羅西尼之品牌形象。此外，宣傳車輛在過去十二個月走遍中國大陸，路程達六萬公里，協助該品牌在二、三線城市開拓發展空間。加上透過中央電視台、雜誌及廣告牌之宣傳活動，令百貨公司所得銷售收入大幅提升。年內，羅西尼增開了275個銷售網點，主要在二、三線城市，令銷售點數目由837個增加至1,112個，其中濟南、南京和瀋陽為有較多新增銷售點之城市。羅西尼亦拓展了海外市場，如德國、加拿大、印度、土耳其、新加坡及越南。

為達致可持續發展，羅西尼亦加強儲備人力資源及投資固定資產。二零一零年九月，羅西尼與珠海市多間大學合作，為學生提供有關營銷，市場推廣及精密機械機芯維修的培訓。這批人才對於羅西尼之持續發展實屬相當重要。羅西尼之新辦事處、新廠房及其他設施於二零一零年十一月二十二日開始動工興建，新設施位於一幅23,000平方米之用地，包括辦公室設施、生產設施、博物館及遊覽園區。生產設施之產能將達140萬枚腕錶，博物館及遊覽園區不但可為羅西尼及相關品牌帶來推廣之效，更由於其為珠海市少數旅遊景點之一，故將為集團帶來額外收入。有關地價約13,000,000港元已於二零一零年繳付，建造成本約60,000,000港元則會在二零一一年入賬。新設施將於二零一二年一月投入運作。

羅西尼榮獲世界品牌實驗室評選為二零一零年中國500最具價值品牌及中國手錶製造商中唯一入選亞洲500最具價值品牌。品牌價值位居中國鐘錶業首位。

此外，羅西尼亦開發眼鏡鏡架品牌，目前已成功建立超過100個銷售網點。

Management Discussion and Analysis 管理層討論及分析

EBOHR Luxuries International Company Limited

EBOHR Luxuries International Company Limited (“EBOHR”), a wholly-owned subsidiary of the Group, and its directly owned subsidiaries achieved satisfactory result in 2010. Revenue was HK\$337,030,000, an increase of HK\$65,115,000, or 24%, from HK\$271,915,000 of last year, contributing net profit of approximately HK\$62,197,000 to the Group.

Revenue increased by 24% to HK\$337,030,000 while the net profit after tax decreased by 0.3% to HK\$62,197,000 due to additional expense for the new development and the initial expenses of the new company of approximately HK\$12,400,000 in the first half year and HK\$10,382,000 in the second half year incurred by Swiss Chronometric SA (“Swiss Chronometric”), a wholly owned subsidiary of EBOHR in Switzerland. Swiss Chronometric incurred a loss of HK\$18,178,000 in 2010.

As of the end of 2010, four boutique shops were fully operational. These boutique shops sell EBOHR’s proprietary brand watches, such as EBOHR, PAMA, KANA and Codex.

During 2010, EBOHR has engaged a leading actress to be an image person for KANA and conducted a series of promotion activities. KANA is now sold through 119 outlets all over Mainland China.

EBOHR has planned for EBOHR Complication, a product line composed of tourbillion watches and watches of sophisticated mechanical movement. Those products would be distributed through the outlet of Swiss Chronometric in Lucerne. EBOHR Complication and Codex would be additional revenue drivers in the near future.

During the year, EBOHR has consolidated its distribution outlets in the first-tier cities and increased its numbers in the second-tier and third-tier cities in Mainland China. The total number of outlets increased by 241 from 901 to 1,142.

EBOHR has been awarded China’s 500 most valuable brands of the year 2010 by the World Brand Laboratory. EBOHR has also been granted the Platinum Award for Excellence and Business Prestige by Quality Summit New York 2010.

依波精品(深圳)有限公司

於二零一零年，本集團之全資附屬公司依波精品(深圳)有限公司(「依波精品」)及其直接持有之附屬公司獲得理想業績。收入為337,030,000港元，較去年271,915,000港元增加65,115,000港元或24%，為本集團貢獻溢利約62,197,000港元。

收入攀升24%至337,030,000港元，而除稅後溢利下降0.3%至62,197,000港元，乃由於依波精品於瑞士之全資附屬公司Swiss Chronometric SA(「Swiss Chronometric」)上、下半年分別產生新產品開發及新公司前期費用額外開支約12,400,000港元及10,382,000港元。於二零一零年，Swiss Chronometric 產生虧損18,178,000港元。

至二零一零年年底，四間專賣店已全面運作。該等專賣店售賣依波精品的自有品牌手錶，例如依波、帕瑪、卡納及豪度。

於二零一零年內，依波精品亦委任一位著名女演員擔任卡納之形象大使，進行了連串的推廣活動。目前卡納透過119個銷售網點在全中國大陸發售。

依波精品已籌備好推出EBOHR Complication，此產品線包括陀飛輪手錶及精製機械機芯手錶。該些產品會透過位於瑞士盧塞恩之Swiss Chronometric旗下銷售網點分銷。EBOHR Complication與豪度於不久將來可望成為收入增長之主要來源。

年內，依波精品已整合其於中國大陸一線城市之分銷點及增加第二、三線城市之分銷點數目。分銷點總數由901個增至1,142個，共增加241個銷售點。

依波精品榮獲世界品牌實驗室評選為二零一零年中國500最具價值品牌。依波精品亦獲頒二零一零年紐約國際質量之傑出企業獎白金獎。

Management Discussion and Analysis 管理層討論及分析

Swiss Chronometric

With the support of a leading Swiss watch designer and a leading watch OEM in Switzerland, Swiss Chronometric has developed the Codex brand, the brand for high-end mechanical watches, designed and produced watches in Switzerland. The first product line is composed of 18 products through the self-owned distribution outlet in Lucerne of Switzerland starting from 1 July 2010. Among many promotional activities, Codex would participate in the Basel Fair in March 2011. Swiss Chronometric has successfully identified distributors in Europe, US and Russia.

It is the mission of Swiss Chronometric to make Codex as an international brand and establish an international distribution network. Such international distribution network will also distribute EBOHR's PAMA and KANA, EBOHR Complication and other premium ranges of EBOHR and Rossini.

(2) Watches and timepieces – non-proprietary brands Shenzhen Permanence Commerce Co., Ltd.

Shenzhen Permanence Commerce Co., Ltd. ("Permanence") is developing strongly. It contributed revenue and net profit after tax of HK\$51,729,000 and HK\$1,491,000 respectively. Revenue and net profit after tax increased in line with the expanded distribution network. Subsequent to the reporting date, the Group acquired the remaining 40% equity interest in Permanence and Permanence became a wholly owned subsidiary of the Group. Permanence would focus on developing outlets for Citizen and Casio in Chongqing, Sichuan and Fujian. As its growth foundation has been firmly developed in 2010, Permanence will contribute more significantly to the Group.

Ruihuang (Chongqing) Watch Co., Ltd.

The Group has established Ruihuang (Chongqing) Watch Co., Ltd. ("Ruihuang") in September 2010. Ruihuang, a 51% owned subsidiary of the Group, developed leading boutiques for well known Swiss watch brands; distributed leading Swiss and Japanese watch brands through the leading department stores; and set up maintenance centre for various imported watches in Chongqing. Good relationship with suppliers has been built. It is expected that Ruihuang will be a strong revenue and profit driver for the Group.

Swiss Chronometric

在瑞士具領導地位之瑞士手錶設計商及具領導地位之手錶原設備製造商之支持下，Swiss Chronometric已開發高級機械手錶品牌豪度，並於瑞士設計及生產手錶。首條產品線包括18款產品，由二零一零年七月一日起透過在瑞士盧塞恩的自有分銷點發售。在芸芸推廣活動中，豪度將會參與的是二零一一年三月之巴塞爾鐘錶展。Swiss Chronometric成功在歐洲、美國及俄羅斯物色到經銷代理商。

Swiss Chronometric之宗旨為打造豪度成為國際品牌並成立國際分銷網絡。該國際分銷網絡亦將分銷依波精品的帕瑪及卡納，EBOHR Complication以及依波精品及羅西尼的其他優質品牌系列。

(2) 鐘錶及時計產品 – 非自有品牌

深圳市恒譽嘉時貿易有限公司

深圳市恒譽嘉時貿易有限公司(「恒譽」)亦穩健發展，分別貢獻收入及除稅後溢利51,729,000港元及1,491,000港元。收入和除稅後溢利增幅與分銷網絡擴展同步。於報告日後，本集團收購恒譽餘下40%股權，恒譽遂成為本集團全資附屬公司。恒譽專注在重慶、四川及福建拓展西鐵城及卡西歐品牌之銷售點，鑑於恒譽已於二零一零年建立穩固增長基礎，未來恒譽將對本集團有更大貢獻。

瑞皇(重慶)鐘錶有限公司

本集團於二零一零年九月成立瑞皇(重慶)鐘錶有限公司(「瑞皇」)。瑞皇為本集團擁有51%權益之附屬公司，為知名瑞士手錶品牌開發了旗艦專賣店；並透過知名百貨公司為頂尖瑞士及日本手錶品牌作分銷；且於重慶為若干進口手錶設立維修中心，與供應商建立了良好關係。預期瑞皇將成為本集團強健收入及溢利來源。

Management Discussion and Analysis 管理層討論及分析

Guangdong Juxin Watch Co., Ltd.

The Group has committed to establish Guangdong Juxin Watch Co., Ltd. (“Juxin”). Juxin will become a 51% owned subsidiary of the Group. Juxin will distribute leading Swiss and Japanese watch brands through the leading department stores in various cities in Guangdong such as Foshan, Guangzhou, Zhongshan, Shaoguan, Qingyuan. Juxin will also establish maintenance centre for various imported watches.

(3) Investment in Citychamp Dartong

During the year, the Group received cash dividend of HK\$5,172,000 from Citychamp Dartong Company Limited (“Citychamp Dartong”). On 16 March 2011, Citychamp Dartong announced its results under PRC GAAP for the year ended 31 December 2010. The earnings per share for the year was RMB0.70, which represented an increase of 94% as compared with last year. The annual dividends from Citychamp Dartong and gradual divestment of shares of Citychamp Dartong shares upon expiry of the lock-up period on 22 May 2010 will provide sources of funds for potential watches and timepieces related acquisitions.

(4) 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.

(5) Motor yacht distribution

Starting from 1 February 2010, the Group, through its wholly-owned subsidiary, Chart Victory Limited (“Chart Victory”), acts as the sole distributor of Princess Yachts International plc in Hong Kong.

Four motor yachts were sold, of which two motor yachts were booked in the accounts of 2010. Chart Victory achieved breakeven in the first year of operation.

The distribution of yachts not only enhances our premium price watch segment but also provides an opportunity for the Group to develop experience working with a well-known international brand.

廣東鉅信鐘錶有限公司

本集團承諾成立廣東鉅信鐘錶有限公司（「鉅信」），鉅信將成為本集團持有51%權益之附屬公司。鉅信將透過廣東省多個城市（如佛山、廣州、中山、韶關、清遠等）的主要百貨公司，經銷瑞士及日本知名手錶品牌。鉅信亦將設立維修中心，供修理多款進口手錶之用。

(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5,172,000港元之現金股息收入。於二零一一年三月十六日，冠城大通公佈其根據中國公認會計準則編製截至二零一零年十二月三十一日止年度的業績。年內每股盈利為人民幣0.70元，較去年增加94%。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逐步出售於冠城大通股份投資所得款項，將為潛在鐘錶及時計相關收購項目提供強大資金流。

(4) 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。

(5) 遊艇代理

自二零一零年二月一日起，本集團透過其全資附屬公司集城勝利有限公司（「集城」）成為Princess Yachts International plc於香港之獨家經銷商。

共售出四艘遊艇，其中兩艘於二零一零年入賬，集城於營運首年已達致收支平衡。

經銷遊艇不但可提高本集團在貴價手錶市場之形象，亦為本集團提供機遇，跟國際馳名之品牌合作，累積經驗。

Management Discussion and Analysis 管理層討論及分析

(6) Sale of equity interests in Shenzhen Guanyang

On 28 June 2010, Shenzhen Seti Trading Development Company Limited (“Seti Trading”), a wholly-owned subsidiary of the Group, sold its 30% equity interest of Shenzhen Guanyang Real Estate Co., Limited (“Shenzhen Guanyang”) at a consideration of RMB186,000,000 and the purchaser agreed to repay the shareholder’s loan of RMB240,000,000 to Seti Trading if Shenzhen Guanyang fails to do so.

Shenzhen Guanyang was 70% owned by Citychamp Dartong and 30% by Seti Trading. It owned 50% of the land that was previously belonged to the timber business segment of the Company.

Seti Trading’s 30% share of the net asset value of Shenzhen Guanyang was approximately HK\$33,600,000. With the consideration of HK\$211,300,000, the Company recognized a gain on disposal before tax of approximately HK\$177,700,000. The shareholder’s loan of RMB240,000,000 has also been received. The proceeds from the disposal and the repayment of the shareholder’s loan would be applied to the development of the watch distribution network and production capacity.

(7) 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\$696,119,000 and HK\$7,063,000 respectively in 2010. Its revenue increased by 48% while net profit after tax decreased by 35% in 2010. During 2010, 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 Mechanic and Electronic Company Ltd. (“Jiangsu Dartong”), a 25.58% owned associated company of the Group contributed net profit after tax of HK\$7,422,000 in 2010, increased by 295% in 2010.

(6) 出售深圳冠洋權益

於二零一零年六月二十八日，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」），以人民幣186,000,000元之代價出售深圳冠洋房地產有限公司（「深圳冠洋」）30%股本權益，買方又同意，若深圳冠洋無法償付人民幣240,000,000元之股東貸款，其將向森帝貿易償還該筆貸款。

深圳冠洋由冠城大通及森帝貿易分別擁有70%及30%股權。深圳冠洋擁有一幅先前屬於本公司木材業務分類之土地之50%權益。

森帝貿易所持有之深圳冠洋30%資產淨值之價值約為33,600,000港元。根據代價為211,300,000港元計算，本公司確認除稅前出售收益約177,700,000港元。股東貸款人民幣240,000,000元亦已收取。出售所得款項及償還股東貸款將會用作發展手錶分銷網絡及建設產能之用。

(7) 漆包銅線業務

於二零一零年，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696,119,000港元收入及7,063,000港元除稅後溢利。二零一零年之收入增長48%，而除稅後溢利則減少35%。於二零一零年，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。

於二零一零年，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7,422,000港元除稅後溢利，於二零一零年增長295%。

Management Discussion and Analysis 管理層討論及分析

On 6 January 2011, the Company has entered into agreements to dispose of 49% equity interest of Fuzhou Dartong at a consideration of HK\$93,342,000 and 25.58% equity interest of Jiangsu Dartong at a consideration of HK\$40,768,000. Based on the Company's 49% share of the net asset value of Fuzhou Dartong of approximately HK\$92,641,000 and the company's 25.58% interest in Jiangsu Dartong of approximately HK\$43,729,000 as at 31 December 2010, the total loss from the disposals would be approximately HK\$2,260,000. The actual gain or loss on the disposals will be calculated on the respective completion date. Upon completion of the disposals, the Group will only have interest in Fuzhou Dartong and Jiangsu Dartong through its 14.78% interest in Citychamp Dartong which is the major shareholders of Fuzhou Dartong and Jiangsu Dartong. The disposal will allow the Group to focus on its watches and timepieces business.

FINANCIAL POSITION

(1) Liquidity, financial resources and capital structure

As at 31 December 2010, the Group had non-pledged cash and bank balances of approximately HK\$872,642,000 (31 December 2009: HK\$257,404,000). Based on the bank loans of HK\$145,301,000 (31 December 2009: HK\$122,533,000) and equity attributable to owners of the Company of HK\$3,284,782,000 (31 December 2009: HK\$2,941,784,000), the Group's gearing ratio (being loans divided by equity attributable to owners of the Company) was 4% (31 December 2009: 4%).

As at 31 December 2010, the Group's bank loans amounting to HK\$145,301,000 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\$18,800,000 as at 31 December 2010.

(3) Capital commitments

The Group had capital commitments of HK\$36,843,000 as at 31 December 2010 (31 December 2009: HK\$1,374,000).

於二零一一年一月六日，本公司訂立協議以代價93,342,000港元出售福州大通之49%股本權益，並以代價40,768,000港元出售江蘇大通之25.58%股本權益。根據二零一零年十二月三十一日本公司佔福州大通49%資產淨值之價值約為92,641,000港元及本公司佔江蘇大通25.58%權益之價值約為43,729,000港元計算，該等出售之總虧損將約達2,260,000港元。出售之實際收益或虧損將於各自之完成日期計算。待出售完成後，本集團僅透過其於冠城大通(福州大通及江蘇大通之主要股東)之14.78%權益擁有福州大通及江蘇大通之權益。出售讓本集團可專注其鐘錶及時計產品業務。

財務狀況

(1) 流動資金、財務資源及資本結構

於二零一零年十二月三十一日，本集團有無抵押現金及銀行結存約872,642,000港元(二零零九年十二月三十一日：257,404,000港元)。按照銀行貸款145,301,000港元(二零零九年十二月三十一日：122,533,000港元)及本公司擁有人應佔權益3,284,782,000港元(二零零九年十二月三十一日：2,941,784,000港元)計算，本集團的資本負債率(借貸除本公司擁有人應佔權益)為4%(二零零九年十二月三十一日：4%)。

於二零一零年十二月三十一日，本集團為數145,301,000港元的銀行貸款須於一年內償還。

(2) 資產抵押

於二零一零年十二月三十一日，本公司的銀行信貸以本集團位於大坑賬面淨值約18,800,000港元的投資物業作抵押。

(3) 資本承擔

於二零一零年十二月三十一日，本集團有資本承擔36,843,000港元(二零零九年十二月三十一日：1,374,000港元)。

Management Discussion and Analysis 管理層討論及分析

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 HK\$268,769,000). The Citychamp Rights Issue was subject to approval from the relevant PRC government authorities. As at 31 December 2009, the Citychamp Right Issue was not completed.

In June 2010, the board of directors of Citychamp has resolved not to proceed with the Citychamp Rights Issue in light of the recent measures on the property sector implemented by the PRC government. At the general meeting held in July 2010, the shareholders of Citychamp have resolved to terminate the Citychamp Rights Issue.

(4) Contingent liabilities

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

OUTLOOK

The tendency among Chinese consumers to equate price with quality means that the brand building is critical. Our proprietary brands such as Rossini, EBOHR and Codex and non-proprietary brands such as Longines and Tissot aim to position themselves at the Mainland Chinese consumers who grow increasingly rich and seek quality watches and brand upgrades. Watches with famous local and foreign brands have been outperforming in recent years and we expect trend rates of growth to continue. With our own Codex brand and other imported brands that we distribute, we are dealing with a number of local and foreign brands across the wide spectrum of price ranges.

One of the key reform initiatives of the “Twelve Five-Year Plan” of the Central Government is to continue to rebalance from an investment-led and export-driven economy to a consumption-driven growth mode. That the domestic demand and consumption are stimulated will further increase the income level. Rising income level should continue develop consumers of watches with brands – a trend driven by wealth effect. Our watches become increasingly affordable in the inland market along with the rising disposal income.

Our company performs well under the current economic environment. Our strategy to emphasize on brand building and channel development in tier-2 to tier-3 cities for our proprietary brands and to distribute non-proprietary brands will continue to pay off. Most consumers will seek quality watches and trade up from lower-end brands.

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，冠城供股尚未完成。

於二零一零年六月，冠城之董事會決定不繼續進行冠城供股，原因為中國政府近期施行的有關物業政策。於二零一零年七月舉行的股東週年大會上，冠城之股東決定終止冠城供股。

(4) 或然負債

本集團於結算日並無重大或然負債。

展望

中國的消費者越來越接納貨品價錢應與質量相稱，循此路進，品牌之建立當然十分重要。我們的自有品牌（如羅西尼、依波精品及豪度）及非自有品牌（如浪琴及天梭），均鎖定日益富裕並追求具質素之腕錶及更高檔品牌之中國內地消費者為對象。本國及外地品牌之手錶，近年之銷售表現一直領先。我們預計，此趨勢將會繼續。本集團名下之自有品牌豪度及所經銷之其他進口品牌，使我們的本國及外國品牌產品，涵蓋了相當寬闊之價格區間。

中央政府的「第十二個五年規劃」的主要改革重點之一，是繼續重新平衡經濟，由投資拉動及出口推動的經濟轉型為內需推動增長的模式。刺激內需及消費將進一步提高收入水平。收入水平上升將促進品牌手錶消費者的發展，這是財富效應推動的趨勢。隨著可使用收入增加，內地市場中有能力購買本集團手錶的人數也與日俱增。

本公司在當前經濟大氣候之下表現良好，我們把戰略重點放在自有品牌之品牌建設及二、三線城市之渠道開發，以及經銷非自有品牌，相信這項策略將可繼續締造佳績。很多消費者將會追求更有品質之手錶，並捨棄較低檔次的品牌。

Management Discussion and Analysis 管理層討論及分析

Strong recurring income of Rossini and EBOHR will be applied for financing the organic growth. The cash flow from divestment of non-core businesses and equity fund raising are further source of funds that can be applied for mergers and acquisitions in Mainland China and overseas.

In 2011, we continue to work towards 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.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2010, the Group had approximately 2,500 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.

APPRECIATION

The Group's impressive performance in the past year 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, 29 March 2011

來自羅西尼及依波精品之強勁經常性收入將撥作內部自然增長所需資金。來自撤資非核心業務及股本集資之現金流，為我們提供多一個資金來源，可供中國內地及海外進行併購提供資金。

於二零一一年，本集團將繼續朝著最終目標跨步進發，就是建立一家業務全面，既專注製造手錶及機械錶芯，亦在中國大陸及海外分銷自有品牌及非自有品牌之集團公司。

僱員及薪酬政策

本集團於二零一零年十二月三十一日在香港及中國內地僱用約2,500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。

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，二零一一年三月二十九日

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 56, 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，現年五十六歲，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銅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 59 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，現年五十九歲，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 47, 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 was an Executive Director of New Capital International Investment Limited, a company listed on the main board of the Stock Exchange. He joined the Board in April 2004.

石濤

石濤先生，現年四十七歲，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。彼曾任新資本國際投資有限公司(一家於聯交所主板上市之公司)執行董事。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 53, 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. and 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，現年五十三歲，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及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



Bi Bo

Mr. Bi Bo, aged 32 and graduated from Xian Jiaotong University with a Bachelor's degree in Information Engineering in July 2001. He also received the degree of Master of Business Administration from Troy State University in May 2004, and the degree of Master of Science (Finance) from The Johns Hopkins University in May 2006. Prior to joining the Group, he was a senior actuarial assistant (supervisor) in Carefirst Bluecross Blueshield. He qualifies as an associate of the Society of Actuaries (ASA) in 2009. He joined the Board in August 2010.

畢波

畢波先生，現年32歲，於二零零一年七月畢業於西安交通大學，獲資訊工程工學學士學位。彼亦於二零零四年五月獲得特洛伊州立大學工商管理碩士學位，及於二零零六年五月獲得約翰霍普金斯大學理學(金融)碩士學位。於加入本集團前，彼曾任Carefirst Bluecross Blueshield高級精算助理(主管)。彼於二零零九年通過考試取得北美準精算師資格。彼於二零一零年八月加入本公司董事會。



NON-EXECUTIVE DIRECTOR 非執行董事

SIT Lai Hei

Ms. Sit Lai Hei, aged 34 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，現年三十四歲，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。

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

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

Mr. Fung Tze Wa, aged 54, 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，現年五十四歲，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。

**KWONG Chun Wai, Michael**

Dr. Kwong Chun Wai, Michael, aged 46, 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，現年四十六歲，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。

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



LI Qiang

Mr. Li Qiang, aged 45, 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 17 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，現年四十五歲，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十七年豐富經驗。彼於二零零四年十一月加入本公司董事會。



SENIOR MANAGEMENT 高層管理人員

FONG Chi Wah

Mr. Fong Chi Wah, aged 48, 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，現年四十八歲，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。

Directors and Senior Management 董事及高層管理人員**TAO Li**

Mr. Tao Li, aged 58, 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 27 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，現年五十八歲，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二十七年經驗，彼自一九九一年於本集團工作。

**YIN Weirong**

Mr. Yin Weirong, aged 54, 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，現年五十四歲，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。

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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 2010 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 decisionmaking 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 2010.

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。

截至二零一零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，彼等於截至二零一零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。

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Composition of the Board

The board comprises of five 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.

Profiles of directors are set out in the pages 27 to 31 of the Annual Report.

As at 31 December 2010, the board comprises the following members:

董事會之組成

董事會由五名執行董事(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。

各董事之履歷載於年報第27至第31頁。

於二零一零年十二月三十一日, 董事會由以下成員組成:

Name of Director 董事姓名	Position 職位	Date of first appointment to the Board 首次獲委任加入董事會之日期	Date of last re-election as Director 上一次獲重選為董事之日期
HON Kwok Lung 韓國龍	Chairman/Executive Director 主席/執行董事	08/04/2004 二零零四年四月八日	28/05/2010 二零一零年五月二十八日
SHANG Jianguang 商建光	Chief Executive Officer/Executive Director 行政總裁/執行董事	18/11/2004 二零零四年十一月十八日	30/05/2008 二零零八年五月三十日
SHI Tao 石濤	Executive Director 執行董事	08/04/2004 二零零四年四月八日	10/06/2009 二零零九年六月十日
LAM Toi Man 林代文	Executive Director 執行董事	08/04/2004 二零零四年四月八日	30/05/2008 二零零八年五月三十日
Bi Bo 畢波	Executive Director 執行董事	24/08/2010 二零一零年八月二十四日	N/A 不適用
SIT Lai Hei 薛黎曦	Non-executive Director 非執行董事	18/11/2004 二零零四年十一月十八日	28/05/2010 二零一零年五月二十八日
FUNG Tze Wa 馮子華	Independent Non-executive Director 獨立非執行董事	08/04/2004 二零零四年四月八日	10/06//2009 二零零九年六月十日
KWONG Chun Wai, Michael 鄭俊偉	Independent Non-executive Director 獨立非執行董事	08/04/2004 二零零四年四月八日	10/06//2009 二零零九年六月十日
LI Qiang 李強	Independent Non-executive Director 獨立非執行董事	18/11/2004 二零零四年十一月十八日	28/05/2010 二零一零年五月二十八日

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

- (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.

除下文所述者外, 董事會成員間並無任何關係:

- (i) 執行董事林代文先生為董事會主席韓國龍先生之妻舅。
- (ii) 非執行董事薛黎曦女士為韓國龍先生之媳婦, 而薛女士之丈夫則為林代文先生之外甥。

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Independent Non-executive Directors

One of the Independent Non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise.

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.

Board meetings and Board practices

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.

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.

獨立非執行董事

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。

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。

董事會會議及董事會常規

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。

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。

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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	3/5
LAM Toi Man	林代文	2/5
Bi Bo (appointed on 24 August 2010)	畢波 (於二零一零年八月二十四日獲委任)	0/1
SIT Lai Hei	薛黎曦	3/5
FUNG Tze Wa	馮子華	4/5
KWONG Chun Wai, Michael	鄺俊偉	4/5
LI Qiang	李強	2/5

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.

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.

Continuing professional development

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.

Any Director may request the Company to provide independent professional advice at the expense of the Company to discharge his duties to the Company.

Introduction tailored kit will be given newly appointed Director to his individual needs. This includes meetings with senior management to enable them to have better understanding of the Group's business and strategy and the key risks and issues.

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。

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。

持續專業發展

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。

任何董事均可要求本公司提供獨立專業意見，而開支會由本公司承擔，以履行董事對本公司的職責。

新委任董事將獲提供符合其個人需要的簡介方案，包括與高級管理層會面，以確保其對本集團的業務及策略以及主要風險與問題有更深入的了解。

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DELEGATION BY THE BOARD OF DIRECTORS**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 2010.

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

Name of member	成員姓名	Attendance/Meetings Held 出席／舉行會議次數
FUNG Tze Wa	馮子華	2/2
KWONG Chun Wai, Michael	鄺俊偉	2/2
LI Qiang	李強	2/2

董事會之授權**審核委員會**

審核委員會成員包括馮子華先生(委員會主席)、鄺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，包括審閱截至二零一零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：

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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 31 March 2010 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 member	成員姓名	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	1/1
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。

薪酬委員會曾於二零一零年三月三十一日舉行會議，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。

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AUDITOR'S REMUNERATION

For the year ended 31 December 2010, the Company has paid an audit fee of HK\$1,580,000 in relation to the audit services for the financial statements for the year ended 31 December 2010. 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 2010, 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

截至二零一零年十二月三十一日止年度，本公司就截至二零一零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1,580,000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，該等賬目須真確反映本集團於該期間的事務、業績及現金流量。編製截至二零一零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。

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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 and 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及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 2010.

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 22 to the financial statements. Save as the discontinued enamelled copper wires business, there were no other significant changes to the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2010 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 54 to 169.

The directors recommended the payment of a final dividend of HK3.5 cents per share for the year ended 31 December 2010.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 170 and 171. 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 18 and 19 to the financial statements, respectively. Further details of the Group's investment properties are set out on page 172 of the annual report.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 39 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二零一零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22。除已終止漆包銅線業務外，本集團之主要業務於年內並無重大變動。

業績及股息

本集團截至二零一零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54至169頁。

董事建議就截至二零一零年十二月三十一日止年度派付末期股息每股3.5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、負債與非控股權益概要載於第170頁及第171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18及19內。本集團投資物業之進一步詳情載於年報第172頁。

股本

本公司股本變動詳情，載於財務報表附註39。

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 41 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 2010, the Company had reserves of HK\$844,561,000, 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 49% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 63% of the total purchases.

The percentage of sales attributable to the Group's largest customer was 38%. The percentage of purchases attributable to the Group's largest supplier was 37%.

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\$568,108,000 in 2010. 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41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。

於二零一零年十二月三十一日，本公司可供作現金及／或實物分派的儲備，即股份溢價賬為844,561,000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49%。本集團五大供應商的購貨額佔總購貨額63%。

本集團最大客戶應佔銷售百份比為38%。本集團最大供應商應佔採購百份比為37%。

於二零一零年，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568,108,000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
 Mr. Bi Bo (Appointed on 24 August 2010)

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 99 of the Articles of Association, Mr. Bi Bo, who has been appointed on 24 August 2010, will hold office only until at the Annual General Meeting and then be eligible for re-election.

In accordance with Article 116 of the Articles of Association, Mr. Shang Jianguang, Mr. Lam Toi Man and Mr. Shi Tao will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

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 27 to 32 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
 畢波先生(於二零一零年八月二十四日委任)

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

根據組織章程細則第99條，畢波先生於二零一零年八月二十四日獲委任，將任職至股東週年大會並合資格於會上膺選連任。

根據組織章程細則第116條，商建光先生、林代文先生及石濤先生將在股東週年大會輪值告退，並合資格及願意重選連任。

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27至第32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. Bi Bo has entered into a service agreement with the Company for an initial term of 2 years commencing from 24 August 2010 and is subject to termination by either party by giving not less than two months' written notice. The service agreement will 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。

畢波先生與本公司訂有服務合約，自二零一零年八月二十四日起初步為期兩年，可由任何一方發出不少於兩個月書面通知以終止合約。除非任何一方向另一方發出兩個月書面通知終止，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.

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。其他酬金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。

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

At 31 December 2010, 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:

董事及主要行政人員於股份及相關股份之權益及淡倉

於二零一零年十二月三十一日，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：

Long positions in Shares

於股份之好倉

Name of Director	董事姓名	Nature of interest 權益性質	Number of Shares held 所持股份數目	Percentage of shareholding 持股百分比
Hon Kwok Lung	韓國龍	Corporate (Note) 公司(附註)	2,528,303,515	61.82%
		Beneficial owner 實益擁有人	1,050,000	0.03%
Shang Jianguang	商建光	Beneficial owner 實益擁有人	2,400,000	0.06%
Shi Tao	石濤	Beneficial owner 實益擁有人	1,500,000	0.04%
Lam Toi Man	林代文	Beneficial owner 實益擁有人	1,050,000	0.03%
Fung Tze Wa	馮子華	Beneficial owner 實益擁有人	1,050,000	0.03%
Kwong Chun Wai, Michael	鄺俊偉	Beneficial owner 實益擁有人	1,050,000	0.03%

Note: 1,750,000,000 Shares were held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung. 778,303,515 Shares were held by Sincere View International Limited ("Sincere View"), which is owned as to 80% by Mr. Hon Kwok Lung and 20% by his wife, Ms. Lam Suk Ying.

附註：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。778,303,515股本公司股份由信景國際有限公司(「信景」)持有，韓國龍先生及彼之妻子林淑英女士分別持有信景之80%及20%權益。

Report of the Directors 董事會報告

Long positions in share options of the Company

於本公司認購股份權之好倉

Name of Director	董事姓名	Date of grant	Number of share options outstanding 尚未行使之認購股份權數目	Exercisable period	Exercise price per Share 每股股份之行使價 HK\$ 港元
Hon Kwok Lung	韓國龍	9/12/2008 二零零八年十二月九日	2,450,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一九年一月七日	0.325
Shang Jianguang	商建光	9/12/2008 二零零八年十二月九日	5,600,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一九年一月七日	0.325
Shi Tao	石濤	9/12/2008 二零零八年十二月九日	3,500,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一九年一月七日	0.325
Lam Toi Man	林代文	9/12/2008 二零零八年十二月九日	2,450,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一九年一月七日	0.325
Fung Tze Wa	馮子華	9/12/2008 二零零八年十二月九日	2,450,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一九年一月七日	0.325
Kwong Chun Wai, Michael	鄭俊偉	9/12/2008 二零零八年十二月九日	2,450,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一九年一月七日	0.325
Li Qiang	李強	9/12/2008 二零零八年十二月九日	3,500,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一九年一月七日	0.325

Report of the Directors 董事會報告

Long position in Zhuhai Rossini Watch Industry Limited (“Rossini”) (Note 1)

於珠海羅西尼錶業有限公司(「羅西尼」)之好倉(附註1)

Name of Director	董事姓名	Nature of interest 權益性質	Percentage of shareholding 持股百分比
Sit Lai Hei	薛黎曦	Corporate (Note 2) 公司(附註2)	9%

Notes:

附註：

- Rossini is owned as to 91% indirectly by the Company and 9% by Fujian Fengrong Investment Company Limited (“Fujian Fengrong”). Rossini is an associated corporation of the Company within the meaning of Part XV of the SFO.
- The interest in Rossini was held by Fujian Fengrong, which is owned as to approximately 68.5% by Ms. Sit Lai Hei, a Non-executive Director, and 31.5% by Ms. Lu Xiaojun. Both Ms. Sit Lai Hei and Ms. Lu Xiaojun are daughters-in-law of Mr. Hon Kwok Lung, an Executive Director of the Company.

- 羅西尼分別由本公司及福建豐榕投資有限公司(「福建豐榕」)間接擁有91%及9%權益。羅西尼為本公司之相聯法團(定義見證券及期貨條例第XV部)。
- 羅西尼之權益由福建豐榕持有，該公司分別由非執行董事薛黎曦女士及陸曉珺女士擁有約68.5%及31.5%權益。薛黎曦女士及陸曉珺女士均為本公司執行董事韓國龍先生之媳婦。

Save as disclosed above, as at 31 December 2010, 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.

除上文披露者外，於二零一零年十二月三十一日，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。

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.

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。

Report of the Directors 董事會報告

SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2010, 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:

		Notes	No. of Shares	Percentage of existing issued capital
		附註	股份數目	佔本公司現有已發行股本之百分比
Sincere View International Limited	信景國際有限公司		778,303,515	19.03%
Full Day Limited	朝豐有限公司		1,750,000,000	42.79%
Hon Kwok Lung	韓國龍	(1)	2,529,353,515	61.84%
Lam Suk Ying	林淑英	(1)	2,529,353,515	61.84%
Keywise Capital Management (HK) Limited	凱思博投資管理(香港)有限公司		292,312,000	7.15%
Zhang Qing	Zhang Qing	(2)	110,000,000	2.69%

Notes:

- (1) Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of 2,529,353,515 shares (2,528,303,515 held by Sincere View and Full Day and 1,050,000 shares held by Mr. Hon Kwok Lung himself).

Save as disclosed above, Mr. Hon Kwok Lung is additionally interested in 2,450,000 shares, representing approximately 0.06% of the issued share capital of the Company. These shares represent the number of share options outstanding pursuant to options granted to him on 9 December 2008 under the Share Option Scheme.

- (2) Mr. Zhang Qing holds 110,000,000 shares of the Company and 206,515,405 optional subscription shares ("Optional Subscription Share") based on the DI form filed by Mr. Zhang Qing on 4 January 2011. Assuming that the Optional Subscription Shares are exercised in full on or before 3 May 2011, Mr. Zhang Qing's holding will represent, approximately 7.74% of the issued share capital of the Company as at 31 December 2010 and approximately 7.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Optional Subscription Shares.

Save as disclosed above, as at 31 December 2010, 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.

主要股東於股份及相關股份之權益

於二零一零年十二月三十一日，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：

		Notes	No. of Shares	Percentage of existing issued capital
		附註	股份數目	佔本公司現有已發行股本之百分比
Sincere View International Limited	信景國際有限公司		778,303,515	19.03%
Full Day Limited	朝豐有限公司		1,750,000,000	42.79%
Hon Kwok Lung	韓國龍	(1)	2,529,353,515	61.84%
Lam Suk Ying	林淑英	(1)	2,529,353,515	61.84%
Keywise Capital Management (HK) Limited	凱思博投資管理(香港)有限公司		292,312,000	7.15%
Zhang Qing	Zhang Qing	(2)	110,000,000	2.69%

附註：

- (1) 韓國龍先生及林淑英女士被視為於同一批2,529,353,515股股份中擁有權益(當中2,528,303,515股股份由信景及朝豐持有，而1,050,000股股份則由韓國龍先生本身持有)。

除上述所披露者外，韓國龍先生於額外2,450,000股股份(佔本公司已發行股本約0.06%)中擁有權益。該等股份代表根據認購股份權計劃於二零零八年十二月九日授予彼之認購股份權當中，尚未行使認購股份權之數目。

- (2) Zhang Qing先生持有110,000,000股本公司股份，而根據Zhang Qing先生於二零一一年一月四日呈交之披露權益表格，彼擁有206,515,405股期權認購股份(「期權認購股份」)。假設期權認購股份於二零一一年五月三日或之前悉數行使，Zhang Qing先生所持有之股份，將佔本公司於二零一零年十二月三十一日已發行股本約7.74%，以及佔經配發及發行期權認購股份所擴大之本公司已發行股本約7.37%。

除上文披露者外，於二零一零年十二月三十一日，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 40 to the consolidated financial statements.

認購股份權計劃

本公司認購股份權計劃詳情載於綜合財務報表附註40。

The following table discloses movements in the Company's share options for the year ended 31 December 2010:

下表披露本公司認購股份權於截至二零一零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 認購股份權數目			
		At 1 January 2010 於二零一零年 一月一日	Reclassification during the year 於年內重新分類	Exercised during the year 於年內行使	At 31 December 2010 於二零一零年 十二月三十一日
Executive directors	執行董事				
Mr. Hon Kwok Lung	韓國龍先生	3,500,000	-	(1,050,000)	2,450,000
Mr. Shang Jianguang	商建光先生	8,000,000	-	(2,400,000)	5,600,000
Mr. Shi Tao	石濤先生	5,000,000	-	(1,500,000)	3,500,000
Mr. Lam Toi Man	林代文先生	3,500,000	-	(1,050,000)	2,450,000
Independent non-executive directors	獨立非執行董事				
Mr. Fung Tze Wa	馮子華先生	3,500,000	-	(1,050,000)	2,450,000
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	3,500,000	-	(1,050,000)	2,450,000
Mr. Li Qiang	李強先生	3,500,000	-	-	3,500,000
Sub-total	小計	30,500,000	-	(8,100,000)	22,400,000
Other eligible employees In aggregate	其他合資格僱員 合計	97,355,000	(33,400,000)	(18,525,000)	45,430,000
Other eligible persons In aggregate	其他合資格人士 合計	50,500,000	33,400,000	(23,820,000)	60,080,000
Total	總計	178,355,000	-	(50,445,000)	127,910,000

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 2010, 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 2010.

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.

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.

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，除本公司截至二零一零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，本公司於截至二零一零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」）附錄十四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。

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）、鄭俊偉博士、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。

Report of the Directors 董事會報告

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 2010.

AUDITOR

The financial statements in respect of the previous financial years since 2006 were audited by Grant Thornton, now known as JBPB & Co. Due to a merger of the businesses of Grant Thornton and BDO Limited ("BDO") to practise in the name of BDO, Grant Thornton resigned on 24 November 2010 and BDO was appointed as auditor of the Company effective from 21 December 2010. The financial statements for the year ended 31 December 2010 were audited by BDO.

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO as auditor of the Company.

ON BEHALF OF THE BOARD

Hon Kwok Lung
Chairman

Hong Kong
29 March 2011

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，包括審閱截至二零一零年十二月三十一日止年度之經審核財務報表。

核數師

自二零零六年起，以往財政年度之財務報表均由均富會計師行(現稱莊栢會計師行)審核。由於均富會計師行與香港立信德豪會計師事務所有限公司(「立信德豪」)進行業務合併，並以立信德豪之名義執業，均富會計師行已於二零一零年十一月二十四日辭任，立信德豪獲委任為本公司核數師，自二零一零年十二月二十一日起生效。截至二零一零年十二月三十一日止年度的財務報表由立信德豪審核。

本公司將於應屆股東週年大會提呈有關續聘立信德豪為本公司核數師之決議案。

代表董事會

主席
韓國龍

香港
二零一一年三月二十九日

Independent Auditor's Report

獨立核數師報告



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To the shareholders 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 (together "the Group") set out on pages 54 to 169, which comprise the consolidated and company statements of financial position as at 31 December 2010, 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 information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, 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 consolidated 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54至169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，此財務報表包括於二零一零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解釋資料。

董事對綜合財務報表之責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師之責任

本核數師之責任是根據審核工作之結果，對這些綜合財務報表發表意見。根據委聘條款，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，以合理地確定綜合財務報表是否不存在重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 consolidated 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 2010 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.

BDO Limited

Certified Public Accountants

Au Yiu Kwan

Practising Certificate Number P05018
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

29 March 2011

審核工作包括進程序以取得與綜合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，包括評估綜合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，並就綜合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 貴集團於二零一零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。

香港立信德豪會計師事務所有限公司

執業會計師

歐耀均

執業證書編號P05018

香港

中環干諾道中111號

永安中心25樓

二零一一年三月二十九日

Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

			2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	Notes 附註			
Continuing operations:		持續經營業務：		
Revenue	7	收入	800,604	574,565
Cost of sales		銷售成本	<u>(307,030)</u>	<u>(204,410)</u>
Gross profit		毛利	493,574	370,155
Other income		其他收入	8,160	3,555
Selling and distribution expenses		銷售及分銷費用	(205,511)	(153,310)
Administrative expenses		行政費用	(150,211)	(112,576)
Gain 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淨額	6,669	42,234
Net surplus on revaluation of investment properties	19	投資物業重估盈餘淨額	13,004	5,102
Dividend income from available-for-sale financial assets	25(a)	可供出售金融資產之股息收入	5,172	8,238
Gain on disposal of an associate	24(a)	出售一間聯營公司之收益	177,711	-
Financial income	8	財務收入	2,332	1,909
Finance costs	9	財務費用	(1,811)	(2,669)
Share of profit of associates		應佔聯營公司溢利	<u>6,979</u>	<u>1,877</u>
Profit before income tax	10	除所得稅前溢利	356,068	164,515
Income tax expense	11	所得稅開支	<u>(82,349)</u>	<u>(31,380)</u>
Profit after income tax from continuing operations		持續經營業務除所得稅後溢利	273,719	133,135
Discontinued operations:		已終止經營業務：		
Profit for the year from discontinued operations	12.4	已終止經營業務之本年度溢利	<u>7,063</u>	<u>236,481</u>
Profit for the year		本年度溢利	280,782	369,616
Other comprehensive income		其他全面收入		
- Exchange gain on translation of financial statements of foreign operations		- 換算海外業務財務報表產生之匯兌收益	28,948	11
- Changes in fair value of available-for-sale financial assets	25(a)	- 可供出售金融資產公平值變動	<u>(327,623)</u>	<u>1,027,705</u>
Other comprehensive income for the year		本年度其他全面收入	<u>(298,675)</u>	<u>1,027,716</u>
Total comprehensive income for the year		本年度全面收入總額	<u>(17,893)</u>	<u>1,397,332</u>

Consolidated Statement of Comprehensive Income 綜合全面收入表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit for the year attributable to:	以下人士應佔本年度溢利：	13		
Owners of the Company	本公司擁有人		271,566	362,561
Non-controlling interests	非控股權益		9,216	7,055
			<u>280,782</u>	<u>369,616</u>
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		(27,672)	1,390,275
Non-controlling interests	非控股權益		9,779	7,057
			<u>(17,893)</u>	<u>1,397,332</u>
Earnings per share attributable to owners of the Company during the year	本公司擁有人應佔本年度每股盈利	15		
From continuing and discontinued operations	由持續經營業務及已終止經營業務			
– Basic	– 基本		<u>HK cents 7.42港仙</u>	<u>HK cents 10.24港仙</u>
– Diluted	– 攤薄		<u>HK cents 7.21港仙</u>	<u>HK cents 9.98港仙</u>
From continuing operations	由持續經營業務			
– Basic	– 基本		<u>HK cents 7.23港仙</u>	<u>HK cents 3.56港仙</u>
– Diluted	– 攤薄		<u>HK cents 7.02港仙</u>	<u>HK cents 3.47港仙</u>
From discontinued operations	由已終止經營業務			
– Basic	– 基本		<u>HK cent 0.19港仙</u>	<u>HK cents 6.68港仙</u>
– Diluted	– 攤薄		<u>HK cent 0.19港仙</u>	<u>HK cents 6.51港仙</u>

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

		Notes	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	87,777	179,803
Investment properties	投資物業	19	87,712	74,708
Prepaid land lease payments	預付土地租賃款項	20	27,980	25,784
Goodwill	商譽	21	621,382	621,382
Interests in associates	所佔聯營公司權益	24	158	343,277
Available-for-sale financial assets	可供出售金融資產	25	1,113,095	1,440,715
Intangible assets	無形資產	26	10,397	–
Prepayments and deposits	預付款項及訂金	27	2,397	2,406
Deferred tax assets	遞延稅項資產	38	1,250	1,207
			1,952,148	2,689,282
Current assets	流動資產			
Inventories	存貨	28	428,831	264,234
Trade and bill receivables	應收賬款及票據	29	113,762	152,675
Prepaid land lease payments	預付土地租賃款項	20	667	602
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	27	160,969	34,403
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	30	91,764	82,482
Cash and cash equivalents	現金及現金等價物	32	837,872	257,404
			1,633,865	791,800
Non-current asset held for sale	持作出售之非流動資產	12.6	43,729	–
Assets of a disposal group classified as held for sale	分類為持作出售之出售組別資產	12.5	257,344	–
			1,934,938	791,800
Current liabilities	流動負債			
Trade and bill payables	應付賬款及票據	33	123,696	125,263
Other payables and accruals	其他應付款及應計費用	34	135,846	125,745
Dividend payables	應付股息		644	17,600
Tax payables	應付稅項		86,726	130,859
Derivative financial instruments	衍生金融工具	35	–	816
Borrowings	借貸	36	35,353	104,715
Due to related companies	應付有關連公司欠款	37	26,230	–
			408,495	504,998
Liabilities of a disposal group classified as held for sale	分類為持作出售之出售組別負債	12.5	164,704	–
			573,199	504,998
Net current assets	流動資產淨值		1,361,739	286,802
Total assets less current liabilities	總資產減流動負債		3,313,887	2,976,084

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Borrowings	借貸		–	17,818
Net assets	資產淨值		3,313,887	2,958,266
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	39	409,007	354,268
Proposed dividend	擬派股息		143,153	145,250
Reserves	儲備	41	2,732,622	2,442,266
			3,284,782	2,941,784
Non-controlling interests	非控股權益		29,105	16,482
Total equity	權益總額		3,313,887	2,958,266

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 2010 於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	3,559	5,320
Interests in subsidiaries	所佔附屬公司權益	22	921,407	875,932
Interests in a jointly-controlled entity	所佔一家共同控制實體權益	23	–	64,442
Interests in an associate	所佔一家聯營公司權益	24	–	29,336
			<u>924,966</u>	<u>975,030</u>
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	27	3,301	3,277
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	30	44,670	38,330
Due from disposal group	應收出售組別款項	31	232	–
Cash and cash equivalents	現金及現金等價物	32	403,182	300
			<u>451,385</u>	<u>41,907</u>
Non-current assets held for sale	持作出售之非流動資產	12.6	93,551	–
			<u>544,936</u>	<u>41,907</u>
Current liabilities	流動負債			
Other payables and accruals	其他應付款及應計費用	34	18,896	23,744
Dividend payables	應派股息		644	17,600
Borrowings	借貸	36	13,000	11,787
Due to a related company	應付一家有關連公司欠款	37	9,060	–
			<u>41,600</u>	<u>53,131</u>
Net current assets/(liabilities)	流動資產/(負債)淨值		<u>503,336</u>	<u>(11,224)</u>
Net assets	資產淨值		<u>1,428,302</u>	<u>963,806</u>
EQUITY	權益			
Share capital	股本	39	409,007	354,268
Proposed dividend	擬派股息	14	143,153	145,250
Reserves	儲備	41	876,142	464,288
Total equity	權益總額		<u>1,438,302</u>	<u>963,806</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 2010 截至二零一零年十二月三十一日止年度

	Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cash flows from operating activities of continuing and discontinued operations			
Profit before income tax			
Continuing operations		356,068	164,515
Discontinued operations	12.4	7,793	298,276
Total		363,861	462,791
Adjustments for :			
Interest income		(2,148)	(1,706)
Finance costs		9,704	8,833
Dividend income from available-for-sale financial assets	25(a)	(5,172)	(8,238)
Dividend income from financial assets at fair value through profit or loss	8	(657)	(788)
Losses on disposals of property, plant and equipment, net		178	63
Net surplus on revaluation of investment properties	19	(13,004)	(5,102)
Depreciation		19,667	17,349
Amortisation of prepaid land lease payments		829	1,652
Amortisation of intangible assets	26	1,336	-
Share of profit of associates		(6,979)	(1,877)
Equity-settled share-based compensation		7,631	15,570
Gain on disposals of an associate	24(a)	(177,711)	-
Gain on disposals of non-current assets held for sale	12.4	-	(309,799)
Gain on derivative financial instruments		(272)	(6,772)
Impairment loss on trade receivables		-	259
Reversal of impairment losses on trade receivables		(73)	-
Provision for obsolete inventories		1,953	-
Reversal of write-down of inventories to net realisable value		-	(4,256)
Operating profit before working capital changes		199,143	167,979
Increase in inventories		(198,421)	(35,789)
Increase in trade and bill receivables		(22,056)	(46,163)
(Increase)/decrease in prepayments, deposits and other receivables		(129,912)	111,848
Increase in financial assets at fair value through profit or loss		(9,282)	(53,423)
Increase in trade and bill payables		49,511	37,776
Increase/(decrease) in other payables and accruals		12,675	(29,251)
Increase/(decrease) in amounts due to related companies		26,230	(256,288)
Cash used in operations		(72,112)	(103,311)
Interest received		2,148	1,706
Interest paid		(9,704)	(8,833)
Income tax paid		(126,652)	(24,308)
Net cash used in operating activities		(206,320)	(134,746)

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

	Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cash flows from investing activities of continuing and discontinued operations			
Dividends received from available-for-sale financial assets		5,172	8,238
Dividends received from financial assets at fair value through profit or loss	8	657	788
Purchases of property, plant and equipment		(35,864)	(13,449)
Purchases of prepaid land lease payments		(12,689)	-
Purchases of intangible assets		(11,494)	-
Net cash outflow from acquisition of subsidiaries	45	-	(3,238)
Investments in an associate	24	-	(34,091)
Repayments from/(advances to) an associate		272,727	(272,727)
Net proceeds from disposals of an associate	24(a)	211,353	-
Net proceeds from disposals of non-current assets held for sale	12.4	-	801,934
Proceeds from disposals of property, plant and equipment		74	167
Net cash generated from investing activities		429,936	487,622
Cash flows from financing activities of continuing and discontinued operations			
Dividends paid to the owners of the Company		(224,626)	(106,371)
Dividends paid to non-controlling interest		(6,504)	(1,027)
New bank loans		109,294	77,223
Repayments of bank loans		(87,053)	(124,210)
Net proceeds from placement of shares		554,315	-
Proceeds from shares issued under share option scheme		16,394	210
Capital contribution from non-controlling interest		9,348	225
Net cash generated from/(used in) financing activities		371,168	(153,950)
Net increase in cash and cash equivalents		594,784	198,926
Cash and cash equivalents at 1 January		253,617	54,680
Effect of foreign exchange rate changes, net		24,241	11
Cash and cash equivalents at 31 December		872,642	253,617
Analysis of balances of cash and cash equivalents			
Cash and bank balances		872,642	257,404
Bank overdrafts	36	-	(3,787)
		872,642	253,617
Remaining Group	32	837,872	253,617
Disposal Group	12.5	34,770	-
		872,642	253,617

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010 截至二零一零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											Non-controlling interests 非控股權益		Total equity 權益總額
		Share capital 股本	Share premium account* 股份溢價賬*	Share option reserve* 股份認購儲備*	Other reserve* 其他儲備*	Goodwill arising on consolidation* 綜合賬目產生之商譽*	Statutory reserve* 法定儲備*	Exchange fluctuation reserve* 外匯波動儲備*	Investment revaluation reserve* 投資重估儲備*	Retained profits* 保留溢利*	Proposed dividend 擬派股息	Total 總計			Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2009	二零零九年一月一日	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	
Transactions with owners	與擁有人交易														
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份所得款項	65	145	-	-	-	-	-	-	-	-	210	-	210	
Exercise of share options	行使認購股份權	-	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 non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	-	-	225	225	
Dividends paid to non-controlling interests	向非控股權益派付股息	-	-	-	-	-	-	-	-	-	-	-	(1,027)	(1,027)	
Acquisition of subsidiaries (note 45)	收購附屬公司(附註45)	-	-	-	-	-	-	-	-	-	-	-	2,280	2,280	
Payments of final 2008 dividend (note 14.2)	派付二零零八年末期股息(附註14.2)	-	-	-	-	-	-	-	-	(88,551)	(88,551)	-	-	(88,551)	
Payments of interim 2009 dividend (note 14.1)	派付二零零九年中末期股息(附註14.1)	-	-	-	-	-	-	-	-	(35,420)	(35,420)	-	-	(35,420)	
Total transactions with owners	與擁有人交易總額	65	243	15,472	-	-	-	-	-	(35,420)	(88,551)	(108,191)	1,478	(106,713)	
Comprehensive income	全面收入														
Profit for the year	本年度溢利	-	-	-	-	-	-	-	362,561	-	362,561	7,055	369,616		
Other comprehensive income	其他全面收入														
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		
Change 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		
Total comprehensive income	全面收入總額	-	-	-	-	-	-	9	1,027,705	362,561	-	1,390,275	7,057	1,397,332	
Proposed final 2009 dividend (note 14.1)	擬派二零零九年末期股息(附註14.1)	-	(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 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日之餘額	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	
Transactions with owners	與擁有人交易														
Placement of shares during the year	年內配售股份	49,695	489,460	-	15,160	-	-	-	-	-	-	554,315	-	554,315	
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份所得款項	5,044	11,350	-	-	-	-	-	-	-	-	16,394	-	16,394	
Exercise of share options	行使認購股份權	-	7,650	(7,650)	-	-	-	-	-	-	-	-	-	-	
Recognition of equity-settled share-based compensation	確認以股本結算之股份補償	-	-	7,631	-	-	-	-	-	-	-	7,631	-	7,631	
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	-	-	9,348	9,348	
Dividends paid to non-controlling interests	向非控股權益派付股息	-	-	-	-	-	-	-	-	-	-	-	(6,504)	(6,504)	
Payments of final 2009 dividend (note 14.2)	派付二零零九年末期股息(附註14.2)	-	(6,259)	-	-	-	-	-	-	(145,250)	(151,509)	-	-	(151,509)	
Payments of interim 2010 dividend (note 14.1)	派付二零一零年中末期股息(附註14.1)	-	(56,161)	-	-	-	-	-	-	-	(56,161)	-	-	(56,161)	
Total transactions with owners	與擁有人交易總額	54,739	446,040	(19)	15,160	-	-	-	-	(145,250)	370,670	2,844	373,514		
Comprehensive income	全面收入														
Profit for the year	本年度溢利	-	-	-	-	-	-	-	271,566	-	271,566	9,216	280,782		
Other comprehensive income	其他全面收入														
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	-	-	-	-	-	-	28,385	-	-	28,385	563	28,948		
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	-	(327,623)	-	-	(327,623)	-	(327,623)		
Total comprehensive income	全面收入總額	-	-	-	-	-	-	28,385	(327,623)	271,566	-	(27,672)	9,779	(17,893)	
Proposed final 2010 dividend (note 14.1)	擬派二零一零年末期股息(附註14.1)	-	(49,327)	-	-	-	-	-	(93,826)	143,153	-	-	-	-	
Appropriations to statutory reserve	法定儲備基金撥款	-	-	-	-	-	3,244	-	(3,244)	-	-	-	-	-	
Balance at 31 December 2010	於二零一零年十二月三十一日之餘額	409,007	844,561	16,421	15,160	(15,300)	27,214	52,240	429,306	1,363,020	143,153	3,284,782	29,105	3,313,887	

* These reserve accounts comprise the consolidated reserves of HK\$2,732,622,000 (2009: HK\$2,442,266,000) 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2,732,622,000港元(二零零九年: 2,442,266,000港元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2010 截至二零一零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 in the Cayman Islands. Its registered office address is P.O. Box 309, Ugland 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 investments
- Distribution of yachts (established during the year)

The principal activities of the Group’s jointly-controlled entity, namely Fuzhou Dartong Machinery and Electronic Company Limited (“Fuzhou Dartong”), are manufacture and distribution of enamelled copper wires. Since the second half of 2010, the Group’s management has commenced a plan to dispose of its manufacture and distribution of enamelled copper wires businesses. In December 2010, the Group’s management committed to a plan to sell its 49% equity interests in Fuzhou Dartong and the Group’s 25.58% equity interest in an associate, namely Jiangsu Dartong M&E Co. Limited (“Jiangsu Dartong”), which is also principally engaged in the manufacture and distribution of enamelled copper wires.

As management considers that the disposals of Fuzhou Dartong and Jiangsu Dartong are highly probable as at 31 December 2010, in accordance with HKFRS 5, the Group has reclassified:

- (a) the assets and liabilities of Fuzhou Dartong as at 31 December 2010 as assets/liabilities of a disposal group classified as held for sale in the Group’s consolidated statement of financial position;
- (b) the interests in Jiangsu Dartong as at 31 December 2010 as non-current asset held for sale in the Group’s consolidated statement of financial position and the Company’s statement of financial position;

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之有限公司，其註冊辦事處地址為P.O. Box 309, Ugland 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
- 遊艇代理(於年內設立)

本集團之共同控制實體福州大通機電有限公司(「福州大通」)主要從事漆包銅線製造及分銷業務。自二零一零年下半年以來，本集團之管理層已計劃出售其漆包銅線製造及分銷業務。於二零一零年十二月，本集團管理層落實計劃出售其於福州大通之49%股權及本集團於一間聯營公司江蘇大通機電有限公司(「江蘇大通」，主要從事漆包銅線製造及分銷業務)之25.58%股權。

由於管理層認為，於二零一零年十二月三十一日，出售福州大通及江蘇大通之可能性極高。根據香港財務申報準則第五號，本集團已將：

- (a) 福州大通於二零一零年十二月三十一日之資產及負債於本集團之綜合財務狀況表內重新分類為持作出售之出售組別之資產／負債；
- (b) 於二零一零年十二月三十一日之江蘇大通權益於本集團之綜合財務狀況表及本公司之財務狀況表中重新分類為持作出售之非流動資產；

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

1. GENERAL INFORMATION (Continued)

- (c) the interests in Fuzhou Dartong as at 31 December 2010 as a non-current asset held for sale in the Company's statement of financial position; and
- (d) the income and expenses of Fuzhou Dartong for the years ended 31 December 2010 and 2009 as discontinued operation in the Group's consolidated statement of comprehensive income.

The manufacture and distribution of enamelled copper wires businesses are referred to as the Discontinued Enamelled Copper Wires Business hereinafter.

On 6 January 2011, the Group entered into 2 transfer agreements with Honour Aim Limited ("Honour Aim"), a company ultimately beneficially wholly-owned by Mr. Hon Kwok Lung, the chairman and executive director of the Company, in respect of the disposals of Fuzhou Dartong and Jiangsu Dartong, under which:

- (a) The Company agreed to sell its 49% equity interest in Fuzhou Dartong to Honour Aim for a consideration of HK\$93,342,000 (the "Fuzhou Dartong Agreement").
- (b) The Company agreed to sell its 25.58% equity interest in Jiangsu Dartong to Honour Aim for a consideration of HK\$40,768,000 (the "Jiangsu Dartong Agreement").

The Fuzhou Dartong Agreement and Jiangsu Dartong Agreement constitute major and connected transactions under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and are subject to approval from the Company's independent shareholders, details of which have been set out in the Company's circular dated 22 February 2011.

It was resolved in the extraordinary general meeting held on 9 March 2011 that the Fuzhou Dartong Agreement and the Jiangsu Dartong Agreement had already obtained the approval from the independent shareholders by way of poll.

Other than the Discontinued Enamelled Copper Wire Business as described above, there were no other 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 for the year ended 31 December 2010 were approved for issue by the board of directors on 29 March 2011.

1. 一般資料(續)

- (c) 福州大通二零一零年十二月三十一日之權益於本公司之財務狀況表重新分類為持作出售之非流動資產；及
- (d) 福州大通於截至二零零九年及二零一零年十二月三十一日止年度之收入及開支於本集團之綜合全面收入表中重新分類為已終止經營業務。

漆包銅線製造及分銷業務於下文將稱為已終止漆包銅線業務。

於二零一一年一月六日，本集團與朗毅有限公司(「朗毅」，由本公司主席及執行董事韓國龍先生最終全資及實益擁有之公司)訂立兩項轉讓協議，內容有關出售福州大通及江蘇大通，據此：

- (a) 本公司同意向朗毅出售其於福州大通之49%股權，代價為93,342,000 港元(「福州大通協議」)。
- (b) 本公司同意向朗毅出售其於江蘇大通之25.58%股權，代價為40,768,000 港元(「江蘇大通協議」)。

根據香港聯合交易所有限公司證券上市規則(「上市規則」)，福州大通協議及江蘇大通協議構成主要及關連交易，並須待本公司獨立股東批准方可作實，有關詳情載於本公司日期為二零一一年二月二十二日之通函。

於二零一一年三月九日舉行之股東特別大會上，福州大通協議及江蘇大通協議已以投票表決方式取得獨立股東批准。

除上述之已終止經營漆包銅線業務外，本集團之業務經營於本年度並無其他重大變動。本集團之主要營業地點位於香港及中華人民共和國(「中國」)。

董事會於二零一一年三月二十九日批准刊發截至二零一零年十二月三十一日之年度之財務報表。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective 1 January 2010

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 2010:

HKFRSs (Amendments)	Improvements to HKFRSs
Amendments to HKAS 39	Eligible Hedged Items
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners
HK Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as explained below, the adoption of the new/revised standards and interpretations has no significant impact on the Group’s financial statements.

2. 採納新訂或經修訂香港財務申報準則(「香港財務申報準則」)

(a) 採納新訂／經修訂香港財務申報準則 – 於二零一零年一月一日生效

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二零一零年一月一日開始之年度期間之財務報表相關及有效：

香港財務申報準則(修訂本)	香港財務申報準則之改進
香港會計準則第39號之修訂	合資格對沖項目
香港財務申報準則第2號之修訂	股份付款 – 集團以現金結算的股份付款交易
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港財務申報準則第3號(經修訂)	業務合併
香港(國際財務申報準則詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產
香港詮釋第5號	財務報表的呈列 – 借入對包含按要償還條款的定期貸款的分類

除下文所述者外，採納該等新訂／經修訂準則及詮釋並無對本集團的財務報表產生重大影響。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2010 (Continued)

HKFRS 3 (Revised) – Business Combinations and HKAS 27 (Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are described in note 4.1 to the financial statements which are effective prospectively for business combinations effected in financial periods beginning on or after July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has no impact to the financial statements as there has been no business combination transaction during the year.

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has had no impact in the current year.

2. 採納新訂或經修訂香港財務申報準則(「香港財務申報準則」)(續)

(a) 採納新訂／經修訂香港財務申報準則－於二零一零年一月一日生效(續)

香港財務申報準則第3號(經修訂)－業務合併及香港會計準則第27號(經修訂)－綜合及獨立財務報表
財務報表附註4.1所載的經修訂的會計政策按未來適用法適用於二零零九年七月或之後開始之財務期間發生的業務合併。香港財務申報準則第3號之變動包括非控股權益的估值、交易成本的會計處理、或有代價及分階段完成業務合併之最初確認及隨後計量。該等變動影響商譽之金額及一項收購發生期間的業績及將來的業績。由於本年度並無業務合併交易，故採納經修訂之香港財務申報準則第3號對本財務報表沒有影響。

經修訂之香港會計準則第27號規定一家附屬公司擁有權權益的變動(沒有失去控制權)作為擁有人以其擁有人身份作出之交易入賬，因此，該等交易於權益確認。當失去控制權時，並且於實體的尚餘權益按公平值重新計量，收益及虧損於損益賬確認。採納經修訂之香港會計準則第27號對本年度沒有任何影響。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ^{2&3}
Amendments to HKAS 32	Classification of Right Issues ¹
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ²
HKAS 24 (Revised)	Related Party Disclosures ³
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets ⁴
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets ⁵
HKFRS 9	Financial Instruments ⁶

¹ Effective for annual periods beginning on or after 1 February 2010

² Effective for annual periods beginning on or after 1 July 2010

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 July 2011

⁵ Effective for annual periods beginning on or after 1 January 2012

⁶ Effective for annual periods beginning on or after 1 January 2013

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

2. 採納新訂或經修訂香港財務申報準則(「香港財務申報準則」)(續)

(b) 已頒布但尚未生效之新訂／經修訂香港財務申報準則

下列可能與本集團財務報表有關的新訂／經修訂香港財務申報準則經已頒佈，惟尚未生效，亦未獲本集團提早採納。

香港財務申報準則 (修訂本)	二零一零年香港財務申報準則的改進 ^{2,3}
香港會計準則第32號之修訂	供股的分類 ¹
香港(國際財務申報準則詮釋委員會)–詮釋第14號之修訂	最低資金規定的預付款項 ³
香港(國際財務申報準則詮釋委員會)–詮釋第19號	以股本工具抵銷金融負債 ²
香港會計準則第24號(經修訂)	關連人士披露 ³
香港財務申報準則第7號之修訂	披露—金融資產轉讓 ⁴
香港會計準則第12號之修訂	遞延稅項—收回相關資產 ⁵
香港財務申報準則第9號	金融工具 ⁶

¹ 自二零一零年二月一日或之後開始之年度期間生效

² 自二零一零年七月一日或之後開始之年度期間生效

³ 自二零一一年一月一日或之後開始之年度期間生效

⁴ 自二零一一年七月一日或之後開始之年度期間生效

⁵ 自二零一二年一月一日或之後開始之年度期間生效

⁶ 自二零一三年一月一日或之後開始之年度期間生效

香港財務申報準則第7號的修訂改善金融資產轉讓交易的終止確認披露要求及容許財務報表之使用者更清楚了解在轉讓資產風險也許保留在實體的潛在影響。該等修訂亦要求進一步披露，如果不對稱數量的轉讓交易於接近報告期間的期末進行。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gain or loss will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gain and loss in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

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.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group’s financial statements.

2. 採納新訂或經修訂香港財務申報準則(「香港財務申報準則」)(續)

(b) 已頒布但尚未生效之新訂／經修訂香港財務申報準則(續)

根據香港財務申報準則第9號，金融資產視乎實體管理金融資產的業務模式及金融資產的合同現金流的特徵分類為按公平值或攤銷成本計量的金融資產。公平值收益或虧損將會於損益賬確認，非貿易性股本投資(實體將可選擇於其他全面收益確認收益及虧損)除外。香港財務申報準則第9號接續來自香港會計準則第39號的金融負債確認及計量要求，金融負債指定按公平值列入損益賬除外，由該負債的信貸風險變動而產生的公平值變動金額於其他全面收益確認，除非會產生或擴大會計差異。此外，香港財務申報準則第9號保留香港會計準則第39號中終止確認金融資產及金融負債的要求。

香港會計準則第12號之修訂引入一項可駁斥的假定，即一項投資物業可於出售時全部收回。倘投資物業是可折舊的及乃於一項目的為按時間相當大量地耗用包括在投資物業的全部經濟效益的業務模式而非透過銷售持有，則該假定會被反駁。該修訂將會追溯應用。

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。

本集團正評估該等新訂／經修訂香港財務申報準則之潛在影響，而董事目前認為應用該等新訂／經修訂香港財務申報準則將不會對本集團之財務報表造成重大影響。

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3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (“Int”) issued by HKICPA. The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

3.2 Basis of measurement

The financial statements have been prepared under historical cost convention except for investment properties and financial instruments classified as available-for-sale, financial instruments 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.

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.

It should be noted that accounting estimates and assumptions are used in 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 5.

3.3 Functional and presentation currency

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.

3. 編製基準

3.1 合規聲明

財務報表乃根據香港會計師公會頒佈的所有適用香港財務申報準則、香港會計準則(「香港會計準則」)及詮釋(「詮釋」)而編製。此外，財務報表亦包括香港公司條例及上市規則的適用披露規定。

3.2 計量基準

財務報表乃根據歷史成本法編製，惟投資物業、可供出售金融工具、按公平價值計入損益表之金融工具及衍生金融工具(按公平價值列賬)除外。下文之會計政策詳盡描述其計量基準。

用於編製此等財務報表之主要會計政策如下文所概述。除另有說明者外，該等政策已於所有呈報年度貫徹應用。採納新訂或經修訂之香港財務申報準則及其對本集團財務報表之影響(如有)於附註2披露。

由於在編製財務報表時會採用會計估算及假設，儘管管理層已就其當時的事項及行動之資料及判斷而作出該等估計，惟實際結果最終或會與該等估計有所差異。涉及高度判斷或複雜性的範圍、或假設及估計對財務報表而言屬重大的範圍均於附註5內披露。

3.3 功能及呈列貨幣

財務報表以本公司之功能貨幣港元(「港元」)呈列，除另有指明外，所有金額均已調整至最接近千位數(「千港元」)。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (see note 4.2 below) 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.

Inter-company transactions and balances between group companies together with unrealised gains and losses are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

Business combination from 1 January 2010

Acquisition of subsidiaries or businesses is accounted for using acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. 主要會計政策

4.1 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司(見下文附註4.2)每年截至十二月三十一日的財務報表。

附屬公司於控制權轉移至本集團當日綜合列賬，於失去控制權當日解除綜合列賬。

集團內公司間之交易及結餘連同未變現收益及虧損，乃於編製綜合財務報表時全數對銷。除非交易證明所轉讓資產出現減值，並於損益確認虧損，否則未變現虧損亦對銷。

自二零一零年一月一日起之業務合併收購附屬公司或業務採用收購法列賬。一項收購之成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購可識別資產及所承擔負債則主要按收購當日公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量，而所產生之收益或虧損則於損益賬內確認。本集團可按逐筆交易基準選擇以被收購方之識別資產淨值公平值或應佔比例計算非控股權益。所產生之收購相關成本列作開支。

收購方將予轉讓之任何或然代價均按收購日期之公平值計量。倘其後代價調整僅於計量期間(最長為收購日期起計12個月)內所取得有關於收購日期之公平值之新資料時，會於商譽確認。分類為資產或負債之或然代價所有其他其後調整均於損益確認。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business combination and basis of consolidation (Continued)

Business combination from 1 January 2010 (Continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Business combination prior to 1 January 2010

On acquisition, assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The non-controlling interests is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connected with business combinations were capitalised as part of the cost of the acquisition.

4. 主要會計政策(續)

4.1 業務合併及綜合基準(續)

自二零一零年一月一日起之業務合併 (續)

本集團於附屬公司之權益變動(並無導致失去控制權)列作權益交易入賬。本集團之權益與控股權益之賬面值均予以調整，以反映其於附屬公司相對權益之變動。控股權益之調整額與已支付或收取之代價公平值之間的任何差額，均直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去附屬公司之控制權，出售損益乃按下列兩者之差額計算：(i) 所收取代價之公平值與任何保留權益之公平值總額，與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前就該附屬公司於其他全面收入確認之款額按出售相關資產或負債時所規定之相同方式列賬。

收購後，非控股權益之賬面款額為該等權益於初步確認時之款額加以非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧絀結餘，全面收入總額乃歸屬於非控股權益。

二零一零年一月一日前之業務合併

收購時，相關附屬公司之資產及負債按收購當日之公平值計量。少數股東權益則按非控股權益佔已確認之資產及負債公平值之比例入賬。

本集團在業務合併中產生之交易成本(與發行債券或股本證券有關之成本除外)已資本化為收購成本之一部分。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business combination and basis of consolidation (Continued)

Business combination prior to 1 January 2010 (Continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group are recognised in profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary.

4.2 Subsidiaries

A subsidiary is an entity over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

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 dividend 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.

4. 主要會計政策(續)

4.1 業務合併及綜合基準(續)

二零一零年一月一日前之業務合併(續)

倘少數股東應佔虧損超出其所佔附屬公司之股本權益，則其差額及少數股東權益應佔之任何進一步虧損乃自集團權益扣除，惟倘少數股東須承擔具約束力之責任，並有能力作出額外投資彌補虧損之情況則除外。倘附屬公司其後錄得溢利，則集團權益會獲分配所有該等溢利，直至收回本集團早前承擔之少數股東應佔虧損為止。

本集團採納之政策為將其與少數股東權益進行之交易當作本集團與對外各方進行之交易。向少數股東權益進行出售產生之本集團損益於損益賬確認。向少數股東進行之購買會產生商譽，即所支付任何代價與相關應佔所收購附屬公司資產淨值之賬面值差額。

4.2 附屬公司

附屬公司指本公司可行使控制權之實體。當本公司有權力直接或間接管理實體之財政及營運政策以自其業務取得利益，則視為控制權。於評估控制權時，現時可行使之潛在投票權屬考慮因素。

於本公司之財務狀況報表之中，附屬公司乃按成本減以任何減值虧損列賬，惟持作銷售或計入出售集團之附屬公司除外。附屬公司之業績乃按於報告日期已收或應收股息計入本公司賬目。所有股息(不論是否自被投資公司之收購前或後溢利中收取)均於本公司損益賬中確認。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Jointly controlled entities

A jointly venture is a contractual arrangement whereby the Group and other 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.

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 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.

4. 主要會計政策(續)

4.3 共同控制實體

共同控制實體指本集團與其他方進行受共同控制的經濟活動的合約安排。共同控制為按照合約議定分佔經濟實體之控制，共同控制僅於與活動有關的策略財務及營運決定須取得合營方一致同意時存在。

於綜合財務報表內，於共同控制實體的權益按比例綜合列賬。本集團合併所佔共同控制實體的獨立收支、資產負債與現金流，並於財務報表與類似項目分行呈列。本集團確認向其他合營方應佔的共同控制實體出售資產產生之部分收益或虧損。本集團不會確認自共同控制實體購買資產而所佔來自共同控制實體之損益，直至轉售有關資產予獨立人士為止。然而，倘交易之虧損證明流動資產之可變現淨值下跌或出現減值虧損，則會即時確認。

於本公司財務狀況表上，於共同控制實體之投資按成本扣除減值虧損列值。共同控制實體之業績按已收及應收股息列賬。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 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 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 change 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.

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.

4. 主要會計政策(續)

4.4 聯營公司

聯營公司乃指本集團一般擁有其20%至50%之投票權，對其有重大影響，但並非附屬公司或於合營企業之投資之實體。

於綜合財務報表中，於聯營公司之投資首先按成本確認，其後以權益法入賬。根據權益法，本集團於聯營公司之權益乃按成本列賬，並按本集團於收購後應佔聯營公司資產淨值之變動作出調整，惟已分類為持作出售資產（或計入分類為持作出售之出售組別）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。

本集團與聯營公司間之交易而產生之未變現收益最多按本集團於聯營公司之權益數額對銷。當本集團與聯營公司間資產銷售之未變現虧損按權益法撥回時，相關資產亦按本集團之角度進行減值測試。倘聯營公司所用會計政策並非為本集團於同類情況下（如為必要）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，致使該聯營公司之會計政策與本集團所採用者一致。

倘本集團佔聯營公司虧損相等於或超過於聯營公司之權益，則本集團不再確認進一步之損失，惟本集團已代聯營公司招致法律或推定責任或支付款項則除外。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份之本集團長期權益。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Associates (Continued)

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 4.6 below.

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

4.5 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 ("CGUs") and is tested annually for impairment (see note 4.6). 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.

4. 主要會計政策(續)

4.4 聯營公司(續)

當採用權益法後，本集團決定是否需要就本集團投資於聯營公司確認額外減值虧損。於每個報告日，本集團決定是否有任何客觀證據顯示投資於聯營公司存在減值。有關於聯營公司或共同控制實體的投資減值的會計政策，見下文附註4.6。

於本公司之財務狀況表上，於聯營公司之投資以成本減扣除減值虧損列值。本公司按年內已收及應收股息呈列聯營公司業績。

4.5 商譽

商譽指業務合併、於聯營公司或共同控制實體的投資之成本超過本集團應佔被收購公司之可識別資產、負債及或然負債之公平淨值之數額。業務合併之成本為交易當日給予之資產、產生或承擔之負債和本集團發行資本工具之公平值總額，連同直接有關該業務合併或投資之任何成本。

商譽乃按成本減累計減值虧損列賬。商譽分配予現金產生單位(「現金產生單位」)，並每年進行減值測試(見附註4.6)。聯營公司或共同控制實體商譽(如有)之賬面值，乃計入本集團於聯營公司或共同控制實體權益之賬面值，並作為聯營公司或共同控制實體之部分權益而進行減值評估。

倘本集團應佔被收購方可識別資產、負債及或然負債之公平淨值之金額超過業務合併、於聯營公司或共同控制實體的投資之成本，任何多出部份乃即時於損益內確認。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Goodwill (Continued)

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 CGU to which goodwill relates becomes impaired.

4.6 Impairment of non-financial assets

Goodwill, intangible assets, property, plant and equipment, 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.

4. 主要會計政策(續)

4.5 商譽(續)

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，包括已資本化商譽金額。與二零一零年一月一日前進行的業務合併、於聯營公司或共同控制實體的投資有關的商譽繼續持作儲備，直到與商譽有關的業務合併、聯營公司或共同控制實體獲出售或與商譽有關的現金產生單位出現減值時，乃於累計溢利扣除。

4.6 非金融資產的減值

商譽、無形資產、物業、廠房及設備、預付土地租賃款項、於附屬公司、聯營公司及共同控制實體之權益和無形資產須進行減值測試。

商譽至少每年進行減值測試一次而不論是否有減值跡象。其他所有資產於有跡象顯示賬面值可能不可收回時進行減值測試。

資產賬面值較可收回金額超出數額部份須即時確認為減值虧損並支銷。可收回金額為反映市況之公平值減出售成本與使用值兩者之較高者。於評估使用值時，估計未來現金流量乃以稅前貼現率貼現至現值以反映市場現時所評估之金錢時值及資產特定風險。

就評估減值而言，倘資產所產生之現金流入基本上不獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最小資產類別(即現金產生單位)來釐定可收回數額。因此，部份資產乃個別進行減值測試；部份則以現金產生單位之水平進行測試。其中商譽會分配至預期可從有關業務合併帶來之協同效益受惠之現金產生單位，代表在本集團內，為內部管理而監控商譽之最小單位。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Impairment of non-financial assets (Continued)

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.

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.

4. 主要會計政策(續)

4.6 非金融資產的減值(續)

就獲分配商譽之現金產生單位所確認之減值虧損初步計入商譽之賬面值。任何剩餘減值虧損按比例自現金產生單位之其他資產中扣除，惟資產之賬面值不得削減至低於其各自公平值減出售成本或使用值(如數額可確定)。

商譽之減值虧損(包括於中期內確認的減值虧損)不會在往後期間撥回。就其他資產而言，倘用於釐定資產可收回金額之估計出現有利變動，則減值虧損將予撥回，撥回後資產之賬面值不得超過倘若並無確認減值虧損時原應釐定之賬面值(扣除折舊)。

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之減值虧損不可在往後期間撥回。假設在中期相關之財政年度完結時才評估減值，此時即使不用確認虧損或確認較少虧損時，亦不會撥回減值虧損。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

4.7 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;
- (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.

4. 主要會計政策(續)

4.7 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力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；
- (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。

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4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

4.8 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.

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 repairs and maintenance are recognised as an expense in profit or loss in the year in which they are incurred.

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 1/3%
Motor vehicles	9% to 20%

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

4. 主要會計政策(續)

4.8 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。

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，均於產生之年度於損益確認為開支。

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 1/3%
汽車	9%至20%

資產估計可使用年期、估計剩餘價值及折舊方法於各報告期末檢討及視適當情況調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 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 class of property, plant and equipment and depreciation commences when the construction work and installation are substantially completed and the asset is ready for use.

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

4.9 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.

4. 主要會計政策(續)

4.8 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。

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。

4.9 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報告日之當時市況。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 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 year 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.

4. 主要會計政策(續)

4.10 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年度自損益扣除。

(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

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

4.10 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 any impairment loss. Amortisation is calculated using straight-line method over the respective lease terms.

4.11 Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are mainly supplier and distribution network and are initially recognised at cost. These intangible assets have a finite useful life of 2 to 3 years and are carried at cost less accumulated amortisation and any impairment loss. Amortisation is provided on straight-line method over their useful lives which are 2 to 3 years.

(ii) Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

4. 主要會計政策(續)

4.10 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減值虧損確認。攤銷採用直線法於相關之租賃期計算。

4.11 無形資產

(i) 已收購無形資產

獨立收購的無形資產主要為供應商及分銷網絡，初步以成本確認。無形資產之使用年期定為2至3年，並以成本減累計攤銷及減值虧損列賬。攤銷按直線法於2至3年之使用年期作出撥備。

(ii) 內部產生之無形資產(研發成本)

內部開發產品之支出如能夠證實以下各項，則可撥充資本：

- 開發產品以供出售乃在技術上可行；
- 具備足夠資源以完成開發；
- 有意完成及銷售該產品；
- 本集團有能力銷售該產品；
- 銷售該產品將帶來往後之經濟利益；及
- 有關項目的開支能夠可靠計量。

已撥充資本之開發成本乃於本集團預期將取得銷售所開發產品之利益期間攤銷。攤銷費用於損益中確認。

不符合上述標準之開發支出及內部項目在研究階段之支出乃於產生時於損益中確認。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)****4.11 Intangible assets (Continued)****(iii) Impairment**

Accounting policies for intangible assets have been set out in note 4.6 above.

4.12 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.

(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.

4. 主要會計政策(續)**4.11 無形資產(續)****(iii) 減值**

無形資產的會計政策載於上文附註4.6。

4.12 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。

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

(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。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

4.12 Financial assets (Continued)

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

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 4.20 to the financial statements.

4. 主要會計政策(續)

4.12 金融資產(續)

(i) 按公平值計入溢利或虧損之金融資產(續)

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4.20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 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 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.

4. 主要會計政策(續)

4.12 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，於初步確認後各報告日，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 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 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.

4. 主要會計政策(續)

4.12 金融資產(續)

金融資產減值

於各報告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 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

4.12 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 year 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 year 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.

4. 主要會計政策(續)

4.12 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) *按攤銷成本列賬之金融資產*

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 2010 截至二零一零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

4.12 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.

4. 主要會計政策(續)

4.12 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 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 4.23).

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 4.15 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.

4. 主要會計政策(續)

4.13 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4.23)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4.15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付日期遞延至報告日後至少十二個月，否則借貸將被分類為流動負債。

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**4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)****4.13 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 effective interest method.

4.14 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.

4. 主要會計政策(續)**4.13 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。

4.14 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.15 Derivative financial instruments

Contracts to buy and sell non-financial items are accounted for as derivative when it can be settled net in cash or another financial instrument and are 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.

4.16 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 expense and the estimated costs necessary to make the sale.

4.17 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.

4. 主要會計政策(續)

4.15 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。於各報告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。

4.16 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及完成銷售之估計成本計算。

4.17 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 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.

4. 主要會計政策(續)

4.18 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。

所有撥備均於各報告日進行檢討，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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Income taxes

Income tax comprise 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.

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.

4. 主要會計政策(續)

4.19 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報告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。

遞延稅項採用負債法就於報告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)產生之暫時稅項差額均不予確認為遞延稅項資產及負債。

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稅項負債。

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

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Income taxes (Continued)

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 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.

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.

4. 主要會計政策(續)

4.19 所得稅會計處理(續)

遞延稅項資產或負債之變動均於損益內確認，惟與於其他全面收入或直接自權益扣除或計入之項目有關者，則計入權益。

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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 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) is 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.

Processing income is recognised when services are provided. Commission income is recognised when the goods on which the commission is calculated are delivered.

Rental income under operating leases is recognised on straight-line method over the term of the relevant lease.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

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

4.21 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.

4. 主要會計政策(續)

4.20 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。

加工收入於提供服務時確認。佣金收入於計算佣金的貨品付運時確認。

經營租賃的租金收入於有關租賃期間按直線法確認。

利息收入為未償還本金以時間基準按適用利率計算。

股息於確立收取股息權利時確認。

4.21 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.21 Employee benefits (Continued)

Retirement benefits (Continued)

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.

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.

4. 主要會計政策(續)

4.21 僱員福利(續)

退休福利(續)

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。

短期僱員福利

僱員可享有之年假乃於應計予僱員時確認。因僱員於截至報告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。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.22 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 option 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 that are 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 option 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 option reserve will be transferred to retained profits.

4.23 Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. Other borrowing costs are expensed when incurred.

4. 主要會計政策(續)

4.22 僱員股份補償

本集團為其僱員設立股本結算以股份為基礎的補償計劃。

就所有僱員提供服務而授出之任何股份補償按其公平值計算。該等補償乃參考獲授出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。

所有股份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，則於授出日期全數確認為開支。除非補償合資格確認為資產，據此，權益之認購股份權儲備會相應增加。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。

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

4.23 資本化借貸成本

收購、建設或生產需要長時間籌備作擬定用途或銷售之合資格資產之直接應佔借貸成本。將有待用於該等資產之特定借貸作短期投資所賺取之收入會於撥作成本的借貸成本扣除。其他借貸成本列作開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.24 Foreign currency

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 rate.

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.

4. 主要會計政策(續)

4.24 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。於報告日，以外幣計值之貨幣資產及負債按報告日匯率換算。結算此類交易及於報告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。資產與負債均以報告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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

4.25 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.

The Group has identified the following reportable segments: (a) manufacture and distribution of watches and timepieces; (b) property investments and (c) distribution of yachts.

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 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.

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.

4. 主要會計政策(續)

4.25 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務資料按本集團主要產品類別決定業務環節。

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)物業投資；及(c)遊艇代理。

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。

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。

Notes to the Financial Statements 財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.25 Segment reporting (Continued)

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.

4.26 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.

4.27 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy and fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

4. 主要會計政策(續)

4.25 分類報告(續)

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。

4.26 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。

4.27 持作出售之非流動資產及出售組別

於下列情況下，非流動資產及出售組別會歸類為持作出售：

- 非流動資產可供即時出售；
- 管理層致力制訂出售計劃；
- 出售計劃將不會出現重大變動或出售計劃不會被撤回；
- 已經開始積極物色買家；
- 資產或出售組別正按其公平值之合理價格進行市場推廣；及
- 預期銷售於分類日期起計十二個月內完成。

歸類為持作出售之非流動資產按本集團之會計政策其於緊接歸類為持作出售前之賬面值或公平值減銷售成本兩者之較低者計量。

於歸類為持作出售後，非流動資產(包括出售集團之非流動資產)不予折舊。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

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 4.5. The recoverable amounts of the CGUs have been determined based on fair value 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 21 to the financial statements.

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 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.

5. 關鍵會計判斷及估計不確定因素之主要來源

於應用本集團的會計政策時，董事須對無法從其他途徑得知的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及其他視為相關的因素作出。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘會計估計修訂僅影響修訂估計期間，則有關修訂會於該期間確認；或倘有關修訂既影響當期亦影響未來期間，則有關修訂會於修訂期間及未來期間確認。

應用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：

商譽估計減值

本集團每年根據附註4.5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公平值釐定。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21。

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。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Depreciation

The Group depreciates its property, plant and equipment using straight-line method over the estimated useful lives of 3 to 40 years, starting from the date on which the assets are put 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 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 and other receivables

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 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.

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.

5. 關鍵會計判斷及估計不確定因素之主要來源(續)

應用會計政策之關鍵判斷(續)

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。

已授出認購股份權估值

已授出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。

應收賬款及其他應收款之估計減值

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。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。管理層於各報告日重新評估應收款項之減值撥備金額(如有)。

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，於各報告日評估減值。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，董事考慮到主要以報告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。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**Critical judgements in applying accounting policies (Continued)****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 the payments 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 tax has been provided for the year.

Fair value of investment properties

The Group's investment properties are stated at fair value (note 19) in accordance with the accounting policy stated in note 4.9. The fair values of these 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.

5. 關鍵會計判斷及估計不確定因素之主要來源(續)**應用會計政策之關鍵判斷(續)****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4.9所載會計政策按公平值(附註19)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值有限公司釐定。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報告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。

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6. 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) property investments; and
- (c) distribution of yachts (established during the year).

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

As mentioned in note 1, during the year, the Group has commenced a plan to dispose of its 49% equity interests in Fuzhou Dartong, which is principally engaged in the manufacture and distribution of enamelled copper wire business (also referred to as the "Discontinued Enamelled Copper Wire Business"). In accordance with HKFRS 5, the Discontinued Enamelled Copper Wire Business for the years ended 31 December 2010 and 2009 were classified as discontinued operations in the Group's financial statements. Further details regarding the results of the Discontinued Enamelled Copper Wire Business are set out in note 12.4 to the financial statements.

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 had 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 notes 12.3 and 12.4 to the financial statements.

Inter-segment sales are charged at prevailing market prices.

6. 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) 物業投資；及
- (c) 遊艇代理(於年內設立)。

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。

誠如附註1所述，本集團於本年度計劃出售其於福州大通之49%股本權益，該公司主要從事漆包銅線製造及分銷業務(亦稱「已終止漆包銅線業務」)。根據香港財務申報準則第5號，截至二零零九年及二零一零年十二月三十一日止年度之已終止漆包銅線業務於本集團之財務報表中被分類為已終止經營業務。有關已終止漆包銅線業務業績之其他詳情，載於財務報表附註12.4。

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業務(「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，載於財務報表附註12.3及12.4。

分類間銷售按現行市場價格收費。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)
20106. 分類資料(續)
二零一零年

		Watches and timepiece 鐘錶及 時計產品 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Yacht 遊艇 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	776,216	10,016	14,372	800,604
Other income and financial income	其他收入及財務收入	3,148	1,814	920	5,882
Total	總計	<u>779,364</u>	<u>11,830</u>	<u>15,292</u>	<u>806,486</u>
Segment results	分類業績	<u>213,161</u>	<u>13,545</u>	<u>169</u>	<u>226,875</u>
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				(46,055)
					180,820
Share of profit of associates	應佔聯營公司溢利				6,979
Gain on disposals of an associate	出售聯營公司收益				177,711
Finance costs	財務費用				(1,811)
Equity-settled share-based compensation	以股本結算之股份補償				(7,631)
Profit before income tax	除所得稅前溢利				356,068
Income tax expense	所得稅開支				(82,349)
Profit for the year from continuing operations	持續經營業務之本年度溢利				273,719
Profit for the year from discontinued operations (note 12.4)	已終止經營業務之本年度溢利 (附註12.4)				7,063
Profit for the year	本年度溢利				<u>280,782</u>
Segment assets	分類資產	776,230	88,664	61,397	926,291
Goodwill	商譽				621,382
Interests in associates	所佔聯營公司權益				158
Available-for-sale financial assets	可供出售金融資產				1,113,095
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				91,764
Non-current assets held for sale	持作出售的非流動資產				43,729
Assets of a disposal group classified as held for sale	分類為持作出售之 出售組別資產				257,344
Unallocated corporate assets	未分配公司資產				833,323
					<u>3,887,086</u>
Segment liabilities	分類負債	233,741	15,398	887	250,026
Borrowings	借貸				35,353
Due to related companies	應付有關連公司欠款				26,230
Liabilities of a disposal group classified as held for sale	分類為持作出售之 出售組別負債				164,704
Unallocated corporate liabilities	未分配公司負債				96,886
					<u>573,199</u>
Other segment information	其他分類資料				
Interest income	利息收入	(294)	-	(3)	(297)
Depreciation and amortisation of prepaid land lease payments	折舊及預付土地租賃款項攤銷	8,749	2,309	31	11,089
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	(13,004)	-	(13,004)

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

2009

6. 分類資料(續)

二零零九年

		Watches and timepiece 鐘錶及 時計產品 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	5,451	574,565
Other income and financial income	其他收入及財務收入	4,630	6	4,636
Total	總計	573,744	5,457	579,201
Segment results	分類業績	172,699	6,195	178,894
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額			1,983
Share of profit of associates	應佔聯營公司溢利			180,877
Finance costs	財務費用			1,877
Equity-settled share-based compensation	以股本結算之股份補償			(2,669)
Profit before income tax	除所得稅前溢利			(15,570)
Income tax expense	所得稅開支			164,515
Profit for the year from continuing operations	持續經營業務之本年度溢利			(31,380)
Profit for the year from discontinued operations (note 12.4)	已終止經營業務之本年度溢利 (附註12.4)			133,135
Profit for the year	本年度溢利			236,481
Segment assets	分類資產	547,023	76,027	369,616
Goodwill	商譽			623,050
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			343,277
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			1,440,715
Segment assets of Discontinued Enamelled Copper Wire Business	已終止漆包銅線業務之分類資產			82,482
Unallocated corporate assets	未分配公司資產			242,661
				127,515
				3,481,082
Segment liabilities	分類負債	140,995	14,041	155,036
Borrowings	借貸			122,533
Segment liabilities of Discontinued Enamelled Copper Wire Business	已終止漆包銅線業務之分類負債			65,234
Unallocated corporate liabilities	未分配公司負債			180,013
				522,816
Other segment information	其他分類資料			
Interest income	利息收入	(525)	-	(525)
Depreciation and amortisation of prepaid land lease payments	折舊及預付土地租賃款項攤銷	5,485	12	5,497
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	(5,102)	(5,102)

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

Management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office. 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:

6. 分類資料(續)

管理層認為本集團之所在地為香港，即本集團之主要營業地點。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) 來自外界客戶收益(包括持續經營及已終止經營業務)		Non-current assets 非流動資產	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong (domicile)	香港(所在地)	14,492	120	24,589	21,375
PRC	中國	1,480,647	1,052,920	799,586	1,225,985
Other locations	其他地區	1,584	—	13,628	—
		<u>1,496,723</u>	<u>1,053,040</u>	<u>837,803</u>	<u>1,247,360</u>

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.

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。

7. 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:

7. 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：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue on continuing operations	持續經營業務之收入		
Sales of goods	貨品銷售	790,588	569,114
Gross rental income	租金收入總額	<u>10,016</u>	<u>5,451</u>
		<u>800,604</u>	<u>574,565</u>

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

8. FINANCIAL INCOME

8. 財務收入

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial income on continuing operations	持續經營業務之財務收入		
Bank interest income	銀行利息收入	1,675	1,121
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	657	788
		<u>2,332</u>	<u>1,909</u>

9. FINANCE COSTS

9. 財務費用

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Continuing operations	持續經營業務		
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	1,811	2,669

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

10. PROFIT BEFORE INCOME TAX

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

10. 除所得稅前溢利

除所得稅前溢利已扣除／(計入)下列各項：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Continuing operations	持續經營業務		
Cost of inventories recognised as expense	確認為開支之存貨成本	307,030	204,410
Impairment loss on trade receivables (included in administrative expenses)	應收賬款減值虧損(計入行政 費用)	-	259
Depreciation (note a)	折舊(附註a)	12,573	7,441
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	588	1,444
Amortisation of intangible assets	無形資產攤銷	1,336	-
Net foreign exchange (gain)/loss	外匯(收益)／損失淨額	(1,251)	774
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	18,511	9,261
Auditor's remuneration	核數師酬金	1,580	1,380
Gross rental income	租金收入總額	(10,016)	(5,451)
Less: direct operating expenses	減：直接經營開支	1,920	1,983
Net rental income	租金收入淨額	(8,096)	(3,468)
Losses on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	113	63
Gain on disposal of an associate (note b)	出售聯營公司之收益(附註b)	177,711	-

Note:

- (a) Depreciation expense of HK\$3,918,000 (2009: HK\$5,950,000) has been included in cost of sales, HK\$1,056,000 (2009: HK\$655,000) in selling and distribution expenses and HK\$7,599,000 (2009: HK\$836,000) in administrative expenses.
- (b) During the year, the Group disposed of its 30% equity interests in an associate, Shenzhen Guanyang Real Estate Co., Limited ("Guanyang Real Estate") and a gain on disposal of HK\$177,711,000 has been recognised accordingly. Details of the disposal of Guanyang Real Estate are set out in note 24(a).

附註：

- (a) 折舊支出3,918,000港元(二零零九年：5,950,000港元)已計入銷售成本，1,056,000港元(二零零九年：655,000港元)計入銷售及分銷支出以及7,599,000港元(二零零九年：836,000港元)計入行政費用。
- (b) 於本年度，本集團出售一家聯營公司深圳冠洋房地產有限公司(「冠洋房地產」)之30%股本權益，並已據此確認出售收益177,711,000港元。出售冠洋房地產之詳情載於附註24(a)。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

11. INCOME TAX EXPENSE

For both the years ended 31 December 2010 and 2009, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 13% and 25% (2009: between 20% 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 jurisdictions in which the Group operates.

11. 所得稅開支

於截至二零零九年及二零一零年十二月三十一日止兩個年度，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。

於中國成立之附屬公司須按介乎13%至25%（二零零九年：20%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司法權區之現行稅率計算。

		2010 二零一零年		2009 二零零九年	
		Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
		持續 經營業務	已終止 經營業務	持續 經營業務	已終止 經營業務
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Current tax for the year	年內即期稅項				
Hong Kong	香港	8,184	-	1,365	-
PRC	中國	88,057	730	31,338	61,795
Over-provision in respect of prior years	過往年度超額撥備				
PRC	中國	(13,892)	-	(1,323)	-
Total income tax expense	所得稅開支總額	82,349	730	31,380	61,795

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

11. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting profit at applicable tax rates:

11. 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：

		2010		2009	
		二零一零年		二零零九年	
		Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
		持續經營業務	已終止經營業務	持續經營業務	已終止經營業務
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Profit before income tax	除所得稅前溢利	<u>356,068</u>	<u>7,793</u>	<u>164,515</u>	<u>298,276</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	85,817	974	34,836	57,496
Tax effect of income not taxable	毋須課稅收入之稅務影響	(5,290)	(342)	(8,641)	-
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	11,038	98	5,601	4,299
Over-provision in respect of prior years	過往年度超額撥備	(13,892)	-	(1,323)	-
Utilisation of unused tax losses not recognised	動用未確認未使用稅項虧損	-	-	(2,591)	-
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<u>4,676</u>	<u>-</u>	<u>3,498</u>	<u>-</u>
Total income tax expense	所得稅開支總額	<u>82,349</u>	<u>730</u>	<u>31,380</u>	<u>61,795</u>

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

12. NON-CURRENT ASSET HELD FOR SALE/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/ DISCONTINUED OPERATIONS**12.1 Discontinued Enamelled Copper Wires Business**

As mentioned in note 1, the Group's management committed to dispose of its 49% equity interest in Fuzhou Dartong as at 31 December 2010.

In accordance with HKFRS 5, the Group has reclassified the assets and liabilities of Fuzhou Dartong (the "Disposal Group") as at 31 December 2010 as assets/liabilities of a disposal group classified as held for sale in the Group's consolidated statement of financial position. In addition, the Discontinued Enamelled Copper Wire Business represents separate major line of business, and the operations and cash flows of which can be clearly distinguished from the rest of the Group. The Group has also re-presented the disclosures related to these operations that have been discontinued by the reporting date for the comparatives period. Details of the Discontinued Enamelled Copper Wire Business for the years ended 31 December 2010 and 2009 are set out in note 12.4, and details of the assets/liabilities of a disposal group classified as held for sale are set out in note 12.5.

In the Company's statement of financial position, the interest in Fuzhou Dartong has also been reclassified as and included in non-current assets held for sale. Details of the Company's non-current assets held for sale are set out in note 12.6.

12.2 Interest in an associate reclassified as non-current asset held for sale

As also mentioned in note 1, the Group committed to dispose of its 25.58% equity interests in its associate, namely Jiangsu Dartong, as at 31 December 2010. In accordance with HKFRS 5, as at 31 December 2010, the interests in Jiangsu Dartong had been included in non-current assets held for sale in the statement of financial position of the Group. Details of the non-current assets held for sale are set out in note 12.6.

12.3 Discontinued Timber Business

As disclosed in the 2009 annual report of the Group and note 6 to the financial statement, 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 had been classified as discontinued operations in the Group's financial statements since 2007.

As the Discontinued Timber Business had been fully terminated in 2009, no income and expenses from this segment were recognised and classified as discontinued operations during the year.

12. 持作出售之非流動資產／分類為持作出售之出售組別資產／已終止經營業務**12.1 已終止漆包銅線業務**

誠如附註1所述，於二零一零年十二月三十一日，本集團管理層承諾出售其於福州大通之49%股本權益。

根據香港財務申報準則第5號，於二零一零年十二月三十一日，本集團將福州大通之資產及負債（「出售組別」），在本集團之綜合財務狀況表中重新分類為持作出售之出售組別資產／負債。此外，已終止漆包銅線業務為獨立主要業務，以及其業務及現金流量可與本集團其他業務清晰地界定。本集團亦再次呈列與該等業務有關之披露條件，該等業務已於可比較期間按申報日期終止經營。截至二零零九年及二零一零年十二月三十一日止年度之已終止漆包銅線業務的有關詳情載於附註12.4，以及持作出售之出售組別資產／負債之詳情載於附註12.5。

於本公司之財務狀況表中，於福州大通之權益已重新分類於及計入持作出售之非流動資產項下。本公司持作出售非流動資產之詳情載於附註12.6。

12.2 重新分類為持作出售非流動資產的於聯營公司之權益

亦如附註1所述，於二零一零年十二月三十一日，本集團承諾出售其於聯營公司江蘇大通之25.58%股本權益。根據香港財務申報準則第5號，於二零一零年十二月三十一日，於江蘇大通之權益已列入本集團財務狀況表之持作出售之非流動資產內。持作出售之非流動資產詳情載於附註12.6。

12.3 已終止木材業務

誠如本集團二零零九年年報及財務報表附註6所披露，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業務（「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。

由於已終止木材業務於二零零九年完全結束，故於年內概無確認來自本分類之任何收入及支出，亦無有關收入及支出歸類為來自已終止經營業務。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

12. NON-CURRENT ASSET HELD FOR SALE/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS (Continued)

12.4 An analysis of the Group's results of the discontinued operations for the year ended 31 December 2010, with the comparatives for illustrative purpose, is as follows:

12. 持作出售之非流動資產／分類為持作出售之出售組別資產／已終止經營業務(續)

12.4 截至二零一零年十二月三十一日止年度，本集團已終止業務之業績分析及用作說明之比較數字載列如下：

		2010	2009		
		二零一零年	二零零九年		
		Discontinued Enamelled Copper Wires Business	Discontinued Enamelled Copper Wires Business	Discontinued Timber Business	Total
		已終止漆包銅線業務	已終止漆包銅線業務	已終止木材業務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Revenue	收入	696,119	471,149	7,326	478,475
Cost of sales	銷售成本	(694,429)	(463,159)	(12,522)	(475,681)
Gross profit/(loss)	毛利/(毛損)	1,690	7,990	(5,196)	2,794
Other income	其他收入	24,748	20,220	2,421	22,641
Selling and distribution expenses	銷售及分銷費用	(3,628)	(3,265)	(143)	(3,408)
Administrative expenses	行政費用	(7,597)	(8,179)	(19,792)	(27,971)
Financial income	財務收入	473	-	585	585
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	(7,893)	(5,928)	(236)	(6,164)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	7,793	10,838	(22,361)	(11,523)
Gain on disposals of non-current assets held for sale	出售持作出售之非流動資產收益	-	-	309,799	309,799
Income tax expense	所得稅開支	(730)	(8)	(61,787)	(61,795)
Profit for the year	本年度溢利	7,063	10,830	225,651	236,481
Operating cash (outflows)/inflows	經營現金(流出)/流入	(3,284)	20,390	51,844	72,234
Investing cash (outflows)/inflows	投資現金(流出)/流入	(3,091)	(2,173)	75,975	73,802
Financing cash inflows/(outflows)	融資現金流入/(流出)	11,764	(5,670)	(28,409)	(34,079)
Net cash inflows	現金流入淨額	5,389	12,547	99,410	111,957

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

12. NON-CURRENT ASSET HELD FOR SALE/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS (Continued)

12.4 (Continued)

Employee benefit expense of the discontinued operations for the year of HK\$7,611,000 (2009: HK\$8,578,000) included wages and salaries of HK\$6,383,000 (2009: HK\$7,303,000) and pension cost of HK\$1,228,000 (2009: HK\$1,275,000).

Depreciation expense of the discontinued operations for the year amounted to HK\$7,094,000 (2009: HK\$9,908,000), in which HK\$5,899,000 (2009: HK\$5,700,000) and HK\$1,195,000 (2009: HK\$4,208,000) have been included in cost of sales and administrative expenses respectively.

Amortisation expense of the discontinued operations for the year is HK\$241,000 (2009: HK\$208,000).

Gain on disposals of non-current assets held for sale (i.e. the Discontinued Timber Business) for the year ended 31 December 2009 was analysed as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Proceeds from disposals of the Discontinued Timber Business	出售已終止木材業務之所得款項	-	406,818
Carrying amounts of the Discontinued Timber Business	已終止木材業務之賬面值	-	(85,317)
Other direct expenses related to the disposal	有關出售之其他直接開支	-	(11,702)
		<u>-</u>	<u>309,799</u>

All proceeds derived from the disposal of the Discontinued Timber Business had been fully received by the Group in 2009.

12. 持作出售之非流動資產／分類為持作出售之出售組別資產／已終止經營業務(續)

12.4 (續)

本年度已終止經營業務之僱員福利開支 7,611,000 港元(二零零九年: 8,578,000 港元)包括工資及薪金 6,383,000 港元(二零零九年: 7,303,000 港元)及退休金成本 1,228,000 港元(二零零九年: 1,275,000 港元)。

本年度已終止業務折舊支出為 7,094,000 港元(二零零九年: 9,908,000 港元)，其中 5,899,000 港元(二零零九年: 5,700,000 港元)及 1,195,000 港元(二零零九年: 4,208,000 港元)已分別計入銷售成本及行政費用。

本年度已終止業務之攤銷開支為 241,000 港元(二零零九年: 208,000 港元)。

於截至二零零九年十二月三十一日止年度之出售持作出售之非流動資產(即已終止木材業務)收益的分析如下:

於二零零九年，本集團已悉數收取出售已終止木材業務之所得款項總額。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

12. NON-CURRENT ASSET HELD FOR SALE/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS (Continued)

12.5 An analysis of the assets and liabilities of the Discontinued Enamelled Copper Wires Business classified as held for sale as at the 31 December 2010 is as follows:

12. 持作出售之非流動資產／分類為持作出售之出售組別資產／已終止經營業務(續)

12.5 於二零一零年十二月三十一日，分類為持作出售之已終止漆包銅線業務之資產及負債分析如下：

		HK\$'000
		千港元
Assets of a disposal group classified as held for sale:		
分類為持作出售之出售組別資產：		
for sale:		
Property, plant and equipment	物業、廠房及設備	115,497
Prepaid land lease payments	預付土地租賃款項	10,809
Inventories	存貨	31,871
Trade and bill receivables	應收賬款及票據	61,042
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	3,355
Cash and cash equivalents	現金及現金等價物	34,770
		257,344
Liabilities of a disposal group classified as held for sale:		
分類為持作出售之出售組別負債：		
Trade and bill payables	應付賬款及票據	51,078
Other payables and accruals	其他應付款及應計費用	2,574
Tax payables	應付稅項	560
Derivative financial instruments	衍生金融工具	544
Borrowings	借貸	109,948
		164,704

12.6 An analysis of non-current assets held for sale as at the 31 December 2010 is as follows:

12.6 於二零一零年十二月三十一日，持作出售之非流動資產分析如下：

		Group	Company
		本集團	本公司
		HK\$'000	HK\$'000
		千港元	千港元
Interest in Fuzhou Dartong, a jointly controlled entity (note 12.1)	於一家共同控制實體福州大通之權益(附註12.1)	-	64,215
Interest in Jiangsu Dartong, an associate (note 12.2)	於一家聯營公司江蘇大通之權益(附註12.2)	43,729	29,336
		43,729	93,551

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12. NON-CURRENT ASSET HELD FOR SALE/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS (Continued)

12.7 During the year ended 31 December 2009, certain property, plant and equipment and prepaid land lease payment of the Discontinued Timber Business with carrying amounts of HK\$24,724,000 and HK\$6,852,000 respectively which had been previously classified as non-current assets held-for-sale by the Group as at 31 December 2008 were subsequently retained by the Group. These assets are all located outside the land resumed by the PRC Government and can be used by the Group. Therefore, these assets were reclassified as non-current assets under appropriate categories as at 31 December 2009 (note 18 and 20).

13. PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Of the consolidated profit attributable to the owners of the Company of HK\$271,566,000 (2009: HK\$362,561,000), a profit of HK\$93,826,000 (2009: HK\$34,543,000) has been dealt with in the financial statements of the Company.

14. DIVIDENDS

14.1 Dividend attributable to the year

Interim dividend of HK1.5 cents per share (2009: HK1.0 cent)	中期股息每股1.5港仙 (二零零九年：1.0港仙)
Proposed final dividend of HK3.5 cents per share (2009: HK4.1 cents)	擬派末期股息每股3.5港仙 (二零零九年：4.1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 for the year ended 31 December 2010.

12. 持作出售之非流動資產／分類為持作出售之出售組別資產／已終止經營業務(續)

12.7 於截至二零零九年十二月三十一日止年度，已終止木材業務之若干物業、廠房及設備及預付土地租賃款項(賬面值分別為24,724,000港元及6,852,000港元)，已於二零零八年十二月三十一日由本集團分類為持作出售之非流動資產，並隨後由本集團保留。該等資產均位於由中國政府所收土地範圍外，且可由本集團使用。因此，於二零零九年十二月三十一日，該等資產於適當的類別歸類為非流動資產(附註18及20)。

13. 本公司擁有人應佔溢利

本公司擁有人應佔綜合溢利271,566,000港元(二零零九年：362,561,000港元)中，包括已於本公司財務報表處理之溢利93,826,000港元(二零零九年：34,543,000港元)。

14. 股息

14.1 本年度應佔股息

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interim dividend of HK1.5 cents per share (2009: HK1.0 cent)	56,161	35,420
Proposed final dividend of HK3.5 cents per share (2009: HK4.1 cents)	143,153	145,250
	199,314	180,670

於報告日後宣派之末期股息並無於報告日確認為負債，惟已反映為截至二零一零年十二月三十一日止年度之保留溢利及股份溢價賬撥款。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

14. DIVIDENDS (Continued)

14.2 Dividend attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, of HK4.1 cents per share (2009: HK2.5 cents)

過往財政年度末期股息
每股4.1港仙
(二零零九年：2.5港仙)

* The amount of actual final 2009 dividend paid was HK\$151,509,000 as a result of the increase in ordinary shares. During the year, 45,855,000 new ordinary shares were issued as a consequence of exercise of share options and 106,815,620 new ordinary shares were issued from a share placement. All these ordinary shares issued are entitled to the final 2009 dividend.

14. 股息(續)

14.2 年內批准及派付過往財政年度應佔股息

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

151,509*	88,551
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* 由於普通股增加，已付二零零九年實際末期股息金額為151,509,000港元。本年度因為行使認購股份權已發行45,855,000股新普通股，及透過股份配售發行106,815,620股新普通股。全部該等已發行普通股之持有人均有權收取二零零九年末期股息。

15. 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

Profit attributable to the owners of the Company for the purpose of calculating 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	264,503	126,080
Discontinued operations	已終止經營業務	7,063	236,481
Total profit from continuing and discontinued operations	持續經營及已終止經營業務溢利總額	271,566	362,561

15. 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：

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

264,503	126,080
7,063	236,481

271,566	362,561
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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

15. EARNINGS PER SHARE (Continued)

15. 每股盈利(續)

		2010 二零一零年 Number of shares 股份數目 '000 千股	2009 二零零九年 Number of shares 股份數目 '000 千股
Number of shares	股份數目		
Weighted average number of shares for the purpose of calculating basic earnings per share	計算每股基本盈利所依據之加權平均股數	3,658,250	3,542,047
Effect of dilutive potential shares:	潛在股份之攤薄影響：		
– share options issued by the Company	– 本公司發行之認購股份權	107,233	92,142
Weighted average number of shares for the purpose of calculating diluted earnings per share	計算每股攤薄盈利所依據之加權平均股數	3,765,483	3,634,189

16. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

16. 僱員福利開支(包括董事酬金)

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Continuing operations	持續經營業務		
Wages and salaries	工資及薪金	109,808	78,364
Pension costs	退休金成本		
– defined contribution plans	– 定額供款計劃	10,408	5,640
Equity-settled share-based compensation	以股本結算之股份補償	4,174	8,516
		124,390	92,520

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17. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

17. 董事酬金及高層管理人員酬金

17.1 Directors' emoluments

17.1 董事酬金

2010

二零一零年

	Directors' fees	Salaries, allowances and benefits in kind	Contributions to pension scheme	Equity-settled share-based compensation	Total	
	董事袍金	薪金、津貼及實物福利	退休計劃供款	以股本結算之股份補償	總額	
	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	
Executive directors	執行董事					
Mr. Hon Kwok Lung	韓國龍先生	-	1,690	12	149	1,851
Mr. Shang Jianguang	商建光先生	-	4,085	68	341	4,494
Mr. Shi Tao	石濤先生	-	1,690	-	214	1,904
Mr. Lam Toi Man	林代文先生	-	1,430	12	149	1,591
Mr. Bi Bo (Appointed on 24 August 2010)	畢波先生 (於二零一零年八月二十四日獲委任)	-	504	-	-	504
Non-executive director	非執行董事					
Ms. Sit Lai Hei	薛黎曦女士	200	-	-	-	200
Independent non-executive directors	獨立非執行董事					
Mr. Fung Tze Wa	馮子華先生	200	-	-	149	349
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	150	-	-	149	299
Mr. Li Qiang	李強先生	150	-	-	149	299
		<u>700</u>	<u>9,399</u>	<u>92</u>	<u>1,300</u>	<u>11,491</u>

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

17. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

17.1 Directors' emoluments (Continued) 2009

17. 董事酬金及高層管理人員酬金(續)

17.1 董事酬金(續) 二零零九年

	Directors' fees	Salaries, allowances and benefits in kind	Contributions to pension scheme	Equity-settled share-based compensation	Total
	董事袍金	薪金、津貼及實物福利	退休計劃供款	以股本結算之股份補償	總額
	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
Executive directors 執行董事					
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
Non-executive director 非執行董事					
Ms. Sit Lai Hei 薛藜曦女士	100	-	-	-	100
Independent non-executive directors 獨立非執行董事					
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>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2009: 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 (2009: Nil).

年內並無董事豁免或同意豁免任何酬金安排(二零零九年：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(二零零九年：無)。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

17. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

17.2 Five highest paid individuals

During the year, the five individuals whose emoluments were the highest in the Group included four (2009: four) directors whose emoluments are reflected in the analysis presented in note 17.1. Emoluments payable to the remaining one (2009: one) individual during the year are as follows:

17. 董事酬金及高層管理人員酬金(續)

17.2 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(二零零九年：四名)為董事，彼等之酬金已反映於上文附註17.1分析。年內應付餘下一名(二零零九年：一名)人士之酬金如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	1,240	910
Contributions to pension scheme 退休計劃供款	12	12
Equity-settled share-based compensation 以股本結算之股份補償	192	391
	<u>1,444</u>	<u>1,313</u>

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18. PROPERTY, PLANT AND EQUIPMENT

Group

18. 物業、廠房及設備

本集團

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	CIP	Total
		樓宇	租賃物業裝修	廠房及機器	傢具、裝置及辦公室設備	汽車	在建工程	總計
		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
At 1 January 2009	於二零零九年一月一日							
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 carrying 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 45)	收購附屬公司(附註45)	-	-	-	62	-	-	62
Additions	添置	2,277	308	3,714	3,051	3,036	1,063	13,449
Reclassification from non-current assets held for sale (note 12.7)	持作出售之非流動資產之重新分類(附註12.7)	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 carrying 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
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度							
Opening net carrying amount	年初賬面淨值	77,726	1,981	78,884	9,943	11,269	-	179,803
Additions	添置	17	7,048	6,290	13,918	4,071	4,520	35,864
Reclassification to assets in disposal group classified as held for sale (note 12.5)	分類為持作出售之出售組別資產之重新分類(附註12.5)	(49,855)	-	(62,086)	(1,349)	(777)	(1,430)	(115,497)
Disposals	出售	-	-	(49)	(66)	(137)	-	(252)
Depreciation	折舊	(3,822)	(1,197)	(7,075)	(4,008)	(3,565)	-	(19,667)
Exchange realignment	匯兌調整	2,640	689	2,764	979	348	106	7,526
Closing net carrying amount	年終賬面淨值	26,706	8,521	18,728	19,417	11,209	3,196	87,777
At 31 December 2010	於二零一零年十二月三十一日							
Cost	成本	39,101	14,690	26,521	35,810	21,091	3,196	140,409
Accumulated depreciation	累計折舊	(12,395)	(6,169)	(7,793)	(16,393)	(9,882)	-	(52,632)
Net carrying amount	賬面淨值	26,706	8,521	18,728	19,417	11,209	3,196	87,777

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company

18. 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 2009	於二零零九年一月一日				
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 carrying amount	年初賬面淨值	1,513	600	5,275	7,388
Additions	添置	6	56	-	62
Depreciation	折舊	(359)	(216)	(1,555)	(2,130)
Closing net carrying 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
Year ended 31 December 2010	截至二零一零年 十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	1,160	440	3,720	5,320
Additions	添置	81	228	-	309
Depreciation	折舊	(360)	(156)	(1,554)	(2,070)
Closing net carrying amount	年終賬面淨值	881	512	2,166	3,559
At 31 December 2010	於二零一零年十二月三十一日				
Cost	成本	1,700	1,654	8,075	11,429
Accumulated depreciation	累計折舊	(819)	(1,142)	(5,909)	(7,870)
Net carrying amount	賬面淨值	881	512	2,166	3,559

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

18. 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 2010, certain of the Group's buildings with a carrying amount of HK\$833,000 (2009: Nil) have been pledged to secure certain bank facilities granted to the Group (note 36).

As at 31 December 2010, no buildings have been pledged to secure banking facilities granted to the joint venture. As at 31 December 2009, certain of the Group's buildings with a carrying amount of HK\$43,427,000 were pledged to secure banking facilities granted to the joint venture.

At 31 December 2010, the Group has not yet obtained the title certificates for certain leasehold buildings in the PRC with an aggregate carrying value of approximately HK\$2,067,000 (2009: HK\$2,212,000). 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.

18. 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：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Short-term leases	2,791	2,696
Medium-term leases	35,009	85,763
Long-term leases	1,301	1,256
	<u>39,101</u>	<u>89,715</u>

於二零一零年十二月三十一日，本集團賬面值為833,000港元之若干樓宇已抵押(二零零九年：無)，以為本集團取得若干銀行融資(附註36)。

於二零一零年十二月三十一日，並無樓宇就授予合營公司之銀行融資抵押。於二零零九年十二月三十一日，本集團賬面值43,427,000港元之若干樓宇亦已抵押，以為合營公司取得銀行融資。

於二零一零年十二月三十一日，本集團尚未就其於中國賬面總值約2,067,000港元(二零零九年：2,212,000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。

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

19. 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:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	74,708	69,606
Net surplus on revaluation of investment properties	投資物業重估之盈餘淨額	<u>13,004</u>	<u>5,102</u>
Carrying amount at 31 December	於十二月三十一日之賬面值	<u>87,712</u>	<u>74,708</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:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong	香港	18,800	15,500
PRC	中國	<u>68,912</u>	<u>59,208</u>
		<u>87,712</u>	<u>74,708</u>

Investment properties were revalued at 31 December 2010 by Asset Appraisal Limited and Chung, Chan & Associate, independent, professionally qualified valuers, at HK\$87,712,000 (2009: 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.

19. 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：

投資物業於二零一零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87,712,000港元（二零零九年：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。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

19. INVESTMENT PROPERTIES – GROUP (Continued)

At 31 December 2010, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying value of HK\$38,500,000 (2009: HK\$33,060,000). 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 2010, investment properties in Hong Kong with an aggregate carrying value of HK\$18,800,000 (2009: HK\$15,500,000) have been pledged to secure banking facilities granted to the Group (note 36).

20. 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	26,386	21,186
Reclassification from non-current assets held for sale (note 12.7)	持作出售之非流動資產重新分類(附註12.7)	–	6,852
Additions	添置	12,689	–
Reclassification to assets of a disposal group classified as held for sale (note 12.5)	分類為持作出售之出售組別資產重新分類(附註12.5)	(10,809)	–
Amortisation during the year	年內攤銷	(829)	(1,652)
Exchange realignment	匯兌調整	1,210	–
Carrying amount at 31 December	於十二月三十一日之賬面值	28,647	26,386
Less: Current portion	減：即期部分	(667)	(602)
Non-current portion	非即期部分	27,980	25,784

As at 31 December 2010, no prepaid land lease payments have been pledged to secure banking facilities granted to the joint venturer. As at 31 December 2009, certain of the Group's prepaid land lease payments with a carrying value of HK\$10,678,000 were pledged to secure the banking facilities granted to the joint venturer.

19. 投資物業 – 本集團(續)

於二零一零年十二月三十一日，本集團並未就賬面總值38,500,000港元(二零零九年：33,060,000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。董事現正向相關政府機關取得所有權證。

於二零一零年十二月三十一日，賬面總值18,800,000港元(二零零九年：15,500,000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36)。

20. 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：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Carrying amount at 1 January	26,386	21,186
Reclassification from non-current assets held for sale (note 12.7)	–	6,852
Additions	12,689	–
Reclassification to assets of a disposal group classified as held for sale (note 12.5)	(10,809)	–
Amortisation during the year	(829)	(1,652)
Exchange realignment	1,210	–
Carrying amount at 31 December	28,647	26,386
Less: Current portion	(667)	(602)
Non-current portion	27,980	25,784

於二零一零年十二月三十一日，本集團概無抵押任何預付土地租賃款項，以為合營方取得銀行融資。於二零零九年十二月三十一日，賬面值為10,678,000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。

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21. GOODWILL – GROUP

Goodwill of HK\$621,382,000, arose in 2008, related to the acquisition of Jia Cheng Investment Limited (“Jia Cheng”) and its subsidiaries (collectively referred to as the “Jia Cheng Group”). 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. 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.

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January and 31 December	於一月一日及十二月三十一日		
Gross carrying amount	賬面總值	621,382	626,198
Accumulated impairment	累計減值	–	(4,816)
Net carrying amount	賬面淨值	<u>621,382</u>	<u>621,382</u>

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. 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:

Growth rates	增長率
Discount rates	貼現率

21. 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」)及其附屬公司(統稱為「佳城集團」)有關。佳城為一間投資控股公司，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。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：

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。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，再按下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：

	2010 二零一零年	2009 二零零九年
Growth rates	15.27% to 28.41%	2.89% to 20.32%
Discount rates	13.14%	14.10%

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

21. GOODWILL – GROUP (Continued)

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 of published market forecasts included in industry reports. The discount rate 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% (2009: 1%), impairment loss of HK\$59,000,000 (2009: HK\$13,089,000) would be recognised and written off against the goodwill.

Goodwill arising from business combinations prior to 2001 had been eliminated against the consolidated reserves. As at 31 December 2010, the carrying amount of goodwill in the consolidated reserves was HK\$15,300,000 (2009: HK\$15,300,000).

21. 商譽 – 本集團(續)

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% (二零零九年：1%)，將確認並於商譽中沖銷之減值虧損為59,000,000港元(二零零九年：13,089,000港元)。

於二零零一年前業務合併產生之商譽已於綜合儲備對銷。於二零一零年十二月三十一日，於綜合儲備內之商譽賬面值為15,300,000港元(二零零九年：15,300,000港元)。

22. INTERESTS IN SUBSIDIARIES – COMPANY

22. 所佔附屬公司權益 – 本公司

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 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	431,936	386,461
		1,225,110	1,179,635
Less: Provision for impairment	減：減值撥備	(303,703)	(303,703)
		921,407	875,932

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。

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

22. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

Particulars of the principal subsidiaries at 31 December 2010 are as follows:

22. 所佔附屬公司權益 – 本公司(續)

於二零一零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	100 100		– 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	100 100		– Property investment in the PRC – 於中國投資物業
Haidian-Creation International Limited	British Virgin Islands	US\$1	100		– Investment holding in Hong Kong
Haidian-Creation International Limited	英屬處女群島	1美元	100		– 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	100 100		– 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	– –	100 100	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
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	– –	100 100	Property investment in the PRC 於中國投資物業
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	– –	100 100	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	100 100		– 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	– –	100 100	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 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

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

22. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

22. 所佔附屬公司權益 – 本公司 (續)

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	
PAMA Precision Manufacturing Limited	PRC	RMB10,000,000	-	100	Manufacture and distribution of watches and timepieces in the PRC
深圳市帕瑪精品制造有限公司	中國	人民幣10,000,000元	-	100	於中國製造及分銷鐘錶及時計產品
Ocean Montres SA	Switzerland	CHF100,000	-	89	Manufacture and distribution of watches and timepieces in Switzerland
Ocean Montres SA	瑞士	100,000瑞士法郎	-	89	於瑞士製造及分銷鐘錶及時計產品
Shenzhen Permanence Commerce Co., Limited	PRC	RMB5,000,000	-	60	Distribution of watches and timepieces in the PRC
深圳市恒譽嘉時貿易有限公司	中國	人民幣5,000,000元	-	60	於中國製造及分銷鐘錶及時計產品
Zhuhai Rossini Glasses Industry Limited	PRC	RMB1,000,000	-	91	Distribution of glasses in the PRC
珠海羅西尼眼鏡有限公司	中國	人民幣1,000,000元	-	91	於中國分銷眼鏡
Swiss Chronometric AG	Switzerland	CHF2,000,000	-	100	Manufacture and distribution of watches and timepieces in Switzerland
Swiss Chronometric AG	瑞士	2,000,000瑞士法郎	-	100	於瑞士製造及分銷鐘錶及時計產品
Ruihuang (Chongqing) Watch Company Limited	PRC	RMB16,260,730	-	51	Distribution of watches and timepieces in the PRC
瑞皇(重慶)鐘錶有限公司	中國	人民幣16,260,730元	-	51	於中國分銷鐘錶及時計產品

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.

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。

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

22. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

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.

23. INTERESTS IN A JOINTLY-CONTROLLED ENTITY – COMPANY

As mentioned in notes 12.1 and 1 to the financial statements, on 6 January 2011, the Company entered into an agreement to dispose of its 49% equity interest in its jointly controlled entity, namely Fuzhou Dartong. In the Company’s statement of financial position as at 31 December 2010, interest in jointly controlled entity and the amount due from jointly-controlled entity have been reclassified to non-current asset held for sale and current asset respectively.

Amount due from jointly-controlled entity was unsecured, interest-free and repayable on demand (2009: not repayable within next twelve months from the reporting date).

22. 所佔附屬公司權益 – 本公司(續)

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仍然陷於僵局，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。

23. 所佔一家共同控制實體權益 – 本公司

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，成本值	-	64,215
Due from jointly-controlled entity	應收一間共同控制實體欠款	-	227
		<u>-</u>	<u>64,442</u>

誠如財務報表附註12.1及1所述，於二零一一年一月六日，本公司訂立協議，出售其共同控制實體福州大通之49%股本權益。於本公司二零一零年十二月三十一日之財務狀況表，於共同控制實體之權益及應收共同控制實體之金額乃分別重新分類為持作出售之非流動資產及流動資產。

應收共同控制實體之欠款為無抵押、免息及須按要求償還(二零零九年：毋須於報告日後十二個月內還款)。

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

23. INTERESTS IN A JOINTLY-CONTROLLED ENTITY – COMPANY (Continued)

Particulars of the jointly-controlled entity at 31 December 2010 are as follows:

Name 名稱	Place/ country of incorporation 成立地點/國家	Percentage of 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	PRC	49	50	49	Manufacture and distribution of enamelled copper wire in the PRC
福州大通	中國	49	50	49	於中國製造及分銷漆包銅線

Details of the aggregate amounts of Fuzhou Dartong's assets and liabilities as at 31 December 2010 and aggregate amounts of income and expenses related to the Group's interests in Fuzhou Dartong for the year then ended are set out in notes 12.5 and 12.4 respectively.

At 31 December 2009, 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 were included in the Group's consolidated financial statements are as follows:

23. 所佔一家共同控制實體權益 – 本公司(續)

於二零一零年十二月三十一日，共同控制實體之詳情如下：

於二零一零年十二月三十一日，福州大通的資產及負債總額，及截至該年度與本集團於福州大通之權益有關的收入及開支總額之有關詳情，分別載於附註12.5及12.4。

於二零零九年十二月三十一日，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。已計入本集團綜合財務報表有關福州大通之總額如下：

		HK\$'000 千港元
Non-current assets	非流動資產	126,030
Current assets	流動資產	116,631
Current liabilities	流動負債	(142,343)
Non-current liabilities	非流動負債	(17,818)
Net assets	資產淨值	<u>82,500</u>
Revenue	收入	471,149
Other income and financial income	其他收入及財務收入	20,220
Total costs and expenses	總成本及開支	(480,531)
Income tax expense	所得稅開支	(8)
Profit for the year	本年度溢利	<u>10,830</u>

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

24. INTERESTS IN ASSOCIATES

24. 所佔聯營公司權益

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	70,550	34,582	29,336	29,336
Investment in an associate	投資一家聯營公司	-	34,091	-	-
Share of profit of associates	應佔聯營公司溢利	6,979	1,877	-	-
Disposal of an associate (note a)	出售一家聯營公司 (附註a)	(33,642)	-	-	-
Reclassified to non-current assets held for sale (note b)	持作出售之 非流動資產 重新分類(附註b)	(43,729)	-	(29,336)	-
		158	70,550	-	29,336
Amount due from an associate (note c)	應收一家聯營公司款項 (附註c)	-	272,727	-	-
		158	343,277	-	29,336

Notes:

附註：

- (a) As described in note 10(b) to the financial statements, during the year, the Group disposed of its 30% equity interests in an associate, Guanyang Real Estate to an independent third party for a cash consideration of RMB186,000,000 (equivalent to HK\$211,353,000). A gain on disposal of HK\$177,711,000 has been recognised accordingly, details of which are analysed as follows:

- (a) 誠如財務報表附註10(b)所述，於本年度，本集團向獨立第三方出售其於一家聯營公司冠洋房地產之30%股本權益，現金代價為人民幣186,000,000元（相等於211,353,000港元）。出售收益177,711,000港元已獲確認，分析詳情如下：

		HK\$'000 千港元
Proceeds of disposals of Guanyang Real Estate	出售冠洋房地產所得款項	211,353
Less: Carrying amount of interests in Guanyang Real Estate upon disposal	減：截至出售時於冠洋房地產權益之賬面值	(33,642)
		177,711

The disposal proceeds of HK\$211,353,000 has been fully received by the Group during the year.

本集團於年內已悉數收取出售所得款項211,353,000港元。

- (b) As mentioned in notes 1 and 12.2 above, the Group and the Company committed to dispose of its 25.58% equity interest in its associate, namely Jiangsu Dartong. In accordance with HKFRS 5, as at 31 December 2010, interests in Jiangsu Dartong are reclassified to non-current assets held for sale in the statement of financial position of the Group and the Company (note 12.6).

- (b) 誠如以上附註1及12.2所述，本集團及本公司承諾出售其於聯營公司江蘇大通之25.58%權益。根據香港財務申報準則第5號，於二零一零年十二月三十一日，於江蘇大通之權益於本集團及本公司之財務狀況表內重新分類為持作出售之非流動資產(附註12.6)。

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

24. INTERESTS IN ASSOCIATES (Continued)

Notes: (Continued)

- (c) In addition to the disposal as described in note (a) above, the purchaser agreed to assume the liabilities due to the Group by Guanyang Real Estate of RMB240,000,000. During the year, this balance has been fully received by the Group. As at 31 December 2009, amount due from an associate was unsecured, interest-free and was not repayable within twelve months from the reporting date.

Particulars of the associates at 31 December 2010 are as follows:

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 ("Jiangsu Dartong") [#] 江蘇大通機電有限公司(「江蘇大通」) [#]	Paid up capital of RMB29,475,000 繳入股本人民幣 29,475,000元	PRC 中國	25.58 (2009: 25.58) 25.58 (二零零九年: 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 (2009: 36.40) 36.40 (二零零九年: 36.40)

[#] Already reclassified as non-current assets held for sale as at 31 December 2010.

The summarised financial information of the Group's associates extracted from their management accounts for the year ended 31 December 2010 is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Assets 資產		468,515	1,244,232
Liabilities 負債		(294,841)	(758,362)
Revenue 收入		1,758,198	1,015,310
Profit for the year 本年度溢利		29,349	7,322

24. 所佔聯營公司權益(續)

附註：(續)

- (c) 除以上附註(a)所述出售外，買方同意承擔冠洋房地產應付本集團負債人民幣240,000,000元。於本年度內，本集團已悉數收取該筆結餘。於二零零九年十二月三十一日，應收一家聯營公司款項為無抵押、免息及毋須於報告日後十二個月內償還。

於二零一零年十二月三十一日，聯營公司之資料如下：

[#] 已於二零一零年十二月三十一日重新分類為持作出售之非流動資產。

以下為摘錄自本集團聯營公司截至二零一零年十二月三十一日止年度之管理賬目之財務資料概要：

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

25. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP

25. 可供出售金融資產 – 本集團

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 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)	1,113,018	1,440,641
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)	77	74
Less: Provision for impairment	減: 減值撥備	(3,477)	(3,477)
		<u>77</u>	<u>74</u>
Total	總計	<u>1,113,095</u>	<u>1,440,715</u>

Notes:

附註:

(a) During the year, Citychamp Dartong Company Limited (referred to “Citychamp” and its shares referred to as the Citychamp Shares) declared a bonus issue of 2 shares (2009: Nil) together with a cash dividend of RMB0.5 (2009: RMB0.8) for every 10 Citychamp Shares. A dividend income totalling HK\$5,172,000 (2009: HK\$8,238,000) was recognised by the Group during the year. As at 31 December 2010, the Group held 108,743,161 (2009: 90,619,301) Citychamp Shares. All Citychamp Shares held by Group have passed through the lock up period which was ended in May 2010.

(a) 於本年度，冠城大通股份有限公司(「冠城」，其股份稱為冠城股份)就每10股冠城股份宣派2股紅股(二零零九年：無)及現金股息人民幣0.5元(二零零九年：人民幣0.8元)。本集團於年內已確認總額為5,172,000港元(二零零九年：8,238,000港元)之股息收入。於二零一零年十二月三十一日，本集團持有108,743,161股冠城股份(二零零九年：90,619,301股)。所有冠城股份已過二零一零年五月屆滿之禁售期。

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:

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：

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	
			2010 二零一零年	2009 二零零九年
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 decrease in fair value of Citychamp Shares of HK\$327,623,000 (2009: increase of HK\$1,027,705,000) has been dealt with in other comprehensive income and the investment revaluation reserve.

年內，冠城股份公平值減少327,623,000港元(二零零九年：增加1,027,705,000港元)已於其他全面收入及投資重估儲備內處理。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

25. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP (Continued)

Notes: (Continued)

- (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 remained deteriorated during the year, there was no change in the accumulated impairment as at 31 December 2010. No fair value information is disclosed for this investment because its fair value cannot be measured reliably.
- (c) These are investments in unlisted equity securities of private entities incorporated in the PRC. Its fair value information is not disclosed because the related fair value cannot be measured reliably.

25. 可供出售金融資產 – 本集團 (續)

附註：(續)

- (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，故於二零一零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) 此為中國成立之私人公司之非上市股本證券投資。由於有關公平值未能可靠計量，故並無披露其公平值資料。

26. INTANGIBLE ASSETS – GROUP

This related to the supplier and distribution network acquired during the year. Movements during the year are as follows:

26. 無形資產 – 本集團

此乃與本年度之供應商及購入的分銷網絡有關。年內之變動載列如下：

		HK\$'000 千港元
At 1 January 2010	二零一零年一月一日	
Cost	成本	–
Accumulated amortisation	累計攤銷	–
Net carrying amount	賬面淨值	–
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度	
Opening carrying amount	年初賬面值	–
Addition	添置	11,494
Amortisation	攤銷	(1,336)
Exchange realignment	匯兌調整	239
Closing carrying amount	年終賬面值	10,397
At 31 December 2010	於二零一零年十二月三十一日	
Cost	成本	11,765
Accumulated amortisation	累計攤銷	(1,368)
Net carrying amount	賬面淨值	10,397

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 27. 預付款項、按金及其他應收款

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Other receivables	其他應收款	88,008	14,882	1,350	1,084
Prepayments	預付款項	70,152	18,054	274	516
Deposits	按金	5,206	3,873	1,677	1,677
Carrying amount at 31 December	於十二月三十一日之 賬面值	163,366	36,809	3,301	3,277
Less: Current portion	減：即期部分	(160,969)	(34,403)	(3,301)	(3,277)
Non-current portion	非即期	2,397	2,406	-	-

28. INVENTORIES – GROUP

28. 存貨 – 本集團

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Raw materials	原材料	136,360	98,225
Work-in-progress	在製品	22,362	10,980
Finished goods	製成品	270,109	155,029
		428,831	264,234

29. TRADE AND BILL RECEIVABLES – GROUP

29. 應收賬款及票據 – 本集團

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade and bill receivables	應收賬款及票據	115,346	154,777
Less: Provision for impairment	減：減值撥備	(1,584)	(2,102)
Trade and bill receivables – net	應收賬款及票據 – 淨額	113,762	152,675

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

29. TRADE AND BILL RECEIVABLES – GROUP (Continued)

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 one to two months (2009: three months) for major 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.

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:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	2,102	76,423
Amount written off (Note)	撇銷款額(附註)	(505)	(74,580)
Impairment loss charged to profit or loss	於損益扣除之減值虧損	-	259
Reversal of impairment loss	減值虧損撥回	(73)	-
Exchange realignment	匯兌調整	60	-
		<u>1,584</u>	<u>2,102</u>
At 31 December	於十二月三十一日		

Note: The amount in 2009 had been fully provided in the previous years and related to the Discontinued Timber Business.

29. 應收賬款及票據 – 本集團(續)

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，主要客戶一般可獲一至兩個月(二零零九年：三個月)之信貸期。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。

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：

附註：二零零九年之有關款額已於過往年度全數撥備，且與已終止木材業務有關。

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財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

29. TRADE AND BILL RECEIVABLES – GROUP (Continued)

At each reporting date, the Group reviews trade and bill receivables for evidence of impairment on both an 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\$1,584,000 (2009: HK\$2,102,000) is recognised during the year. The Group does not hold any collateral over these balances.

Ageing analysis of trade and bill receivables (including amounts due from the joint venturer of trading in nature as disclosed in note 44.1 (iii)) as at the reporting date, based on invoice date, and net of provisions, is as follows:

29. 應收賬款及票據 – 本集團(續)

於各報告日，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。因此，已確認特別減值撥備1,584,000港元(二零零九年：2,102,000港元)。本集團並無就該等結餘持有任何抵押品。

應收賬款及票據(包括附註44.1(iii)所披露屬交易性質之應收合營方款項)於報告日按照發票日期及扣減撥備後之賬齡分析如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1 to 3 months	1至3個月	103,499	138,358
4 to 6 months	4至6個月	6,595	10,689
Over 6 months	超過6個月	3,668	3,628
		<u>113,762</u>	<u>152,675</u>

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

29. TRADE AND BILL RECEIVABLES – GROUP (Continued)

Ageing analysis of trade receivables that are not impaired is as follows:

Neither past due nor impaired	尚未逾期或減值
1 – 90 days past due	已逾期1 – 90日
91 – 180 days past due	已逾期91 – 180日
Over 180 days past due	已逾期超過180日

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.

29. 應收賬款及票據 – 本集團(續)

並無減值之應收賬款賬齡分析如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Neither past due nor impaired	尚未逾期或減值	76,702	129,196
1 – 90 days past due	已逾期1 – 90日	29,648	18,839
91 – 180 days past due	已逾期91 – 180日	5,816	4,640
Over 180 days past due	已逾期超過180日	1,596	–
		37,060	23,479
		113,762	152,675

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。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**30. 按公平值計入溢利或虧損之金融資產**

	Group 本集團		Company 本公司	
	2010	2009	2010	2009
	二零一零年	二零零九年	二零一零年	二零零九年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Listed equity investments in Hong Kong, at market value	香港上市股票投資， 市值			
	91,764	82,482	44,670	38,330

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。

31. DUE FROM DISPOSAL GROUP – COMPANY

Amount due from the Disposal Group are unsecured, interest-free and repayable on demand.

31. 應收出售組別款項 – 本公司

應收出售組別款項為無抵押、免息及須按要求償還。

32. CASH AND CASH EQUIVALENTS**32. 現金及現金等價物**

	Group 本集團		Company 本公司	
	2010	2009	2010	2009
	二零一零年	二零零九年	二零一零年	二零零九年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Cash and bank balances	現金及銀行結餘			
	837,872	257,404	403,182	300

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\$426,581,000 (2009: HK\$254,902,000) denominated in RMB which are 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426,581,000港元(二零零九年: 254,902,000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。

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33. 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:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1 to 3 months	1至3個月	121,557	118,609
4 to 6 months	4至6個月	1,314	449
Over 6 months	超過6個月	825	6,205
		123,696	125,263

Trade and bill payables are non-interest-bearing and are normally settled on 60-day terms.

33. 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)按照發票日期於報告日之賬齡分析如下:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1 to 3 months	1至3個月	121,557	118,609
4 to 6 months	4至6個月	1,314	449
Over 6 months	超過6個月	825	6,205
		123,696	125,263

應付賬款及票據並不計息，一般須於60日限期內支付。

34. OTHER PAYABLES AND ACCRUALS

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Accruals	應計費用	32,295	26,400	2,790	3,036
Other payables	其他應付款	103,551	99,345	16,106	20,708
		135,846	125,745	18,896	23,744

Other payables are non-interest bearing and repayable on demand.

34. 其他應付款及應計費用

其他應付款並不計息，須按要要求償還。

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35. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP

As at 31 December 2009, the balance related to the forward contracts entered for the purpose of sales of copper. As the balance was due within the twelve months, the balance was classified as a current liability. The fair values of the derivative financial instruments were determined with reference to the quoted market price of the instruments at reporting date.

35. 衍生金融工具－本集團

於二零零九年十二月三十一日之結餘與就出售銅訂立之遠期合約有關。由於有關結餘將於十二個月內到期，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報告日之工具所報市價釐定。

		2010 二零一零年	2009 二零零九年
Copper cathodes	電解銅		
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

36. BORROWINGS

36. 借貸

		Effective interest rates 實際利率	Group 本集團		Company 本公司	
			2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current						
非流動						
Bank borrowings 銀行借貸	Floating 浮息	N/A 不適用	–	17,818	–	–
Current						
流動						
Bank overdrafts 銀行透支	Floating 浮息	N/A 不適用	–	3,787	–	3,787
Bank borrowings 銀行借貸	Floating 浮息	2.70%-5.58%	35,353	8,000	13,000	8,000
Bank borrowings 銀行借貸	Fixed 定息	N/A 不適用	–	92,928	–	–
			35,353	104,715	13,000	11,787
Total borrowings 總借貸			35,353	122,533	13,000	11,787

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

36. BORROWINGS (Continued)

At the reporting date, the Group's bank borrowings were secured by:

- (i) as at 31 December 2010, a legal charge over certain of the Group's buildings situated in the PRC with a carrying amount of HK\$833,000; as at 31 December 2009, no legal charge over the Group's buildings (note 18) and guarantee granted by a joint venturer; and
- (ii) a legal charge over certain of the Group's investment properties with carrying amounts of HK\$18,800,000 (2009: HK\$15,500,000) (note 19).

The carrying amounts of the borrowings approximate to their fair value. As at 31 December 2010, the borrowings were repayable as follows:

36. 借貸(續)

於報告日，本集團銀行借貸以下列各項作抵押：

- (i) 於二零一零年十二月三十一日，賬面值為833,000港元之本集團中國樓宇之法定押記；於二零零九年十二月三十一日，本集團樓宇並無法定押記(附註18)及合營方作出之擔保；及
- (ii) 本集團若干賬面值為18,800,000港元(二零零九年：15,500,000港元)投資物業之法定押記(附註19)。

借貸之賬面值與其公平值相若。於二零一零年十二月三十一日，本集團之借貸須於以下年期償還：

	Group 本集團		Company 本公司	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year 一年內	35,353	104,715	13,000	11,787
In the second year 第二年	-	7,795	-	-
In the third to fifth year 第三年至第五年	-	10,023	-	-
Repayable within five years 五年內償還	<u>35,353</u>	<u>122,533</u>	<u>13,000</u>	<u>11,787</u>

37. DUE TO RELATED COMPANIES

As at 31 December 2010, amounts due to related companies are unsecured, interest-free and repayable on demand (2009: the Group and the Company had no amounts due to related companies).

37. 應付有關連公司欠款

於二零一零年十二月三十一日，應付有關連公司欠款為無抵押、免息及須按要求償還(二零零九年：本集團及本公司並無應付有關連公司欠款)。

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38. 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.

Movement on the deferred tax assets is as follows:

		Provision for inventories	
		存貨撥備	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	1,207	1,207
Exchange realignment	匯兌調整	43	-
At 31 December	於十二月三十一日	<u>1,250</u>	<u>1,207</u>

As at 31 December 2010, the Group has tax losses arising in Hong Kong of HK\$183,141,000 (2009: HK\$154,805,000), 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 2010, 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\$347,879,000 (2009: HK\$174,018,000) 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.

38. 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。

遞延稅項資產變動載列如下：

		Provision for inventories	
		存貨撥備	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	1,207	1,207
Exchange realignment	匯兌調整	43	-
At 31 December	於十二月三十一日	<u>1,250</u>	<u>1,207</u>

於二零一零年十二月三十一日，本集團於香港產生稅項虧損183,141,000港元(二零零九年：154,805,000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。

於二零一零年十二月三十一日，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347,879,000港元(二零零九年：174,018,000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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39. SHARE CAPITAL

39. 股本

		2010 二零一零年		2009 二零零九年	
		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	6,000,000	600,000	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	<u>6,000,000</u>	<u>600,000</u>	<u>6,000,000</u>	<u>600,000</u>
Issued and fully paid :	已發行及繳足 :				
At 1 January	於一月一日	3,542,676	354,268	3,542,031	354,203
Placement of shares during the year (note ii)	於年內配售股份 (附註ii)	496,953	49,695	—	—
Share option scheme – proceeds from shares issued (note iii)	認購股份權計劃— 發行股份所得款項 (附註iii)	50,445	5,044	645	65
At 31 December	於十二月三十一日	<u>4,090,074</u>	<u>409,007</u>	<u>3,542,676</u>	<u>354,268</u>

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) In May 2010, the Company entered into a share subscription agreement with an independent third party in relation to placement of 106,815,620 new ordinary shares at HK\$0.77, pursuant to which the Group also agreed to grant 242,115,405 options ("Option") for the subscription of the Company's ordinary shares at the exercise price of HK\$0.88. Total proceeds for this placement are HK\$82,248,000. The fair value of the Option is approximately HK\$15,160,000 and has been included in the other reserve. The amount of HK\$56,406,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$10,682,000 and the fair value of the Option of HK\$15,160,000, has been included in share premium.

In December 2010, the Company entered into another placing agreement in relation to placement of 390,138,000 new ordinary shares at HK\$1.21. Total proceeds for this placement are HK\$472,068,000. The amount of HK\$433,053,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$39,014,000, has been included in share premium.

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) 於二零一零年五月，本公司與獨立第三方訂立股份認購協議，內容關於以每股0.77港元配售106,815,620股新普通股，據此本集團亦同意授出242,115,405份認購股份權（「認購股份權」），以按每股0.88港元之行使價認購本公司普通股。該配售之所得款項總額為82,248,000港元。認購股份權之公平值約為15,160,000港元且已計入其他儲備項下。56,406,000港元乃為所收取的10,682,000港元普通股之面值所得款項與認購股份權之公平值15,160,000港元的差額，該筆款項已被計入股份溢價。

於二零一零年十二月，本公司訂立另一份配售協議，內容關於以每股1.21港元配售390,138,000股新普通股。該次配售之所得款項總額為472,068,000港元。有關款項433,053,000港元，乃為已收取所得款項與普通股之面值39,014,000港元的差額，該筆款項已被計入股份溢價。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

39. SHARE CAPITAL (Continued)

Notes: (Continued)

- (iii) During the year, 50,445,000 new ordinary shares of the Company were issued upon the exercise of share options. The total proceeds received for the issues of shares under share option scheme is HK\$16,394,000. The amount of HK\$11,350,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$5,044,000, has been included in share premium. Details of the share options exercised during the year are summarised in note 40.

All shares issued in relation to the placements and the share option scheme, during the year, have the same rights as the Company's other issued ordinary shares.

40. 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.

39. 股本(續)

附註：(續)

- (iii) 於本年度，本公司於行使認購股份權時，發行50,445,000股新普通股。根據認購股份權計劃發行股份之已收取所得款項總額為16,394,000港元。有關款項11,350,000港元，乃為已收取所得款項與普通股之面值5,044,000港元的差額，該筆款項已被計入股份溢價。有關認購股份權獲行使之詳情載列於附註40。

所有於年內發行之股份(與配售及認購股份計劃有關)，與本公司其他已發行普通股享有同等權利。

40. 股份補償

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認購股份權計劃，並採納新認購股份權計劃(「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%。倘授出之認購股份權導致超出有關上限，則不得根據新計劃授出認購股份權。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%。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

40. SHARE-BASED COMPENSATION

(Continued)

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.

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.

40. 股份補償(續)

在任何十二個月期間根據新計劃向每名承授人授出之認購股份權(包括已行使或尚未行使之認購股份權)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認購股份權(包括已行使、註銷及尚未行使認購股份權)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。

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認購股份權(包括已註銷、行使及尚未行使之認購股份權)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認購股份權(包括已行使、已註銷及尚未行使認購股份權)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。

所授出認購股份權之行使期由董事釐定，且不應超過認購股份權接納日期後十年(「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。

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**40. SHARE-BASED COMPENSATION
(Continued)**

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 option 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 option 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 is settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

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

40. 股份補償(續)

認購股份權之公平值於計及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。認購股份權行使時，先前於認購股份權儲備中確認之款額會轉撥至股份溢價。當認購股份權被沒收或於屆滿日期仍未行使，先前於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認購股份權會自尚未行使認購股份權中剔除。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認購股份權。

承授人可於認購股份權期間任何時間向授人發出行使通知，行使全部或部分認購股份權，惟承授人將根據下列歸屬期時間表行使認購股份權購入認購股份權股份：

**Maximum percentage
of shares option
comprised in an option
which may be exercised
可行使認購股份權所包含
認購股份權股份最高百分比**

直至報告日為止已授出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

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

40. SHARE-BASED COMPENSATION

(Continued)

Share options and weighted average exercise price are as follows for the reporting periods presented:

40. 股份補償(續)

報告期間內之認購股份權及加權平均行使價呈列如下：

		2010 二零一零年		2009 二零零九年	
		Number '000 數目 千份	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number '000 數目 千份	Weighted average excise price 加權平均 行使價 HK\$ 港元
Outstanding at 1 January	於一月一日尚未行使	178,355	0.325	179,000	0.325
Exercised	已行使	(50,445)	0.325	(645)	0.325
Outstanding at 31 December	於十二月三十一日 尚未行使	<u>127,910</u>	<u>0.325</u>	<u>178,355</u>	<u>0.325</u>
Exercisable at the end of the year	於年終可予行使	<u>65,260</u>	<u>0.325</u>	<u>53,055</u>	<u>0.325</u>

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**40. SHARE-BASED COMPENSATION
(Continued)**

Movements of the New Scheme for the years ended 31 December 2010 and 2009 are as follows:

For the year ended 31 December 2010

Name or category of participants 參與者姓名或所屬類別	At 1 January 2010 於二零一零年 一月一日	Number of share options 認購股份權數目			At 31 December 2010 於二零一零年 十二月三十一日
		Reclassi- fication during the year 於年內 重新分類	Exercised during the year 於年內行使		
Executive directors 執行董事					
Mr. Hon Kwok Lung 韓國龍先生	3,500,000	-	(1,050,000)	2,450,000	
Mr. Shang Jianguang 商建光先生	8,000,000	-	(2,400,000)	5,600,000	
Mr. Shi Tao 石濤先生	5,000,000	-	(1,500,000)	3,500,000	
Mr. Lam Toi Man 林代文先生	3,500,000	-	(1,050,000)	2,450,000	
Independent non-executive directors 獨立非執行董事					
Mr. Fung Tze Wa 馮子華先生	3,500,000	-	(1,050,000)	2,450,000	
Dr. Kwong Chun Wai, Michael 鄺俊偉博士	3,500,000	-	(1,050,000)	2,450,000	
Mr. Li Qiang 李強先生	3,500,000	-	-	3,500,000	
Sub-total 小計	30,500,000	-	(8,100,000)	22,400,000	
Other eligible employees 其他合資格僱員					
In aggregate 合計	97,355,000	(33,400,000)	(18,525,000)	45,430,000	
Other eligible persons 其他合資格人士					
In aggregate 合計	50,500,000	33,400,000	(23,820,000)	60,080,000	
Total 總計	178,355,000	-	(50,445,000)	127,910,000	

40. 股份補償(續)

於截至二零零九年及二零一零年十二月三十一日止年度，新計劃之變動詳情如下：

截至二零一零年十二月三十一日止年度

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

40. SHARE-BASED COMPENSATION (Continued) For the year ended 31 December 2009

40. 股份補償(續)

截至二零零九年十二月三十一日止年度

Name or category of participants 參與者姓名或所屬類別		Number of share options 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
Executive directors	執行董事			
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
Independent non-executive directors	獨立非執行董事			
Mr. Fung Tze Wa	馮子華先生	3,500,000	–	3,500,000
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	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
Other eligible employees	其他合資格僱員			
In aggregate	合計	98,000,000	(645,000)	97,355,000
Other eligible persons	其他合資格人士			
In aggregate	合計	50,500,000	–	50,500,000
Total	總計	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%

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.

以柏力克－舒爾斯期權定價模式計算於二零零八年授出之認購股份權公平值已使用以下主要假設：

預期波幅	54.21%
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%

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。認購股份權預計年期已按管理層最佳估算作出調整。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

40. SHARE-BASED COMPENSATION (Continued)

The options outstanding at 31 December 2010 had a weighted average remaining contractual life of 8 years (2009: 9 years). The weighted average share price for share options exercised during the year at the date of exercise was HK\$0.91 (2009: HK\$0.77).

Equity-settled share-based compensation of HK\$7,631,000 (2009: HK\$15,570,000), comprising HK\$1,300,000 (2009: HK\$2,165,000) to directors and HK\$6,331,000 (2009: HK\$12,919,000) to employees and other eligible persons, has been included in profit or loss during the year. The corresponding amount has been credited to share option reserve (note 41). No liabilities were recognised on the equity-settled share-based compensation transactions.

41. RESERVES Group

The amounts of the Group's reserves and 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.

40. 股份補償(續)

於二零一零年十二月三十一日到期之認購股份權之加權平均餘下合約年期為8年(二零零九年：9年)。年內已行使認購股份權於行使日期之加權平均股價為0.91港元(二零零九年：0.77港元)。

以股本結算之股份補償為7,631,000港元(二零零九年：15,570,000港元)，包括董事開支1,300,000港元(二零零九年：2,165,000港元)、僱員及其他合資格人士開支6,331,000港元(二零零九年：12,919,000港元)，有關開支已計入年內損益。相應款額已計入認購股份權儲備(附註41)。概無就以股本結算之股份賠償交易確認負債。

41. 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。

按照中國法規，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。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

41. RESERVES (Continued)

Group (Continued)

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves as explained in note 21 to the financial statements.

Company

41. 儲備(續)

本集團(續)

誠如財務報表附註21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。

Company		本公司				
		Share premium account	Share option reserve	Other reserve	Retained profits	Total
		股份溢價賬	股份權儲備	其他儲備	保留溢利	總額
		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
At 1 January 2009	於二零零九年一月一日	513,700	968	-	80,032	594,700
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份之所得款項	145	-	-	-	145
Exercise of share options	行使認購股份權	98	(98)	-	-	-
Equity-settled share based compensation (note 40)	以股本結算之股份補償(附註40)	-	15,570	-	-	15,570
Profit and total comprehensive income for the year (note 13)	本年度溢利及全面收入總額(附註13)	-	-	-	34,543	34,543
Payments of interim 2009 dividend (note 14)	擬派二零零九年中期股息(附註14)	-	-	-	(35,420)	(35,420)
Proposed final 2009 dividend (note 14)	擬派二零零九年末期股息(附註14)	(66,095)	-	-	(79,155)	(145,250)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	447,848	16,440	-	-	464,288
Placement of shares during the year	年內配售股份	489,460	-	15,160	-	504,620
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份所得款項	11,350	-	-	-	11,350
Exercise of share options	行使認購股份權	7,650	(7,650)	-	-	-
Equity-settled share based compensation (note 40)	以股本結算之股份補償(附註40)	-	7,631	-	-	7,631
Profit and total comprehensive income for the year (note 13)	本年度溢利及全面收入總額(附註13)	-	-	-	93,826	93,826
Payments of final 2009 final dividend	派付二零零九年末期股息	(6,259)	-	-	-	(6,259)
Payments of interim 2010 dividend (note 14)	派付二零一零年中期股息(附註14)	(56,161)	-	-	-	(56,161)
Proposed final 2010 dividend (note 14)	擬派二零一零年末期股息(附註14)	(49,327)	-	-	(93,826)	(143,153)
At 31 December 2010	於二零一零年十二月三十一日	844,561	16,421	15,160	-	876,142

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

41. RESERVES (Continued)

Notes:

- (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 4.22.

41. 儲備(續)

附註：

- (a) 根據開曼群島公司法第22章(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) 此指所授出認購股份權之公平值，進一步詳情載於附註4.22就股份補償所採納之會計政策內。

42. OPERATING LEASE ARRANGEMENTS/ COMMITMENTS

42.1 At 31 December 2010, total future minimum lease receivables by the Group under non-cancellable leases are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	9,947	10,155
In the second to fifth years	第二年至第五年	28,872	30,629
After five years	五年後	39,147	39,336
		<u>77,966</u>	<u>80,120</u>

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.

42. 經營租賃安排／承擔

42.1 於二零一零年十二月三十一日，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。

42.2 At 31 December 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

42.2 於二零一零年十二月三十一日，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：

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	13,526	8,374	5,444	4,899
In the second to fifth years	第二年至第五年	23,506	19,480	5,670	10,003
After five years	五年後	9,994	-	-	-
Total	總計	<u>47,026</u>	<u>27,854</u>	<u>11,114</u>	<u>14,902</u>

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

**42. OPERATING LEASE ARRANGEMENTS/
COMMITMENTS (Continued)****42.2 (Continued)**

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.

- 42.3** The Group is required to pay an annual fee in respect of the 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 (2009: HK\$473,000) was charged as an expense in profit or loss of the Group.

**43. CAPITAL COMMITMENTS
Group**

Contracted, but not provided for
Purchases of property, plant and equipment

已訂約但未撥備
購置物業、廠房及設備

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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36,843	1,374
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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 HK\$268,769,000). The Citychamp Rights Issue was subject to approval from the relevant PRC government authorities. As at 31 December 2009, the Citychamp Right Issue was not completed.

In June 2010, the board of directors of Citychamp has resolved not to proceed with the Citychamp Rights Issue in light of the recent measures on the property sector implemented by the PRC government. At the general meeting held in July 2010, the shareholders of Citychamp have resolved to terminate the Citychamp Rights Issue.

Company

At 31 December 2010, the Company did not have any capital commitments (2009: Nil).

42. 經營租賃安排／承擔(續)**42.2 (續)**

本集團及本公司根據經營租約安排租用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。

- 42.3** 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(二零零九年：473,000港元)已於本集團損益按開支扣除。

**43. 資本承擔
本集團**

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，冠城供股尚未完成。

於二零一零年六月，冠城之董事會決定不繼續進行冠城供股，原因為中國政府近期施行的有關物業政策。於二零一零年七月舉行的股東大會上，冠城之股東決定終止冠城供股。

本公司

於二零一零年十二月三十一日，本公司並無任何資本承擔(二零零九年：無)。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

44. RELATED PARTY TRANSACTIONS**44.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:****(i) Sales of goods**

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of goods to joint venturer 向合營方銷售貨物	<u>568,108</u>	<u>338,904</u>

Sales to joint venturer of the Group's jointly-controlled entity, of which certain directors of the Company is also directors. The amounts for both years were presented under discontinued operations as set out in note 12.4.

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。兩個年度之金額均呈列於已終止經營業務(見附註12.4)。

(ii) Rental income

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Rental income received 已收租金收入	<u>984</u>	<u>984</u>

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 (2009: HK\$82,000).

上述租金乃向本公司一名董事亦為董事之公司收取，租金平均每月82,000港元(二零零九年：82,000港元)。

(iii) Outstanding balances arising from sales of goods included in trade and bill receivables:

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Due from joint venturer 應收合營方欠款	<u>55,268</u>	<u>48,793</u>

The balance as at 31 December 2010 was presented under assets of a disposal group classified as held for sale (2009: Included in trade and bill receivables in the consolidated statement of financial position).

於二零一零年十二月三十一日之結餘乃呈列於分類為持作出售之出售組別資產項下(二零零九年：列入綜合財務狀況表之應收賬款及票據)。

44. 有關連人士交易**44.1 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**

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of goods to joint venturer 向合營方銷售貨物	<u>568,108</u>	<u>338,904</u>

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。兩個年度之金額均呈列於已終止經營業務(見附註12.4)。

(ii) 租金收入

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Rental income received 已收租金收入	<u>984</u>	<u>984</u>

上述租金乃向本公司一名董事亦為董事之公司收取，租金平均每月82,000港元(二零零九年：82,000港元)。

(iii) 銷售貨物之未償付結餘已計入應收賬款及票據：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Due from joint venturer 應收合營方欠款	<u>55,268</u>	<u>48,793</u>

於二零一零年十二月三十一日之結餘乃呈列於分類為持作出售之出售組別資產項下(二零零九年：列入綜合財務狀況表之應收賬款及票據)。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

44. RELATED PARTY TRANSACTIONS (Continued)**44.1 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 joint venturer	應收合營方欠款
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The balance as at 31 December 2010 was presented under assets of a disposal group classified as held for sale (2009: Included in other receivables in the consolidated statement of financial position).

(v) Outstanding balances included in other payables

Due to a director	應付一名董事欠款
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44.2 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 17.1 to the financial statements.

44. 有關連人士交易(續)**44.1 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：**

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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<u>686</u>	<u>673</u>
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於二零一零年十二月三十一日之結餘乃呈列於分類為持作出售之出售組別資產項下(二零零九年：列入綜合財務狀況表之其他應收款)。

(v) 已計入其他應付款之未償付結餘

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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<u>-</u>	<u>9,000</u>
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44.2 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：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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10,099	8,466
92	84
<u>1,300</u>	<u>2,651</u>
<u>11,491</u>	<u>11,201</u>

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17.1。

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45. ACQUISITION OF SUBSIDIARIES

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:

45. 收購附屬公司

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：

		HK\$'000 千港元
Purchase consideration:	收購代價：	
Cash paid	所付現金	3,415
Less: Fair value of net assets acquired shown below	減：下文所示購入資產淨值公平值	<u>(3,415)</u>
Goodwill	商譽	<u>—</u>

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:

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 18)	物業、廠房及設備(附註18)	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	<u>(4,527)</u>	<u>(4,527)</u>
Net assets	資產淨值	5,695	<u>5,695</u>
Non-controlling interests	非控股權益	<u>(2,280)</u>	
Net assets attributed to the Group	本集團應佔資產淨值	<u>3,415</u>	
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		<u>(3,415)</u>
Net cash outflow	現金流出淨額		<u>(3,238)</u>

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45. ACQUISITION OF SUBSIDIARIES (Continued)

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.

Had the business combination taken place on 1 January 2009, revenue from continuing operations and profit of the Group for the year ended 31 December 2009 would have been approximately HK\$593,340,000 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.

46. 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.

46.1 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.

45. 收購附屬公司(續)

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。

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持續經營業務收入及溢利應分別約為593,340,000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。

46. 財務風險管理目標及政策

本集團之主要金融工具包括借貸及現金及現金等價物。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。

46.1 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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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**46.1 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.

46. 財務風險管理目標及政策(續)**46.1 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。

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale financial assets	可供出售金融資產	1,113,095	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	91,764	82,482
Loans and receivables:	貸款及應收款：		
– Trade and bill receivables	– 應收賬款及票據	113,762	152,675
– Other receivables	– 其他應收款	88,008	14,882
– Cash and cash equivalents	– 現金及現金等價物	837,872	257,404
		<u>1,039,642</u>	<u>424,961</u>
		<u>2,244,501</u>	<u>1,948,158</u>
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial liabilities	金融負債		
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
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	123,696	125,263
– Other payables	– 其他應付款	103,551	99,345
– Dividend payables	– 應付股息	644	17,600
– Borrowings	– 借貸	35,353	122,533
– Due to related companies	– 應付關連公司欠款	26,230	–
		<u>289,474</u>	<u>364,741</u>
		<u>289,474</u>	<u>365,557</u>

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

46.2 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 exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group currently had not implemented any procedures to hedge its interest rate risk.

At 31 December 2010, 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\$177,000 (2009: HK\$148,000).

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 2009.

46.3 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.

46. 財務風險管理目標及政策(續)

46.2 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。本集團現時並無實行任何程序對沖其利率風險。

於二零一零年十二月三十一日，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177,000港元(二零零九年：148,000港元)。

上述敏感度分析乃假設利率於報告日出現變動，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報告日止期間利率可能出現之變動。二零零九年之分析已採納相同基準進行。

46.3 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。

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46. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (Continued)

46.3 Foreign currency risk (Continued)

The following table summarises the Group's major financial assets/(liabilities) denominated in currencies other than the functional currencies of the respective group companies as at 31 December 2010 and 2009.

Denominated in RMB	以人民幣列值	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Available-for-sale financial assets	可供出售金融資產	1,113,095	1,440,715
Other receivables	其他應收款	8	1,046
Other payables	其他應付款	<u>(14,180)</u>	<u>(10,845)</u>

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).

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Effect to the profit for the year :	對本年度溢利之影響 :		
5% strengthening in HK\$	港元匯率升值5%	<u>709</u>	<u>489</u>
5% weakening in HK\$	港元匯率貶值5%	<u>(709)</u>	<u>(489)</u>

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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>(55,655)</u>	<u>(72,036)</u>
5% weakening in HK\$	港元匯率貶值5%	<u>55,655</u>	<u>72,036</u>

46. 財務風險管理目標及政策(續)

46.3 外匯風險(續)

下表概述於二零零九年及二零一零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)。

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)對人民幣匯率於報告日可能出現之合理變動之敏感度分析。

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

46.4 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.

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.

46.5 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.

46. 財務風險管理目標及政策(續)

46.4 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。

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。

46.5 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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46. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (Continued)

46.5 Liquidity risk (Continued)

As at 31 December 2010 and 31 December 2009, the Group's financial liabilities have contractual maturities which are summarised below:

46. 財務風險管理目標及政策(續)

46.5 流動資金風險(續)

於二零一零年十二月三十一日及二零零九年十二月三十一日，本集團之金融負債按合約到期日概述如下：

		Group – 2010 本集團 – 二零一零年			
		Total contractual			
		Carrying amount 賬面值 HK\$'000 千港元	undiscounted cash flow 合約未貼現 現金流量總額 HK\$'000 千港元	Within 1 year or on demand 1年內或 按要求 HK\$'000 千港元	Over 1 year 超過1年 HK\$'000 千港元
Non-derivative financial liabilities	非衍生金融負債				
Trade and bill payables	應付賬款及票據	123,696	123,696	123,696	–
Other payables	其他應付款	103,551	103,551	103,551	–
Dividend payable	應付股息	644	644	644	–
Borrowings	借貸	35,353	35,353	35,353	–
Due to related companies	應付有關連公司欠款	26,230	26,230	26,230	–
		<u>289,474</u>	<u>289,474</u>	<u>289,474</u>	<u>–</u>
		Group – 2009 本集團 – 二零零九年			
		Total contractual			
		Carrying amount 賬面值 HK\$'000 千港元	undiscounted cash flow 合約未貼現 現金流量總額 HK\$'000 千港元	Within 1 year or on demand 1年內或 按要求 HK\$'000 千港元	Over 1 year 超過1年 HK\$'000 千港元
Non-derivative financial liabilities	非衍生金融負債				
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>
Derivative financial liabilities	衍生金融負債				
Derivative financial instruments (on net settlement basis)	衍生金融工具 (按淨結算基準)				
– cash outflow	– 現金流出量	816	816	816	–

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

46.6 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.

46.7 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.

As at 31 December 2010, all the derivatives have been reclassified as liabilities of a disposal group classified as held for sale, the Group is not exposed to commodity price risk. In 2009, the Group entered into forward contracts for the purchase and sale of copper (note 35). 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.

46.8 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.

46. 財務風險管理目標及政策(續)

46.6 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。

46.7 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。

於二零一零年十二月三十一日，所有衍生工具均被重新分類為分類持作出售之出售組別負債，本集團並無商品價格風險。於二零零九年，本集團就買賣銅訂立遠期合約(附註35)。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，如商品價格按合理假設上升/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。

46.8 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。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

46. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (Continued)

46.8 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.

46. 財務風險管理目標及政策(續)

46.8 股價風險

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報告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。

		2010 二零一零年		2009 二零零九年	
		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 to the 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 to the 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% (2009: 30%)	上市投資之股價上升30% (二零零九年：30%)	27,529	-	24,745	-
Decrease in share prices of the listed investments by 30% (2009: 30%)	上市投資之股價下跌30% (二零零九年：30%)	(27,529)	-	(24,745)	-
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% (2009: 30%)	上市投資之股價上升30% (二零零九年：30%)	-	333,905	-	432,192
Decrease in share price of the listed investment by 30% (2009: 30%)	上市投資之股價下跌30% (二零零九年：30%)	-	(333,905)	-	(432,192)

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

46. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (Continued)46.9 Fair value measurements recognised in the
statement of financial position – Group

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The following table provides an analysis of financial assets carried at fair value by level of fair value hierarchy.

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 from prices); and

Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

46. 財務風險管理目標及政策(續)

46.9 於財務狀況表確認之公平值計
量 – 本集團

金融資產及金融負債之公允價值乃按以下情況釐定：

- 具有標準條款及條件並於活躍流通市場買賣之金融資產及金融負債之公平值乃參考市場報價釐定。
- 其他金融資產及金融負債(不包括衍生工具)之公平值按折現現金流量分析之公認定價模式或採用目前市場交易觀察及類似工具之交易商報價而釐定。

下表呈列根據公平值級別計量之金融資產及負債公平值。

第一級：相同資產及負債之活躍市場報價(未經調整)；

第二級：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

第三級：並非以觀察所得市場數據為準之資產及負債輸入數值。

		2010 二零一零年			
		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
Assets	資產				
Available-for-sale financial assets – Listed	可供出售金融資產 – 上市	1,113,018	-	-	1,113,018
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	91,764	-	-	91,764
Total and net fair values	公平值總額及淨額	1,204,782	-	-	1,204,782

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

46. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (Continued)46.9 Fair value measurements recognised in
the statement of financial position – Group
(Continued)

46. 財務風險管理目標及政策(續)

46.9 於財務狀況表確認之公平值計量－
本集團(續)

		2009 二零零九年			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產				
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
Liabilities	負債				
Derivative financial instruments	衍生金融工具	(816)	–	–	(816)
Total fair values	公平值總額	(816)	–	–	(816)
Net fair values	公平值淨額	1,522,307	–	–	1,522,307

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 securities**

The listed debt and equity securities 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.

– **上市證券**

上市債務及股本證券以港元及人民幣計值。公平值參考報告日買入報價釐定，已於適用情況應用報告期末之現貨外匯匯率換算。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

47. 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:

47. 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。

於報告日，資本佔整體融資比率如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital	資本		
Total equity	權益總額	<u>3,313,887</u>	<u>2,958,266</u>
Overall financing	整體融資		
Borrowings	借貸	35,353	122,533
Due to related companies	應付有關連公司欠款	<u>26,230</u>	<u>—</u>
		<u>61,583</u>	<u>122,533</u>
Capital-to-overall financing ratio	資本佔整體融資比率	<u>53.81</u>	<u>24.14</u>

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				
		2010	2009	2008	2007	2006
		二零一零年	二零零九年	二零零八年	二零零七年	二零零六年
		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
Continuing operations	持續經營業務					
Revenue	收入	800,604	574,565	865,304	576,058	330,774
Cost of sales	銷售成本	(307,030)	(204,410)	(696,597)	(468,903)	(251,462)
Gross profit	毛利	493,574	370,155	168,707	107,155	79,312
Other income and financial income	其他收入及財務收入	10,492	5,464	26,798	21,285	14,922
Selling and distribution expenses	銷售及分銷費用	(205,511)	(153,310)	(78,518)	(54,708)	(45,602)
Administrative expenses	行政費用	(150,211)	(112,576)	(99,009)	(66,021)	(51,906)
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	6,669	42,234	(36,968)	24,629	38,589
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	13,004	5,102	9,348	10,178	22,031
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	5,172	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	-
Gain on disposal of an associate	出售一家聯營公司之收益	177,711	-	-	-	-
Finance costs	財務費用	(1,811)	(2,669)	(8,637)	(7,157)	(2,880)
Share of profit of associates	應佔聯營公司溢利	6,979	1,877	241	2,212	5,028
Profit before income tax	除所得稅前溢利	356,068	164,515	55,586	108,809	59,494
Income tax expense	所得稅開支	(82,349)	(31,380)	(16,082)	(7,168)	(7,815)
Profit after income tax from continuing operations	持續經營業務除所得稅後溢利	273,719	133,135	39,504	101,641	51,679
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)	7,063	236,481	251,812	325,566	(29,612)
Profit for the year	本年度溢利	280,782	369,616	291,316	427,207	22,067
Other comprehensive income	其他全面收入					
- 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	28,948	11	2,855	6,318	8,237
- Change in fair value of available-for-sale financial assets	- 可供出售金融資產之公平值變動	(327,623)	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				
		2010	2009	2008	2007	2006
		二零一零年	二零零九年	二零零八年	二零零七年	二零零六年
		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
Other comprehensive income for the year	本年度其他全面收入	(298,675)	1,027,716	(509,718)	248,115	8,237
Total comprehensive income for the year	本年度全面收入總額	(17,893)	1,397,332	(218,402)	675,322	30,304
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	271,566	362,561	290,213	427,467	22,347
Non-controlling interests	非控股權益	9,216	7,055	1,103	(260)	(280)
		280,782	369,616	291,316	427,207	22,067
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	(27,672)	1,390,275	(219,642)	675,439	30,497
Non-controlling interests	非控股權益	9,779	7,057	1,240	(117)	(193)
		(17,893)	1,397,332	(218,402)	675,322	30,304

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS 資產、負債及非控股權益

		As at 31 December 於十二月三十一日				
		2010	2009	2008	2007	2006
		二零一零年	二零零九年	二零零八年	二零零七年	二零零六年
		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
Total assets	總資產	3,887,086	3,481,082	2,403,695	1,685,361	2,077,710
Total liabilities	總負債	(573,199)	(522,816)	(736,048)	(469,595)	(1,507,072)
Non-controlling interests	非控股權益	(29,105)	(16,482)	(7,947)	(2,392)	(32,703)
		3,284,782	2,941,784	1,659,700	1,213,374	537,935

Schedule of Principal Investment Properties

主要投資物業附表

31 December 2010 二零一零年十二月三十一日

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 沿河南路錦花大廈底下層二層	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

