

Annual Report 年報
2010



鴻隆控股
HONG LONG
Holdings

鴻隆控股有限公司
Hong Long Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

(Stock Code 股份編號: 1383)

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Corporate Information 公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. ZENG Yunshu
Mr. ZHANG Yiyan
Ms. YE Qingdong
Mr. OUYANG Junxin
Mr. LEE Chi Shing Caesar
Mr. CHAN Ting Lai
Ms. YEUNG So Mui
Ms. HUANG Ling

NON-EXECUTIVE DIRECTOR

Mr. ZHANG Yijun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. LI Jun
Mr. CHEUNG Ngai Lam
Mr. WANG Fosong
Mr. LI Wai Keung

AUTHORISED REPRESENTATIVES

Mr. ZENG Yunshu
Mr. ZHANG Yijun

COMPANY SECRETARY

Mr. YOUNG Wai Ching

AUDITOR

RSM Nelson Wheeler

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
George Town
Grand Cayman KY1-1111
The Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

17th Floor, Block B, Hong Long Century Plaza
Heping Road
Luohu District
Shenzhen, Guangdong Province
The PRC

董事會

執行董事

曾雲樞先生
張奕炎先生
葉慶東女士
歐陽俊新先生
李志成先生
陳鼎禮先生
楊素梅女士
黃玲女士

非執行董事

張宜均先生

獨立非執行董事

李珺博士
張毅林先生
王佛松先生
李偉強先生

授權代表

曾雲樞先生
張宜均先生

公司秘書

楊偉程先生

核數師

中瑞岳華(香港)會計師事務所

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
George Town
Grand Cayman KY1-1111
The Cayman Islands

中國主要營業地點

中國
廣東省深圳
羅湖區
和平路
鴻隆世紀廣場B座17樓

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A of 49th Floor and
Area L of 50th Floor
Office Tower
Convention Plaza
1 Harbour Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
The Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

In Hong Kong:

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

In the PRC:

China Construction Bank
Industrial and Commercial Bank of China
China Bank of Communications
Agricultural Bank of China
Hua Xia Bank
Industrial Bank Co., Ltd.
Shanghai Pudong Development Bank

INVESTOR RELATIONS

For other information relating to the Company, please contact
Corporate Communications Department
website: www.hlkg.net
e-mail: ir@hlkg.net

香港主要營業地點

香港灣仔
港灣道1號
會議展覽廣場
辦公大樓
49樓A室及
50樓L區

開曼群島主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
The Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

在香港:
香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

在中國:

中國建設銀行
中國工商銀行
中國交通銀行
中國農業銀行
華夏銀行
興業銀行
上海浦東發展銀行

投資者關係

有關本公司的其他資料
請聯絡企業傳訊部
網址: www.hlkg.net
電郵: ir@hlkg.net

Corporate Development Milestone 公司發展里程

2000

First move: Incorporation of Hong Long Property Group Limited, formerly known as Hong Long Properties (Shenzhen) Company Limited, the Group's major operating subsidiary
起步：本集團主要營運附屬公司鴻隆地產集團有限公司(前稱鴻隆地產(深圳)有限公司)註冊成立

2002

First property development project: Commenced the construction of Harbor City in Shenzhen
首個物業開發項目：深圳港灣麗都動工

2003

First move into property leasing business
首次進軍物業租賃業務

2004

First move beyond Shenzhen into Huizhou
首次踏出深圳，進駐惠州

2009

Acquisition of further lands for Ningjiang Uptown in Xingning
為寧江新城在興寧進一步收購土地
Completed the open tender offer for purchase of Senior Note
為購買優先票據完成公開要約
Entered into agreement for issue of shares to CCBI
為向建銀國際發行股份訂立協議

2005

Acquired interest in Yinghua project
收購英華項目的權益

2008

Establishment of subsidiary in Dongguan for a potential project
為潛在項目在東莞成立一家附屬公司
Acquired interest in Zirui Garden
收購紫瑞花園的權益

2007

First move into international capital market: Listing on HK Stock Exchange and raised funds of HK\$472M
首次進軍國際資本市場：在香港聯交所上市並籌得472,000,000港元的資金
Acquired interest in Yifeng Plaza (now renamed as Hong Long Century Plaza)
收購藝豐廣場(現稱鴻隆世紀廣場)的權益
Acquired 50% interest in Nam Fong Garden, Guangzhou, and subsequently disposed
收購廣州南方花園50%權益並於隨後出售
Commenced construction of Grace Garden
動工興建溫馨花園
First fund raising exercise after listing in HK: Issuance of Senior Note of US\$90M
香港上市後首次集資活動：發行優先票據並籌得90,000,000美元的資金
First move beyond Guangdong into Zhangjiakou, Hebei
首次踏出廣東，進駐河北張家口
Commenced construction of Ningjiang Uptown in Xingning
在興寧動工興建寧江新城

2005

2006

Grand opening of Hong Long Plaza shopping mall
鴻隆廣場盛大開幕

2002

2003

2004

2000



Corporate Development Milestone 公司發展里程

2010

Entered into acquisition agreement for project at Pinghu Street, Longgang of Shenzhen
為深圳市龍崗區平湖街道的項目訂立收購協議

Entered into cooperative framework agreement with the Management Committee of Shenyang Economic and Technological Development Zone of Liaoning Province, PRC for the construction project of Shenyang Tiexi Industrial New City
為瀋陽鐵西產業新城建設項目與中國遼寧省瀋陽經濟技術開發區管委會訂立合作框架協議

Declaration of special dividend of HK\$0.15 per share with scrip dividend for the 3rd anniversary of listing in Hong Kong
為慶祝公司於香港上市三週年，宣派每股0.15港元的特別股息，並附設以股代息計劃

Completed the Tender Offer to purchase the then remaining Senior Notes of US\$30 million.
為購買當時30,000,000美元的餘下優先票據完成公開要約

Disposal of 52% equity in Huizhou Dayawan project.
出售惠州大亞灣項目52%股權

Acquisition of 100% equity in Anhui Chaohu project.
收購安徽巢湖項目100%股權

Disposal of 82% equity in Huizhou Urban Upstream Landscape Villa project.
出售惠州鴻隆江山項目82%股權

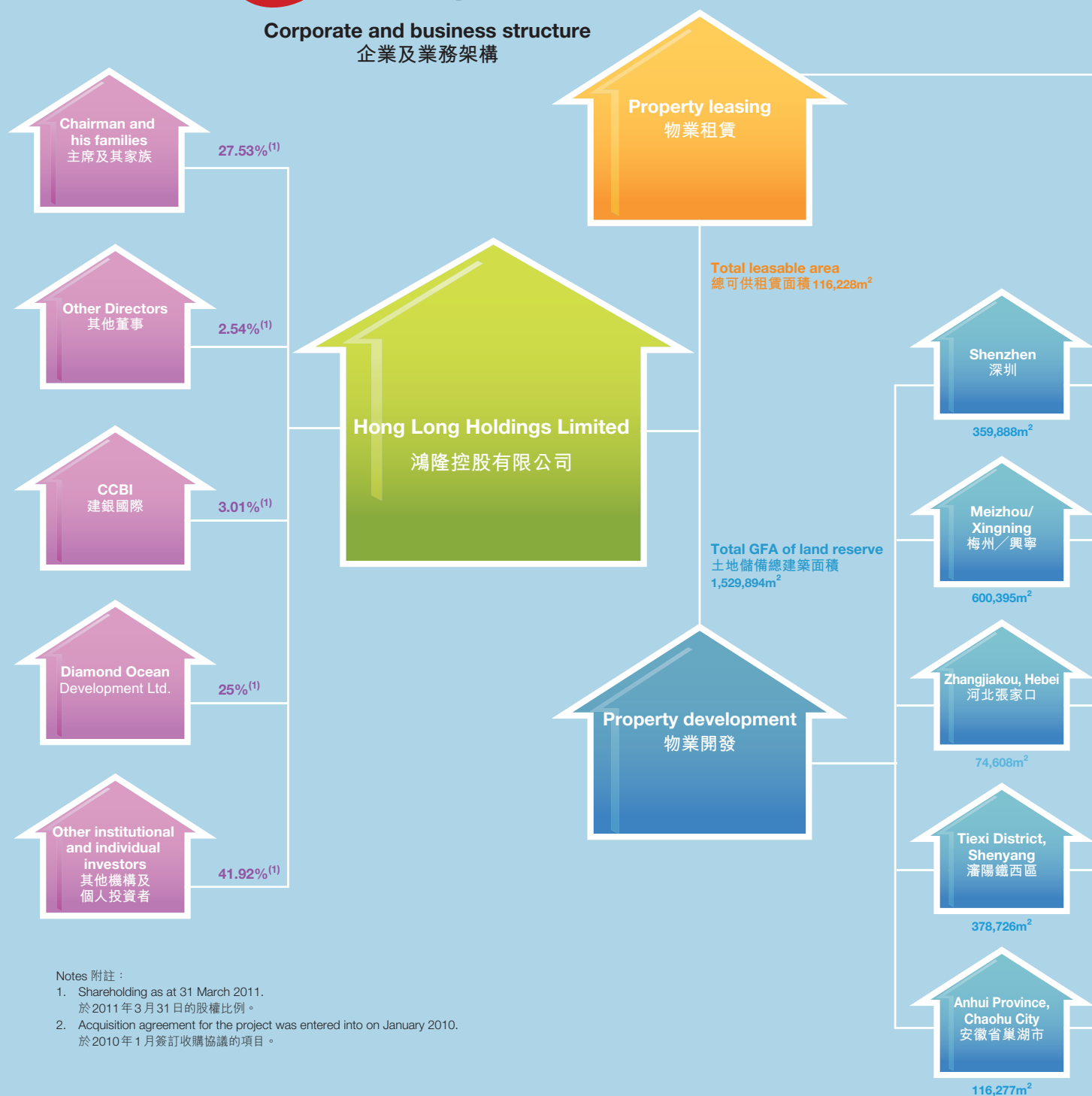


Business Scope 公司業務架構



鴻隆控股
HONG LONG
Holdings

Corporate and business structure
企業及業務架構



Notes 附註：

- Shareholding as at 31 March 2011.
於2011年3月31日的股權比例。
- Acquisition agreement for the project was entered into on January 2010.
於2010年1月簽訂收購協議的項目。

Business Scope 公司業務架構



Properties Portfolio Overview 物業組合概覽

PROPERTY DEVELOPMENT BUSINESS

COMPLETED PROJECTS

Project name	Place	Site area (m ²)	Residential	Shop	GFA (m ²) Office	Hotel	Others ⁽¹⁾	Total	Saleable area (m ²)	Commencement/ completion date	Interest attributable to the Group
Harbor City	Shenzhen	19,822	61,252	14,959	-	-	19,366	95,577	76,211	2002/Q2-2003/Q3	100%
Hong Long Plaza	Shenzhen	19,832	72,035	64,397	-	-	36,198	172,630	136,432	2005/Q1-2006/Q4	100%
Hong Long High Technology Industrial Park	Shenzhen	119,326	-	-	-	-	237,939	237,939	237,939	2005/Q2-2006/Q4	100%
Grace Garden	Meizhou	5,570	30,804	1,468	-	-	1,188	33,460	32,747	2007/Q4-2009/Q4	100%
Hong Long Century Plaza	Shenzhen	N/A	7,454	12,664	52,400	-	12,230	84,748	72,518	2008/Q2-2010/Q4	100%
			171,545	93,488	52,400	-	306,921	624,354	555,847		

PROPERTIES UNDER DEVELOPMENT/TO BE DEVELOPED

Project name	Place	Site area (m ²)	Residential	Shop	GFA (m ²) Office	Hotel	Others ⁽¹⁾	Total	Saleable area (m ²)	Commencement/ completion date	Interest attributable to the Group
Yinghua Project ⁽²⁾	Shenzhen	9,237	48,180	6,980	-	-	2,790	57,950	55,160	2011/Q4-2012/Q4	100%
Zirui Garden	Shenzhen	43,538	90,015	8,002	-	-	36,732	134,749	98,017	2008/Q1-2012/Q4	100%
Huaxing Plaza	Shenzhen	50,639	151,677	26,070	-	-	4,550	182,297	177,747	2010/Q2-2013/Q4	100%
Ningjiang Uptown Phase 1	Xingning	38,827	82,415	6,236	-	-	6,578	95,229	88,651	2007/Q3-2014/Q2	100%
Ningjiang Uptown Phase 2	Xingning	186,908	531,138	11,529	-	-	-	542,667	542,667	2011/Q1-2016/Q2	100%
Bauhinia Garden ⁽²⁾	Xingning	28,526	75,500	8,500	-	-	1,000	85,000	84,000	2011/Q4-2012/Q4	100%
Xiang Jiang City	Zhangjiakou	152,603	157,515	9,661	40,000	-	4,780	211,956	208,576	2007/Q3-2012/Q4	100%
Tiexi New City	Shenyang	153,496	156,748	39,225	129,217	53,386	150	378,726	378,576	2010/Q2-2015/Q4	100%
Chaohu Zhongmiao Holiday Watery Town	Chaohu	122,636	102,777	10,500	-	-	3,000	116,277	113,277	2010/Q2-2013/Q2	100%
		786,410	1,395,965	126,703	169,217	53,386	59,580	1,804,851	1,746,671		

PROPERTY LEASING BUSINESS

Project name	Place	Leaseable area (m ²)
Harbor City	Shenzhen	3,136
Hong Long Plaza	Shenzhen	64,397
Baorun Ornament Materials Mall	Shenzhen	7,653
		75,186

100% owned by the Group

PROPERTY FOR OWN USE

Project name	Place	Useable area (m ²)
8/F, Hong Long Building ⁽²⁾	Shenzhen	748

100% owned by the Group

(1) Includes club house and car parking spaces.

(2) Properties disposed after the reporting period.

Properties Portfolio Overview 物業組合概覽

物業開發業務 已完成項目

項目名稱	地點	土地面積 (m ²)		建築面積 (m ²)				可銷售面積 (m ²)	動工/ 竣工時間	本集團 所佔權益	
		住宅	商舖	寫字樓	酒店	其他 ⁽¹⁾	合計				
港灣麗都	深圳	19,822	61,252	14,959	-	-	19,366	95,577	76,211	2002/Q2-2003/Q3	100%
鴻隆廣場	深圳	19,832	72,035	64,397	-	-	36,198	172,630	136,432	2005/Q1-2006/Q4	100%
鴻隆高科技工業園	深圳	119,326	-	-	-	-	237,939	237,939	237,939	2005/Q2-2006/Q4	100%
溫馨花園	梅州	5,570	30,804	1,468	-	-	1,188	33,460	32,747	2007/Q4-2009/Q4	100%
鴻隆世紀廣場	深圳	不適用	7,454	12,664	52,400	-	12,230	84,748	72,518	2008/Q2-2010/Q4	100%
			171,545	93,488	52,400	-	306,921	624,354	555,847		

在開發/待開發項目

項目名稱	地點	土地面積 (m ²)		建築面積 (m ²)				可銷售面積 (m ²)	動工/ 竣工時間	本集團 所佔權益	
		住宅	商舖	寫字樓	酒店	其他 ⁽¹⁾	合計				
英華項目 ⁽²⁾	深圳	9,237	48,180	6,980	-	-	2,790	57,950	55,160	2011/Q4-2012/Q4	100%
紫瑞花園	深圳	43,538	90,015	8,002	-	-	36,732	134,749	98,017	2008/Q1-2012/Q4	100%
華興廣場	深圳	50,639	151,677	26,070	-	-	4,550	182,297	177,747	2010/Q2-2013/Q4	100%
寧江新城1期	興寧	38,827	82,415	6,236	-	-	6,578	95,229	88,651	2007/Q3-2014/Q2	100%
寧江新城2期	興寧	186,908	531,138	11,529	-	-	-	542,667	542,667	2011/Q1-2016/Q2	100%
紫荊花園 ⁽²⁾	興寧	28,526	75,500	8,500	-	-	1,000	85,000	84,000	2011/Q4-2012/Q4	100%
香江名城	張家口	152,603	157,515	9,661	40,000	-	4,780	211,956	208,576	2007/Q3-2012/Q4	100%
鐵西新城項目	瀋陽	153,496	156,748	39,225	129,217	53,386	150	378,726	378,576	2010/Q2-2015/Q4	100%
巢湖中廟假日水鎮	巢湖	122,636	102,777	10,500	-	-	3,000	116,277	113,277	2010/Q2-2013/Q2	100%
		786,410	1,395,965	126,703	169,217	53,386	59,580	1,804,851	1,746,671		

商業物業租賃

項目名稱	地點	本集團佔 100% 權益	
		可出租面積 (m ²)	
港灣麗都	深圳	3,136	
鴻隆廣場	深圳	64,397	
寶潤裝飾材料城	深圳	7,653	
		75,186	

自用物業

項目名稱	地點	本集團佔 100% 權益	
		可用面積 (m ²)	
鴻隆大廈8樓 ⁽²⁾	深圳	748	

- (1) 含住客會所和停車位。
(2) 已於報告期後出售。

Group Financial Summary 集團財務概要

RESULTS

業績

		For the year ended 31 December 截至12月31日止年度				
		2010	2009	2008	2007	2006
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	819,375	362,369	119,628	411,677	521,040
Net increase in fair value of investment properties	投資物業的公允值的增加淨額	208,415	56,830	62,120	180,352	566,343
(Loss)/Profit from operations	經營(虧損)/溢利	(118,689)	172,541	122,290	486,196	927,783
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額	15,977	(19,994)	58,533	(28,182)	432
Finance costs	融資成本	(160,934)	(87,843)	(90,227)	(55,091)	(23,170)
Gain on bargain purchase in respect of business combination	有關業務合併的議價購買收益	123,979	-	-	-	-
Gain of disposal of subsidiaries	出售附屬公司收益	200,801	-	-	-	-
Profit before tax	除稅前溢利	61,134	64,704	90,596	402,923	905,045
Income tax	所得稅	(28,455)	(33,497)	(87,236)	(152,421)	(206,779)
Profit for the year	本年度溢利	32,679	31,207	3,360	250,502	698,266
Profit attributable to owners of the Company	本公司擁有人應佔溢利	37,609	32,699	3,546	250,685	698,969

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債及少數股東權益

		At 31 December 於12月31日				
		2010	2009	2008	2007	2006
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	1,889,099	1,436,304	1,368,908	1,282,002	1,010,645
Current assets	流動資產	2,811,982	3,120,386	2,455,402	2,250,053	738,829
Current liabilities	流動負債	(1,523,929)	(1,210,385)	(1,255,575)	(822,079)	(818,239)
Non-current liabilities	非流動負債	(1,400,926)	(1,625,468)	(908,932)	(1,070,250)	(86,812)
Non-controlling interests	非控股權益	(995)	(2,732)	(13,082)	(12,268)	(23,091)
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,775,231	1,718,105	1,646,721	1,627,458	821,332

Chairman's Statement 主席報告

The board of directors ("Board") of Hong Long Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred as "Hong Long" or the "Group") for the year ended 31 December 2010.

RESULTS

The turnover and gross profit, before sales return of properties sold, for the year were RMB 1,132.90 million and RMB 268.81 million respectively, representing a substantial increase of 212.64% and 207.33% compared to the previous year. After offset the effect from sales return of properties sold, the turnover and gross loss for the year were RMB 819.38 million and RMB 16.94 million respectively, representing an increase of 126.12% and a decrease of 119.36% compared to the previous year. Profit attributable to owners of the Company surged 15.02% compared to that of the previous year to approximately RMB 37.61 million. Basic earnings per share was RMB 3.11 cents, representing a decrease of 0.96% compared to the previous year.

DIVIDEND

As the Group has reached its 10th anniversary of establishment and the 3rd anniversary of listing, a special dividend of HK\$0.15 per ordinary share was declared on 5 February 2010 as a token of thanks to the continuous support and trust given by the shareholders. Relevant cash and scrip dividends in lieu of cash at HK\$1.29 per share have been distributed to the shareholders on 31 March 2010. The Board do not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: nil). The Group will formulate appropriate dividend policy in accordance with the development needs in the future.

REVIEW AND OUTLOOK

The Group has a remarkable year in 2010. We (1) completed and commenced selling the office units in Hong Long Century Plaza; (2) disposed two projects, namely Urban Upstream Landscape Villa and Jade Hill City; and (3) acquired a project in Chaohu City, Anhui Province.

During 2010, the economy of China grew steadily at a relatively rapid pace, recording a GDP growth rate of 10.3% year-on-year. As for the real estate sector, in addressing the rapid rise in property prices of some cities, the central government promulgated and implemented various macro-policies of regulatory control including the "New 10 State Rules" by the State Council, speeding up the introduction of property tax and suspending mortgage loan for third home buyers. However, given the current stage of economic development, the momentum of urbanisation and the demographic structure of China, it is expected that the demand for housing will remain strong. Therefore, in a backdrop of regulatory macro-policies and an accelerated consolidation in the sector in 2011, we maintain a proactive attitude and actively prepare for opportunities that arises.

鴻隆控股有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱為「鴻隆」或「本集團」)截至2010年12月31日止年度的綜合業績。

業績

本年度營業額及毛利(未計入物業銷售退回)分別為人民幣1,132.90百萬元和人民幣268.81百萬元，較上年度分別大幅增加212.64%及207.33%。經抵銷物業銷售退回的影響後，本年度營業額及毛利分別為人民幣819.38百萬元和人民幣16.94百萬元，分別較上年增長126.12%及下降119.36%。本公司擁有人應佔溢利較上年度大幅上升15.02%至約為人民幣37.61百萬元。每股基本盈利為人民幣3.11分，較上年度減少0.96%。

股息

適逢本集團成立十週年及上市三週年，為回報股東一直以來的支持和信任，董事會於2010年2月5日決定宣派特別股息每股普通股0.15港元。有關現金及以每股1.29港元折算的股票股息已於2010年3月31日分派給各股東。董事會不建議派發有關截至2010年12月31日止年度之末期股息(2009年：無)。本集團將因應未來的發展需要而制定合適的派息政策。

業務回顧

本集團在2010年度有不俗的發展，主要包括(1)鴻隆世紀廣場竣工並開始銷售寫字樓；(2)出售鴻隆江山和翡翠山城兩個項目；和(3)收購位於安徽省巢湖市的項目。

2010年，中國經濟依然保持平穩較快發展，全年國內生產總值同比增長10.3%。房地產方面，針對部份城市房價過快上漲現象，中央政府頒佈並執行了各種宏觀調控政策，其中包括由國務院發佈的「新國十條」，以及加速實現開徵物業稅和暫停對第3套房房的抵押貸款等。然而，基於目前中國的經濟發展階段、城市化進程以及人口結構，預期住房需求仍會旺盛。因此，在2011年基於在宏觀調控政策和行業將加快整合的環境下，我們仍抱積極態度及做好迎接新商機的準備。

Chairman's Statement 主席報告

SOCIAL RESPONSIBILITY

The Group is committed to bear its social responsibility and contribute to the weak and poor. The employees of the Group have actively participated in various charity activities involving cultural education, disaster relief, environmental protection, health and hygiene, as well as public transportation of the municipal. The Group will continue to promote our corporate culture of dedicating sincerity and love to the community internally, and bear our related social responsibility.

ACKNOWLEDGEMENT

After a decade of stable development, Hong Long still relies on the trust and support of the shareholders, business partners and all the staff in facing the challenges ahead. On behalf of the Board, I would like to express the sincere thanks to all parties concerned.

ZENG Yunshu

Chairman

31 March 2011

社會責任

本集團樂於承擔其應盡的社會責任，奉獻力量扶弱濟貧。本集團的員工積極參與文化教育、賑災、環境保護、醫療衛生及市政交通等有關的公益活動。未來本集團將繼續在內部推行誠愛社會的企業文化，承擔相應的社會責任。

感謝

經歷十年的穩步發展，面向今後的挑戰，鴻隆仍要依賴股東、商業夥伴以及全體員工的信任和 support，本人謹代表董事會向各界衷心致謝。

曾雲樞

主席

2011年3月31日

Management Discussion and Analysis 管理層討論及分析

OPERATIONAL AND FINANCIAL HIGHLIGHTS

1. Turnover increased by 126.12% to approximately RMB819.38 million.
2. Profit attributable to owners of the Company increased by 15.02% to approximately RMB37.61 million.
3. Basic earnings per share decreased by 0.96% to RMB3.11 cents.
4. Equity attributable to the owners of the Company were up 3.32% to approximately RMB1,775.23 million. Net assets per share is RMB1.44.
5. At 31 December 2010, net debt-to-equity ratio was 125.31% increased 11.58% when compared with last year.

FINANCIAL REVIEW

Turnover and gross (loss)/profit: Turnover comprises of sales proceeds of properties delivered and property leasing income. The substantial increase in turnover was mainly due to the sales of office units approximately 42,000m² gross floor area (“GFA”) in Hong Long Century Plaza but partially offset by the sales return of properties sold of approximately RMB313,521,000 in Hong Long Plaza. The gross loss in 2010 was due to the sales return of Hong Long Plaza, where the gross profit was higher than that of our sales in the same period.

Other net (expense)/income: The decrease in 2010 was mainly due to the non recurrent gain of approximately RMB73,128,000 on the repurchase of Senior Note recorded in 2009.

Other income: The decrease in 2010 was mainly due to the reversal of impairment losses on loans and advances of approximately RMB15,920,000 in 2009 and no such income was recorded during this reporting period.

Selling and distribution expenses: The increase in 2010 was mainly due to the advertising and promotion expenses incurred for sales of Hong Long Century Plaza.

General and administrative expenses: The increase in 2010 was mainly due to the increase in staff costs and professional fee to cope with the Group’s expansion and various projects on hands.

營運及財務摘要

1. 營業額增長 126.12% 至約人民幣 819.38 百萬元。
2. 本公司擁有人應佔溢利增長 15.02% 至約人民幣 37.61 百萬元。
3. 每股基本盈利減少 0.96% 至人民幣 3.11 分。
4. 本公司擁有人應佔權益上升 3.32% 至約人民幣 1,775.23 百萬元。每股資產淨值為人民幣 1.44 元。
5. 於 2010 年 12 月 31 日，淨債務對權益比率為 125.31%，較上年增加 11.58%。

財務回顧

營業額及毛(損)/利：營業額包括交付物業的銷售所得款及物業租賃收入。營業額大幅增加，主要是由於銷售鴻隆世紀廣場約 42,000m² 建築面積(「建築面積」)的寫字樓單位及由物業銷售退回約人民幣 313,521,000 元所部份抵銷。2010 年毛損乃由於鴻隆廣場銷售退回所致，其毛利率高於本期間銷售毛利率。

其他(支出)/收益淨額：於 2010 年減少主要由於 2009 年購回優先票據之非經常性收益約人民幣 73,128,000 元所致。

其他收入：於 2010 年減少主要由於 2009 年貸款及墊款的減值撥回約人民幣 15,920,000 元，而於本報告期間則並未錄得此收入。

銷售及分銷費用：於 2010 年的增加主要由於鴻隆世紀廣場進行的廣告及促銷活動所致。

一般及行政費用：於 2010 年增加主要由於為配合本集團擴展及現有不同項目導致員工成本及專業費增加所致。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW (CONT'D)

Other operating expenses: The increase in 2010 was mainly due to the impairment losses and written off on other receivables of RMB205,295,000.

Net increase in fair value of investment properties: It is mainly due to the increase in fair value of retail spaces added under the sales return disclosed above and the prevailing market conditions.

Net change in fair value of derivative financial instruments: In September 2007, the Company issued Senior Note with warrants. The change in fair value, as assessed by independent valuer, has been recorded in the consolidated statement of comprehensive income. It is a non-cash item.

Finance costs: The increase in 2010 was mainly due to (i) the increase in borrowings to cope with the Group's expansion and various projects, (ii) the early absorption of approximately RMB45,093,000 due to the purchase of Senior Note in 2010 before its maturity in late 2012 and (iii) the early absorption of approximately RMB65,821,000 due to the early settlement of borrowings in 2010 before its maturity in late 2011.

Gain on bargain purchase in respect of business combination: It was related to the gain on acquisition of a former subsidiary holding Dayawan Jade Hill project.

Gain on disposal of subsidiaries: It was mainly related to the disposal of subsidiaries holding Huizhou Urban Upstream Landscape Villa project and the right to acquire certain office units in Tower A of Hong Long Century Plaza respectively.

Income tax: The decrease in tax was mainly due to the overprovision of Land Appreciation Tax of approximately RMB151,610,000 for the sales return of properties sold.

SEGMENT ANALYSIS

While principally engaged in the development of middle to high range residential and commercial properties in the People's Republic of China (the "PRC"), the Group expects stronger recurrent cash flow from commercial properties leasing in the future. In 2010, property development income and property leasing income accounted for approximately 91.88% and 8.12% respectively.

財務回顧(續)

其他營運費用：於2010年增加主要由於就其他應收款項作出減值虧損及撇銷人民幣205,295,000元所致。

投資物業公允價值增加淨額：公允價值增加主要因前述之商舖銷售退回而增加面積之公允價值上升及當前市況所致。

衍生金融工具公允價值變動淨額：於2007年9月，本公司發行附有認股權證的優先票據。公允價值變動(由獨立估值師評估)已於綜合全面收益表列賬。其為一項非現金項目。

融資成本：於2010年增加主要由於(i)為配合本集團的擴展及不同項目而增加借貸、(ii)由於2010年在其於2012年下半年的到期日前購回優先票據而提早分擔成本約人民幣45,093,000元及(iii)由於2010年在其於2011年下半年的到期日前提早償還借款而分擔成本約人民幣65,821,000元所致。

有關業務合併的議價購買收益：此乃有關收購一間持有大亞灣翡翠山城項目之前附屬公司的收益。

出售附屬公司的收益：此乃有關出售分別持有惠州鴻隆江山項目及擁有收購鴻隆世紀廣場A座若干寫字樓單位權利之附屬公司。

所得稅：稅項減少乃主要由於就物業銷售退回而超額撥備土地增值稅約人民幣151,610,000元。

分部分析

本集團主要於中華人民共和國(「中國」)從事中高檔住宅及商業物業開發，同時預期今後可從物業租賃業務產生較強大的經常性現金流量。於2010年，物業發展收入及物業租賃收入分別約佔91.88%及8.12%。

Management Discussion and Analysis 管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Bank and cash balances and pledged deposits as at 31 December 2010 amounted to approximately RMB102.22 million (31 December 2009: RMB290.52 million) which including RMB39.98 million, US\$9.17 million, and HK\$1.76 million.

The Group had total borrowings of approximately RMB1,935.43 million as at 31 December 2010 (31 December 2009: RMB1,769.63 million), RMB823.23 million was repayable within one year, RMB806.60 million was repayable after one year but within five years and RMB305.60 million was repayable more than five years. The Group's borrowings carried interest at fixed or floating interest rates. The Group's total bank and other borrowings divided by total assets as at 31 December 2010 was 41.17% (31 December 2009: 38.84%).

As at 31 December 2010, the Group had current assets of approximately RMB2,811.98 million (31 December 2009: RMB3,120.39 million) and current liabilities of approximately RMB1,523.93 million (31 December 2009: RMB1,210.39 million).

CHARGE ON ASSETS

As at 31 December 2010, bank and other borrowings of approximately RMB1,125.15 million were secured by certain investment properties, inventories and pledged deposits of the Group of approximately RMB1,614.10 million, RMB682.69 million and RMB1.08 million respectively.

SENIOR NOTE

For the details of Senior Note, please refer to note 30(b) to the financial statements.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's monetary assets, loans and transactions are principally denominated in Renminbi. Except for borrowings with an aggregate amount of US\$42.00 million, all of the Group's borrowings are denominated in Renminbi. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure as at 31 December 2010.

流動資金、財務資源及負債比率

於2010年12月31日，銀行及現金結餘及抵押存款約達人民幣102.22百萬元(2009年12月31日：人民幣290.52百萬元)，包括人民幣39.98百萬元、9.17百萬美元及1.76百萬港元。

於2010年12月31日，本集團的借貸總額約為人民幣1,935.43百萬元(2009年12月31日：人民幣1,769.63百萬元)，須於一年內償還的借貸額人民幣823.23百萬元；一年後但於五年內償還為人民幣806.60百萬元和多於五年償還為人民幣305.60百萬元。本集團借貸以定息或浮動息率計息。而本集團於2010年12月31日的銀行及其他借貸總額除以總資產為41.17% (2009年12月31日：38.84%)。

於2010年12月31日，本集團有流動資產約人民幣2,811.98百萬元(2009年12月31日：人民幣3,120.39百萬元)及流動負債約人民幣1,523.93百萬元(2009年12月31日：人民幣1,210.39百萬元)。

對資產的抵押

於2010年12月31日，銀行及其他借貸約人民幣1,125.15百萬元由本集團分別約值人民幣1,614.10百萬元、人民幣682.69百萬元及人民幣1.08百萬元之若干投資物業、存貨及抵押存款作抵押。

優先票據

有關優先票據之詳情，請參考財務報表附註30(b)。

匯率波動風險及有關對沖

本集團的貨幣資產、貸款和交易主要以人民幣計值。除總額42.00百萬美元的借貸外，本集團借貸全部以人民幣計值。於2010年12月31日，本集團並沒有參與任何衍生工具活動及並無對任何金融工具作出承擔以對沖資產負債表的風險。

Management Discussion and Analysis 管理層討論及分析

CONTINGENT LIABILITIES

For the details of contingent liabilities, please refer to the note 37 to the financial statements.

TREASURY POLICIES AND CAPITAL STRUCTURE

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

EMPLOYEES

As at 31 December 2010, the Group had a staff force of approximately 430 employees. Of this, most were stationed in the PRC. The remuneration of employees was in line with the market trend and commensurable to the level of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives (such as pre-IPO Share Options and Share Option Scheme). Total staff costs incurred for the year 2010 before capitalisation was approximately RMB45.01 million.

FINAL DIVIDEND

A special dividend of HK\$0.15 per ordinary share was declared on 5 February 2010 and was recognised as distribution on 31 March 2010.

The Board do not recommend the payment of a final dividend for the year 2010 (2009: nil).

BUSINESS REVIEW

The Group is principally engaged in the development of middle to high end residential and commercial properties as well as leasing of commercial properties in Guangdong, Hebei, Liaoning and Anhui Provinces, the PRC.

In 2010, the Group extended its presence to Shenyang, Liaoning Province. The expansion signifies the Group's confidence in second tier cities in the PRC where there is strong demand for better living environment.

At 31 December 2010, the Group's total leasable GFA is approximately 90,000m². We will continue to enhance our investment properties portfolio to take advantage of the healthy cash flows from property leasing segment.

Summary of development and status of existing projects are reported in the following paragraphs.

或然負債

有關或然負債之詳情，謹請參考財務報表附註37。

財資政策及資本結構

本集團就其財資政策採取審慎策略，並專注於風險管理及與本集團之相關業務有直接關係之交易。

僱員

於2010年12月31日，本集團擁有約430名員工，其中絕大部份在中國工作。僱員的薪酬與市場趨勢一致，可與業內的薪酬水平相比。本集團僱員的薪酬包括基本薪金、花紅及長期獎勵（如首次公開發售前認股權及認股權計劃）。2010年所產生的員工成本總額（未計入資本化）約為人民幣45.01百萬元。

末期股息

每股普通股0.15港元的特別股息已於2010年2月5日宣派並於2010年3月31日確認為分派。

董事會已議決不宣派2010年度之末期股息（2009年：無）。

業務回顧

本集團主要在中國廣東省、河北省、遼寧省及安徽省從事中高檔住宅及商業物業的開發和商業物業的租賃業務。

於2010年，本集團將其業務擴展至遼寧省瀋陽市。由此確立信心在對優質生活環境有旺盛需求的中國二線城市發展業務。

於2010年12月31日，本集團可供租賃之總建築面積約為90,000m²。本集團將繼續在物業租賃分部擴充物業投資組合以獲取穩健的現金流。

現有項目之發展及狀況於下文概述。

BUSINESS REVIEW (CONT'D)

PROJECTS UNDER DEVELOPMENT

Hong Long Century Plaza: The project comprises of office and residential units of approximately 85,000m² GFA located at the prime location in Luohu district, Shenzhen. In April 2010, the Group launched pre-sales of the office units and was well received by the market. The Group has sold office units of approximately 42,000m² GFA during the year of 2010.

Grace Garden: The project, located at Meizhou, was developed into 2 residential blocks and retail shops with a total GFA of approximately 33,000m². The Group has nearly sold out all units of this project since pre-sales commenced in June 2008.

Ningjiang Uptown: Phase 1 of the project which comprises of 9 residential blocks and retail shops with a total GFA of approximately 95,000m², and approximately 39,000m² was sold out since pre-sales started in October 2008. The Group commenced the construction of phase 2 in 2010.

Xiang Jiang City: Xiang Jiang City, Zhangjiakou is a project under development (a residential and commercial complex of approximately 212,000m² GFA) when acquired by the Group. Phase 1 of the project is almost sold out and phase II is in planning stage.

Zirui Garden: Zirui Garden in Buji County, Shenzhen consists of premier villa, residential units and retail shops with planned GFA of approximately 135,000m². The project is under construction with pre-sale and delivery in phases scheduled for 2011 onwards.

NEW PROJECTS IN 2010

Huaxing Plaza: In January 2010, the Group entered into an acquisition agreement for the project at Pinghu Street, Longgang of Shenzhen. It is a residential and commercial complex with GFA of approximately 151,000m² and 26,000m² respectively. Construction commenced in 2010.

業務回顧(續)

發展中項目

鴻隆世紀廣場: 該項目包括建築面積約85,000m²的寫字樓及住宅單位，位於深圳羅湖區黃金地段。本集團於2010年4月已開始預售寫字樓單位，市場反應甚好。2010年內，本集團已售出寫字樓單位約42,000m²的建築面積。

溫馨花園: 本項目位於梅州，已發展為一項總建築面積約33,000m²之兩幢住宅大廈及若干零售商店。本集團於2008年6月開始預售，已將近售出本項目的所有單位。

寧江新城: 本項目第1期包括9幢住宅大廈及零售商店，總建築面積約95,000m²，於2008年10月開始預售，已售出約39,000m²。本集團於2010年開始興建第2期。

香江名城: 張家口香江名城於本集團收購時為一項發展中住宅與商業綜合樓宇項目，建築面積約212,000m²。本項目第1期的所有單位已將近售出，第2期項目正在規劃中。

紫瑞花園: 深圳布吉鎮紫瑞花園由高級別墅、住宅單位及零售商店組成，規劃建築面積約135,000m²。此項目現正在開發中，並計劃於2011年起分階段預售及交付。

2010年之新項目

華興廣場: 於2010年1月，本集團訂立一項收購協議，收購深圳市龍崗平湖街道一個項目。該項目為商住兩用綜合樓宇，住宅及商業單位建築面積分別約為151,000m²及26,000m²。於2010年開始興建。

BUSINESS REVIEW (CONT'D)

NEW PROJECTS IN 2010 (CONT'D)

Shenyang Project: In January 2010, the Group entered into a cooperative framework agreement with the Management Committee of Shenyang Economic and Technological Development Zone of Liaoning Province ("Management Committee"), PRC for the construction of Shenyang Tiexi Industrial New City. Subject to further discussion with the Management Committee, the Group will jointly develop (1) Binshui Liwan Project (濱水麗灣項目), which will be developed into a high-end residential and commercial integrated community, including golf course, commercial ancillary facilities, international medical institution, international educational institution (kindergarten, primary school and middle school) and landscape belt, of which 75 mu will be used for commercial and public services facilities and 800 mu for residential developments, with total investment of approximately RMB4 billion; (2) Core Area Project of the Management Committee, including international exhibition centre, five-star hotel, headquarters economy building of which the services building of Shenyang Economic and Technological Development Zone will be located, and adjacent residential developments, with total investment of approximately RMB1 billion; and (3) two parties will jointly establish Tiexi Industrial New City Investment Company (鐵西產業新城投資公司), in which the Group shall hold a 40% equity interest. In April 2010, we have completed the tendering procedures for purchasing the land lot number 4 with planned GFA of approximately 196,000m².

Chaohu Project: In November 2010, the Group entered into an agreement for the purchase of 100% equity in a project company holding land sites of approximately 122,000m² and planned GFA of approximately 116,000m² in Zhongmiao town, Chaohu City, Anhui Province. The Group planned to commence pre-sale of the residential project in phases from 2011 onwards.

業務回顧 (續)

2010年之新項目 (續)

瀋陽項目：於2010年1月，本集團與中國遼寧省瀋陽經濟技術開發區管委會(「管委會」)簽署了一項合作框架協議，以進行瀋陽鐵西產業新城的建設項目。待與管委會進一步商討後，本集團將共同開發(1)濱水麗灣項目：發展高檔的住宅和商業綜合小區，設施包括高爾夫球場、商業配套區、國際醫療機構、國際教育機構(幼兒園、小學和中學)和公園景觀帶，其中商業和公共服務設施項目佔地75畝，住宅發展項目用地800畝，總投資約人民幣40億元；(2)管委會核心建設項目：包括國際會展中心、五星級酒店、總部經濟大樓(包括瀋陽經濟技術開發區服務大廈)和周邊住宅項目，總投資約人民幣10億元；及(3)雙方合作組建鐵西產業新城投資公司，其中本集團應佔40%股本權益。於2010年4月，本集團已完成收購規劃建築面積為196,000m² 4號地段的招標程序。

巢湖項目：於2010年11月，本集團訂立一項協議，以收購持有佔地面積約122,000m²及規劃建築面積約116,000m²的項目公司100%股權。該發展地塊位於中國安徽省巢湖市中廟鎮。本集團計劃2011年起開始分期預售住宅項目。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONT'D)

DISPOSAL OF PROJECTS/ASSETS

The Group disposed of certain projects and assets in 2010 and subsequent to the reporting period. We considered these are good opportunities for us to realise these investments at reasonable prices and profit. In addition, we will no longer be required to provide further resources for these investments, so that the Group may relocate its resources to other investments which may generate higher returns for the Group.

The Group disposed of two properties under development projects in 2010:

- 1) Urban Upstream Landscape Villa: The total site area and planned GFA is approximately 500,000m² and 863,000m² respectively, of which, the site area and planned GFA of phase 1 is approximately 121,000m² and 164,000m² respectively.
- 2) Jade Hill project: In April 2010, the Group acquired a 52% equity interest in the Dayawan project company. Jade Hill project is located in the western district of Guangdong Dayawan Economic and Technology Development Zone. It is a complex comprising a hotel and middle to high end residential and commercial units with a planned of about 1,200,000m² GFA.

The Group has disposed of the following projects under negotiation in March 2011.

- 1) a wholly owned subsidiary which shall develop urban regeneration projects at Guangchang North Street, Yuanling District and two other sites in Shenzhen at a consideration of RMB20,800,000.
- 2) a wholly owned subsidiary which shall develop Yinghua project at a consideration of RMB28,000,000.
- 3) a 90% owned subsidiary which shall develop Dongguan Qiaotou project at a consideration of RMB4,000,000.

The Group has disposed of the following assets in March 2011.

- 1) the land to be developed for Bauhinia Garden project at a consideration of RMB4,550,000.
- 2) an office unit approximately 800m² at Shenzhen at a consideration of approximately RMB3,734,000.

業務回顧(續)

出售項目／資產

本集團已於2010年及於報告期間後出售若干項目及資產。我們認為，這是我們以合理價格及利潤變現該等投資之良機。此外，我們將不再需要向該等投資提供進一步資源，因此本集團可將其資源配置於可為本集團帶來更高回報之其他投資。

本集團已於2010年出售兩項發展中物業：

- 1) 鴻隆江山項目：總地盤面積及規劃建築面積分別約為500,000m²及863,000m²。其中，第1期的地盤面積及規劃建築面積分別約為121,000m²及164,000m²。
- 2) 翡翠山城項目：於2010年4月，本集團於大亞灣項目公司收購52%股權。翡翠山城項目位於廣東大亞灣經濟技術開發區西區，為一個綜合性項目，包括酒店、中高檔住宅及商業單位，規劃建築面積約為1,200,000m²。

本集團於2011年3月已出售下列仍在洽談項目。

- 1) 一間將開發圍嶺區廣場北街城市更新項目及深圳兩處其他地盤之全資附屬公司，代價為人民幣20,800,000元。
- 2) 一間將開發英華項目之全資附屬公司，代價為人民幣28,000,000元。
- 3) 一間將開發東莞橋頭項目之90%附屬公司，代價為人民幣4,000,000元。

本集團已於2011年3月出售下列資產。

- 1) 擬開發為紫荊花園項目之土地，代價為人民幣4,550,000元。
- 2) 一個約800m²深圳之寫字樓單位，代價約為人民幣3,734,000元。

Biographical Details of Directors 董事之履歷

EXECUTIVE DIRECTORS

Mr. Zeng Yunshu, aged 58, is the chairman, an executive director, a member of the remuneration committee of the Company and the president of Hong Long Property Group Company Limited (“Hong Long Property”). Mr. Zeng is founder of Hong Long Property, the major operating subsidiary of the Group. He is responsible for determining the overall business strategies, making investment decisions and determining the overall business management direction of the Group. Prior to the establishment of the Group, Mr. Zeng worked in the Xingning City and Meizhou municipal governments from 1981 to 1990. Mr. Zeng worked in Shenzhen Petrochemical Industry (Group) Co. Ltd. from 1991. Mr. Zeng was awarded the title of “Outstanding Contributor” for the development of Xingning’s economy. Mr. Zeng has more than 17 years experience in the development and management of properties since 1993. Currently, He is also a standing committee member of the People’s Political Consultative Committee of Meizhou, Guangdong Province, and a member of the Hong Kong Institute of Directors. He is a director of Grand Prosperity Limited (“Grand Prosperity”), a controlling shareholder of the Company. Mr. Zeng retired by rotation and was re-elected in 2009 annual general meeting pursuant to the Company’s articles of association. The Company has entered into a service contract with Mr. Zeng for a term of 3 years since the end of the 2009 annual general meeting. According to the articles of association of the Company, Mr. Zeng holds office until the forthcoming general meeting and, being eligible, for re-election in the same general meeting.

Mr. Zhang Yiyang, aged 59, joined the Company in October 2008 as the vice-chairman, co-president, an executive director and the chairman of board of supervisors of Hong Long Property. Mr. Zhang is a postgraduate of economic studies, a senior accountant, and qualified as a certified public accountant of the PRC in 1994. Mr. Zhang worked in various enterprises and government departments in Xingning City, Guangdong Province from 1979 to 1989; and vice director of the general inspection office for taxation and finance of Shenzhen, assistant to chief and office director of Shenzhen Finance Bureau, director of general affair division and director of account division of Shenzhen Finance Bureau since 1989. Beginning from 2001, Mr. Zhang has acted as the Party secretary, member of Party committee and section head of disciplinary section of the Bureau, overseeing duties such as the supervision and review of finance matters. Mr. Zhang has over 40 years experience in administration corporate management and financial and accounting management. Mr. Zhang retired and was re-elected in 2009 annual general meeting pursuant to the Company’s articles of association. The Company has entered into a service contract with Mr. Zhang for a term of 3 years since the end of the 2009 annual general meeting. According to the articles of association of the Company, Mr. Zhang holds office until the forthcoming general meeting and, being eligible, for election in the same general meeting.

執行董事

曾雲樞先生，58歲，本公司董事局主席、執行董事兼薪酬委員會之成員，鴻隆地產集團有限公司（「鴻隆地產」）董事長。曾先生為本集團主要經營附屬公司鴻隆地產之創始人，負責為本集團制定發展策略、作出投資專案決策以及決定整體業務管理方向。於成立本集團前，曾先生於1981年至1990年在興寧市及梅州市政府部門工作。1991年起，任職於深圳石化工業集團股份有限公司。曾先生因發展興寧經濟而獲得「傑出貢獻」獎。自1993年至今，曾先生在物業開發及管理方面擁有逾17年的豐富經驗。目前，彼亦是廣東省梅州市政協常委及香港董事學會會員。曾先生是本公司控股股東Grand Prosperity Limited（「Grand Prosperity」）之董事。曾先生於2009年股東週年大會上輪席退任，並獲膺選連任。其後，本公司與曾先生於2009年股東週年大會結束後簽署為期三年之服務合同。根據本公司組織章程，曾先生的任期至本公司應屆股東大會止，惟可於應屆股東大會上合資格應選連任。

張奕炎先生，59歲，於2008年10月加入本公司，任董事局副主席、聯席總裁及執行董事，鴻隆地產監事會主席。張先生為經濟學研究生畢業，正高級會計師職稱，1994年取得中國註冊會計師資格。張先生1979年至1989年曾在廣東省興寧的多家企業和政府部門任職，並自1989年在深圳市財政局先後任深圳市稅收財務大檢查辦公室副主任、財政局局長助理兼辦公室主任、綜合處處長及會計處長，2001年開始任局機關黨委書記、黨組成員及紀檢組長，分管財政監督檢查等工作。張先生在行政管理、企業管理及財務會計管理方面擁有40年的經驗。張先生於2009年股東週年大會上退任，並獲膺選連任。本公司與張先生於2009年股東週年大會結束後簽署為期三年之服務合同。根據本公司組織章程，張先生的任期至本公司應屆股東大會止，惟可於應屆股東大會上合資格應選連任。

Biographical Details of Directors 董事之履歷

EXECUTIVE DIRECTORS (CONT'D)

Ms. Ye Qingdong, aged 44, is vice president and an executive director of the Company and vice president in Hong Long Property. She joined the Company in 2001. She is responsible for overseeing the Group's properties development and operation. Ms. Ye graduated from Xinjiang Engineering Institute (新疆工學院) in 1988 with a degree in engineering majoring in industrial and civil architecture. Ms. Ye also completed the Executive MBA Program of Shanghai University of Finance and Economic in 2007. Before joining the Group, Ms. Ye had worked in 新疆自治區紡織設計院 (Xinjiang Textile Design College) and 中糧地產(集團)股份有限公司 (COFCO Property (Group) Joint Stock Company Limited), Ms. Ye has over 13 years of experience in architecture and structural design, project assessment as well as development. Ms. Ye was named "2003年深圳50佳地產高級經理人" (The best 50 Senior Manager of Shenzhen Property for Year 2003) in 2003. Ms. Ye retired by rotation and was re-elected in 2010 annual general meeting pursuant to the Company's articles of association. The Company has entered into a service contract with Ms. Ye for a term of 3 years since the end of the 2010 annual general meeting but subject to retirement by rotation and, being eligible, re-election in accordance with the Company's articles of association.

Mr. Ouyang Junxin, aged 41, is an executive director of the Company. Mr. Ouyang joined the Group in 2000. Mr. Ouyang graduated from 鄭州市黃河科技大學商貿學院 (the Business and Trade School of Huanghe Science and Technology University in Zhengzhou City) in 1993 specialising in industrial economic management. He has more than 16 years experience in finance and accounting management. Mr. Ouyang retired by rotation and was re-elected in 2010 annual general meeting pursuant to the Company's articles of association. The Company has entered into a service contract with Mr. Ouyang for a term of 3 years since the end of the 2010 annual general meeting but subject to retirement by rotation and, being eligible, re-election in accordance with the Company's articles of association.

執行董事(續)

葉慶東女士，44歲，本公司副總裁及執行董事，鴻隆地產副總裁。彼於2001年加入本公司，負責監管本集團的房地產開發和經營。葉女士於1988年畢業於新疆工學院，取得工業及土木建築的工程學士學位，其亦於2007年在上海財經大學考獲高級人員工商管理碩士學位。在加入本集團之前，葉女士曾任職於新疆自治區紡織設計院及中糧地產(集團)股份有限公司，在建築及結構設計、專案評估及開發等領域擁有逾13年的經驗。葉女士於2003年獲譽為「2003年深圳五十佳地產高級經理人」。葉女士於2010年股東週年大會上輪席退任，並獲膺選連任。其後，本公司與葉女士於2010年股東週年大會結束後簽署為期三年之服務合同，惟須根據本公司組織章程輪席退任並合資格膺選連任。

歐陽俊新先生，41歲，本公司執行董事。歐陽先生於2000年加入本集團。歐陽先生於1993年畢業於鄭州市黃河科技大學商貿學院，主修工業經濟管理。彼在金融及會計管理方面擁有逾16年的經驗。歐陽先生於2010年股東週年大會上輪席退任，並獲膺選連任。本公司與歐陽先生於2010年股東週年大會結束後簽署為期三年之服務合約，惟須根據本公司組織章程輪席退任並合資格膺選連任。

Biographical Details of Directors 董事之履歷

EXECUTIVE DIRECTORS (CONT'D)

Mr. Lee Chi Shing Caesar, aged 47, joined the Company in September 2010 as executive director. Mr. Lee obtained a Professional Diploma in Accountancy from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) in 1985 and a Bachelor of Arts in Business Studies from the City Polytechnic of Hong Kong (now known as the City University of Hong Kong) in 1994. Mr. Lee had worked in the Inland Revenue Department for over 15 years after his graduation. In 2000, Mr. Lee joined Ernst and Young, an international accounting firm, as a senior manager. Mr. Lee later obtained a Master degree in International Accountancy from the City University of Hong Kong in 2001. Mr. Lee was an executive director of Tanrich Financial Holdings Limited (Stock code: 00812), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange"), from 1 November 2004 to 29 June 2005. Mr. Lee was also an executive director of Info Communication Holdings Limited, a company (now renamed as Sage International Group Limited) (Stock code: 08082) listed on the Growth Enterprise Market of the Stock Exchange, from 23 November 2007 to 1 September 2010. Mr. Lee has been the executive director of Sun International Group Limited (Stock code: 08029), a company listed on the Growth Enterprise Market of the Stock Exchange since 14 August 2006. Mr. Lee is experienced in corporate management and internal control. Mr. Lee is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. In addition, Mr. Lee is a member of the Society of Registered Financial Planners. There is no service contract between the Company and Mr. Lee. According to the articles of association of the Company, Mr. Lee holds office until the forthcoming annual general meeting of the Company and shall be eligible for re-election in the same general meeting.

Mr. Chan Ting Lai, aged 62, joined the Company in October 2010 as executive director. Mr. Chan is a director of New Waly Interior Products (HK) Limited and Keybase Project Management Limited, and is experienced in corporate operation and strategic management. There is no service contract between the Company and Mr. Chan. According to the articles of association of the Company, Mr. Chan holds office until the forthcoming annual general meeting of the Company and shall be eligible for re-election in the same general meeting.

Ms. Yeung So Mui, aged 34, joined the Company in October 2010 as executive director. Ms. Yeung is the founder and a director of Sparkle Life Charity Fund Limited. Ms. Yeung is experienced in corporate management. There is no service contract between the Company and Ms. Yeung. According to the articles of association of the Company, Ms. Yeung holds office until the forthcoming annual general meeting of the Company and shall be eligible for re-election in the same general meeting.

執行董事(續)

李志成先生，47歲，於2010年9月加入本公司任執行董事。李先生於1985年獲香港理工學院(現為香港理工大學)頒發會計專業文憑，並於1994年獲香港城市理工學院(現為香港城市大學)頒發商學文學士學位。李先生畢業後於稅務局工作逾15年。於2000年，李先生加入一家國際會計師事務所—安永會計師事務所，出任高級經理。之後，李先生於2001年獲香港城市大學頒發國際會計碩士學位。李先生於2004年11月1日至2005年6月29日擔任敦沛金融控股有限公司(股份代號：00812)(於香港聯合交易所有限公司(「聯交所」)主板上市之公司)執行董事。李先生亦於2007年11月23日至2010年9月1日擔任訊通控股有限公司(現稱仁智國際集團有限公司)(股份代號：08082)(於聯交所創業板上市之公司)執行董事。李先生自2006年8月14日起擔任太陽國際集團有限公司(股份代號：08029)(於聯交所創業板上市之公司)執行董事。李先生於公司管理及內部控制方面經驗豐富。李先生為香港會計師公會及特許公認會計師公會資深會員。此外，李先生為註冊財務策劃師協會會員。本公司與李先生未有簽訂服務合約。根據本公司組織章程，李先生任期至本公司應屆股東週年大會為止，惟可於應屆股東大會上合資格應選連任。

陳鼎禮先生，62歲，於2010年10月加入本公司任執行董事。陳先生為新永明裝飾材料(香港)有限公司及榮基策劃管理有限公司董事，於企業營運及策略管理方面擁有豐富經驗。本公司與陳先生未有簽訂服務合約。根據本公司組織章程，陳先生任期至本公司應屆股東週年大會為止，惟可於應屆股東大會上合資格應選連任。

楊素梅女士，34歲，於2010年10月加入本公司任執行董事。楊女士為點點亮慈善基金有限公司的創辦人及董事，於企業管理方面擁有豐富經驗。本公司與楊女士未有簽訂服務合約。根據本公司組織章程，楊女士任期至本公司應屆股東週年大會為止，惟可於應屆股東大會上合資格應選連任。

Biographical Details of Directors 董事之履歷

EXECUTIVE DIRECTORS (CONT'D)

Ms. Huang Ling, aged 35, joined the Company in January 2011 as executive director. Ms. Huang obtained a Bachelor of Accounting from Guangdong University of Foreign Studies in 1997. Between 1997 and 2000, Ms. Huang was employed in the International Business Department of Guangdong Development Bank, Guangzhou Branch (廣東發展銀行廣州分行國際業務部). From 2000 to 2010, Ms. Huang was employed in Zhongnan Property Development Group (中南房地產集團) (“Zhongnan Group”), responsible for the capital management of the Zhongnan Group. Ms. Huang was an executive director of Zhuguang Holdings Group Company Limited (formerly known as Nam Fong International Holdings Limited) (Stock Code: 01176), a company whose shares are listed on the Main Board of the Stock Exchange, from 7 May 2003 to 29 September 2009. In November 2010, Ms. Huang joined the Group and was responsible for capital management. Ms. Huang is experienced in capital management. There is no service contract between the Company and Ms. Huang. According to the articles of association of the Company, Ms. Huang holds office until the forthcoming annual general meeting of the Company and shall be eligible for re-election in the same general meeting.

NON-EXECUTIVE DIRECTORS

Mr. Zhang Yijun, aged 55, joined the Company in December 2009 as the vice chairman, chief executive officer and an executive director and the chief executive officer and a director in Hong Long Property. Mr. Zhang re-designated as non-executive director on 31 January 2011. Mr. Zhang graduated from South China Normal University in China. Mr. Zhang is now a senior economist and holds a degree of EMBA from Shanghai Jiao Tong University. He studied corporate management and real estate management in Japan with 20-year work experiences in investment and corporate management. He was previously, the commissioner of Bureau of Supervision of the Shenzhen Municipal Government, the chairman and the president of Shenzhen Construction and Investment Holdings Company Limited and an executive director and chief executive officer of Shenzhen Investment Limited (Stock Code: 00604). Mr. Zhang resigned as an executive director and the chief executive officer of Shenzhen Investment Limited on 1 December 2009 and a non-executive director of Coastal Greenland Limited (stock code: 01124) on 7 December 2009 and Road King Infrastructure Limited (stock code: 1098) on 11 December 2009, all of which are companies listed in Hong Kong. Mr. Zhang has entered into a service contract with the Company for a term of 3 years. Since the end of 2010 annual general meeting but subject to retirement by rotation and, being eligible, for re-election in accordance with the Company's article of association.

執行董事(續)

黃玲女士，35歲，於2011年1月加入本公司任執行董事。黃女士於1997年獲得廣東外語外貿大學會計學學士學位。於1997年至2000年期間，黃女士任職於廣東發展銀行廣州分行國際業務部。於2000年至2010年期間，黃女士任職於中南房地產集團(「中南集團」)，負責中南集團之資本管理。黃女士自2003年5月7日至2009年9月29日擔任珠光控股集團有限公司(前稱南方國際控股有限公司(股份代號：01176))，其股份於聯交所主板上市)之執行董事。於2010年11月，黃女士加入本集團並負責資本管理。黃女士於資本管理方面擁有豐富的經驗。本公司與黃女士未有簽訂服務合約。根據本公司組織章程，黃女士任期至本公司應屆股東週年大會為止，惟可於應屆股東大會上合資格應選連任。

非執行董事

張宜均先生，55歲，於2009年12月加入本公司，任董事局副主席、總裁及執行董事，鴻隆地產總裁及董事。張先生於2011年1月31日調任為非執行董事。張先生畢業於中國華南師範大學，為高級經濟師，擁有上海交通大學高級管理人員工商管理碩士學位(EMBA)。他曾赴日研修企業管理及不動產管理，在投資及企業管理等方面有逾20年的經驗。彼曾任深圳市監察局局長，深圳市建設投資控股有限公司董事局主席兼總裁，深圳控股有限公司(股份代號：00604)總裁兼執行董事。張先生於2009年12月1日辭任深圳控股有限公司之執行董事及總裁職務，及於2009年12月7日和2009年12月11日分別辭任沿海綠色家園有限公司(股份代號：01124)和路勁基建有限公司(股份代號：1098)之非執行董事職務，上述3間公司均為香港上市公司。張先生已與本公司於2010年股東週年大會結束後簽署為期三年的服務合約，惟須根據本公司組織章程輪席退任並合資格應選連任。

Biographical Details of Directors 董事之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Li Jun, aged 49, joined the Company in January 2007 as an independent non-executive director, the chairman of the remuneration committee and the member of the audit committee and the nomination committee, respectively. Dr. Li has extensive experience in enterprise management and investment risk control. Dr. Li is currently a non-executive director of Global Flex Holdings Limited (Stock Code: 00471) and an independent non-executive director of Zhejiang Glass Company, Limited (Stock Code: 00739) respectively, he resigned an executive director of Superb Summit International Timber Company Limited (Stock Code: 01228) on February 2009, all of the companies are listed on the Hong Kong Stock Exchange. Dr. Li has entered into a service contract with the Company until the forthcoming annual general meeting and shall be eligible for re-election in the same general meeting in accordance with the Company's articles of association.

Mr. Cheung Ngai Lam, aged 42, joined the Company in January 2007 as an independent non-executive director, the chairman of audit committee, a member of the remuneration committee and nomination committee. Mr. Cheung is a member of the American Institute of Certified Public Accountants and CPA Australia. Mr. Cheung obtained a Bachelor Degree in Social Sciences from the University of Hong Kong, a Master of Accounting Degree from Curtin University of Technology, Perth, Australia and a Master of Science (Investment Management) Degree in Finance from the Hong Kong University of Science and Technology. He is an independent non-executive director of China Environmental Resources Group Limited (formerly known as Benefun International Holdings Limited) (Stock Code: 01130), a Hong Kong listed company, since 4 July 2008. He was an independent non-executive director of Mascotte Holdings Limited (Stock Code: 00136), a Hong Kong listed company, during the period from 9 March 2005 to 7 April 2008. Mr. Cheung currently works as the Corporate Development Director for Profound Heavy Industrial Limited. Mr. Cheung served at Deloitte Touche from 1991 to 1994, and he was the vice president and executive vice president of Daiwa Securities and Japan Asia Securities from 1994 to 2002 and 2002 to 2005 respectively. Mr. Cheung also worked as the Corporate Finance Director of Grant Thornton from 2005 to 2008. Mr. Cheung has extensive experience in the accounting area and capital market. Mr. Cheung has entered into a service contract with the Company until the forthcoming annual general meeting and shall be eligible for re-election in the same general meeting in accordance with the Company's articles of association.

獨立非執行董事

李珺博士，49歲，於2007年1月加入本公司，任獨立非執行董事、薪酬委員會主席、審核委員會及提名委員會成員。李博士於企業管理及投資風險控制方面擁有豐富經驗，現分別為佳邦環球控股有限公司(股份代號：00471)的非執行董事及浙江玻璃股份有限公司(股份代號：00739)的獨立非執行董事，於2009年2月辭任奇峰國際木業有限公司(股份代號：01228)的執行董事，上述公司均在香港聯交所上市。李博士與本公司訂立服務合約至應屆股東週年大會止，惟根據本公司組織章程，彼合資格可於應屆股東週年大會上應選連任。

張毅林先生，42歲，於2007年1月加入本公司，任獨立非執行董事、審核委員主席、薪酬委員會及提名委員會會員。張先生為美國執業會計師公會會員及澳大利亞會計師公會會員。張先生擁有香港大學社科學士。澳大利亞柏斯科廷科技大學會計碩士及香港科技大學理學碩士(投資管理學)。自2008年7月4日至今，為香港上市公司中國環境資源集團有限公司(前稱奮發國際控股有限公司(股份代號：01130))之獨立非執行董事。彼於2005年3月9日至2008年4月7日期間曾任香港上市公司馬斯葛集團有限公司(股份代號：00136)之獨立非執行董事。張先生現為偉業重工有限公司企業發展部總監。張先生曾於1991年至1994年在德勤會計師事務所任職，並於1994年至2002年和2002年至2005年期間分別擔任日資大和證券和日亞證券之副總裁和執行副總裁，並於2005年至2008年期間任均富會計師行之企業融資部總監。張先生於會計及資本市場方面累積了豐富經驗。張先生與本公司訂立服務合約至應屆股東週年大會止，惟根據本公司組織章程，彼合資格可於應屆股東週年大會上應選連任。

Biographical Details of Directors 董事之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

(CONT'D)

Mr. Wang Fosong, aged 78, joined the Company in October 2008 as an independent non-executive director, member of the audit committee and the chairman of the nomination committee. He is an academician of the Chinese Academy of Sciences and academician of the Third World Academy of Sciences. He acted as director of Changchun Institute of Applied Chemistry of Chinese Academy of Sciences, vice director of the Chinese Academy of Sciences, member of Presidium of the Chinese Academy of Sciences Academic Divisions, chairman of Chemistry Division, vice chairman of China Petroleum Society, vice chairman of Chinese Material Research Society. He is currently the chief of the High Polymer Science Committee of China Chemical Society, vice chairman of China Association of Senior Scientists and Technicians and vice chairman of China International Culture Exchange Centre. Mr. Wang was a member of the 7th Chinese People's Political Consultative Conference, a member of the 8th and 9th National People's Congress Standing Committee and the National People's Congress Foreign Affairs Committee. He was awarded with the National Scientific and Technological Progress Special Prize, National Natural Science Award, International Award of the Society of High Polymer Science, Japan and Science and Technology Advancement Award of Ho Leung Ho Lee Foundation. Mr. Wang has entered into a service contract with the Company until the forthcoming annual general meeting and shall be eligible for re-election in the same general meeting in accordance with the Company's articles of association.

獨立非執行董事 (續)

王佛松先生，78歲，於2008年10月加入本公司，任獨立非執行董事、審核委員會成員、提名委員會主席。王先生為中國科學院院士、發展中國家科學院院士。歷任中國科學院長春應用化學研究所所長、中國科學院副院長、中國科學院學部主席團成員、化學學部主任、中國石油學會副理事長及中國材料研究會副理事長。彼現任中國化學會高分子學科委員會主任委員、中國老科技工作者協會副理事長、中國國際文化交流中心副理事長。王先生是第七屆全國政協委員、第八屆及第九屆全國人大常務委員會委員及全國人大外事委員會委員，曾獲國家科技進步特等獎。國家自然科學獎和日本高分子學會國際獎及何梁何利科學技術進步獎等獎項。王先生已與本公司訂立服務合約至本公司應屆股東週年大會止，惟根據本公司組織章程，彼合資格可於應屆股東週年大會上應選連任。

Biographical Details of Directors 董事之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONT'D)

Mr. Li Wai Keung, aged 54, joined the Company in March 2010 as an independent non-executive director and members of audit committee, remuneration committee and nomination committee. He graduated from the Hong Kong Polytechnic University and holds a master's degree in Business Administration from The University of East Asia, Macau, currently known as the University of Macau. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Li has more than 32 years of experience in financial management. Mr. Li is currently an executive director and the financial controller of GDH Limited and also the financial controller of Guangdong Holdings Limited (廣東粵海控股有限公司). He is an independent non-executive director of Shenzhen Investment Limited (stock code: 00604), Hans Energy Company Limited (stock code: 00554) and China South City Holdings Limited (stock codes: 01668). Mr. Li is a non-executive director of Guangdong Investment Limited (stock code: 00270) appointed by GDI on 30 May 2000. Mr. Li is a director of Shenzhen City Airport (Group) Company Limited (深圳市機場(集團)有限公司). He is a member on the Council of the Hong Kong Chinese Orchestra Limited. He is also the vice chairman of the Financial and Accounting Affairs Steering Committee of the Hong Kong Chinese Enterprises Association (香港中國企業協會財會專業委員會). Previously, Mr. Li had worked in the subsidiaries of Henderson Land Development Company Limited (stock code: 00012). He was a member of the Election Committee for 2007 HKSAR Chief Executive Election. Mr. Li has entered into a service contract with the Company for one year. According to the articles of association of the Company, Mr. Li holds office until the forthcoming annual general meeting of the Company, thereafter, he will retire as an independent non-executive director.

獨立非執行董事(續)

李偉強先生，54歲，於2010年3月加入本公司，任獨立非執行董事和審核委員會、薪酬委員會及提名委員會成員。李先生畢業於香港理工大學，並持有澳門東亞大學(現稱為澳門大學)工商管理碩士學位。彼為英國特許公會會計師公會及香港會計師資深會員。李先生在財務管理方面擁有逾32年經驗。李先生現為粵海控股集團有限公司的執行董事兼財務總監及廣東粵海控股有限公司財務總監。彼亦擔任深圳控股有限公司(股份代號：00604)、漢思能源有限公司(股份代號：00554)及華南城控股有限公司(股份代號：01668)之獨立非執行董事。李先生現任粵海投資有限公司(股份代號：00270)之非執行董事，乃於2000年5月30日由粵海投資委任。李先生現擔任深圳市機場(集團)有限公司董事及香港中樂團理事會理事。彼亦為香港中國企業協會財會專業委員會副主任委員。之前，李先生曾任職於恒基兆業地產有限公司(股份代號：00012)旗下附屬公司。彼於2007年香港特別行政區行政長官選舉中擔任選舉委員會委員。李先生與本公司訂立為期一年之服務合約，惟根據本公司組織章程，李先生的任期至本公司應屆股東週年大會為止，彼亦會於本公司應屆股東週年大會結束後退任獨立非執行董事一職。

The board (the "Board") of directors (the "Directors") are pleased to present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries as at 31 December 2010 are set out in note 40 to the financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 53.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: nil).

On the Group's 10th anniversary and the 3rd anniversary of its listing, a special dividend of HK\$0.15 per ordinary share was declared on 5 February 2010 as a token of thanks to the continuous support and trust given by the shareholders. Relevant cash and scrip dividends in lieu of cash at HK\$1.29 per share was distributed to the shareholders on 31 March 2010. The Group will formulate appropriate dividend policy in accordance with the development needs in the future.

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the year are set out in note 32 to the financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Profit attributable to owners of the Company of approximately RMB37,609,000 (2009: approximately RMB32,699,000) have been transferred to reserves. Details of the movement in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 56 and note 34(b) to the financial statements respectively.

The Company's reserves available for distribution comprise share premium, capital reserve and retained profits/accumulated losses. The Company's reserves available for distribution to the shareholders at 31 December 2010 were approximately RMB438,442,000 (2009: RMB830,740,000).

DONATIONS

Charitable donations made by the Group during the year amounted to approximately RMB1,253,000.

董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(統稱為「本集團」)截至2010年12月31日止年度的年報及經審核綜合財務報表。

主要業務及附屬公司

本公司為投資控股公司。於2010年12月31日，其主要附屬公司之主要業務載於財務報表附註40。

業績及股息

本集團於本年度之業績載於第53頁之綜合全面收益表。

董事並不建議派發截至2010年12月31日止年度的末期股息(2009年：無)。

適逢本集團成立十週年及上市三週年，為回報股東一直以來的支持和信任，董事會於2010年2月5日宣派特別股息每股普通股0.15港元。有關現金及以每股1.29港元折算的股票股息已於2010年3月31日分派給各股東。本集團將因應未來的發展需要而制定合適的派息政策。

股本

本公司年內已發行股本變動詳情載於財務報表附註32。

儲備及可供分派儲備

本公司擁有人應佔溢利約人民幣37,609,000元(2009年：約人民幣32,699,000元)已轉撥至儲備。本集團及本公司年內儲備變動的詳情分別載於第56頁之綜合權益變動表及財務報表附註34(b)。

本公司的可供分派儲備包括股份溢價、資本儲備及保留溢利／累積虧損。本公司於2010年12月31日可供股東分派的儲備約為人民幣438,442,000元(2009年：人民幣830,740,000元)。

捐款

本集團年內作出之慈善捐款約為人民幣1,253,000元。

Directors' Report 董事會報告

INVESTMENT PROPERTIES

Details of the investment properties of the Group during the year are set out in note 18 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's largest customer and the five largest customers taken together accounted for 41.15% and 49.75% of the aggregate of the Group's total turnover before sales return of properties sold for the year.

During the year, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers taken together accounted for 15.52% and 26.70% of the Group's total purchases for the year.

None of the Directors, their respective associates or, so far as the Directors are aware, any shareholder who owns more than 5% of the issued share capital of the Company has any interest in any of the said top five customers and suppliers of the Group for the year.

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. ZENG Yunshu (<i>Chairman</i>)	
Mr. ZHANG Yiyan	
Ms. YE Qingdong	
Mr. OUYANG Junxin	
Mr. LEE Chi Shing Caesar	(<i>appointed on 30 September 2010</i>)
Mr. CHAN Ting Lai	(<i>appointed on 4 October 2010</i>)
Ms. YEUNG So Mui	(<i>appointed on 5 October 2010</i>)
Ms. HUANG Ling	(<i>appointed on 5 January 2011</i>)
Mr. HAN Qinchun	(<i>resigned on 19 January 2010</i>)
Mr. ZENG Sheng	(<i>resigned on 14 January 2011</i>)

NON-EXECUTIVE DIRECTOR

Mr. ZHANG Yijun	(<i>re-designated on 31 January 2011</i>)
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INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. LI Jun	
Mr. CHEUNG Ngai Lam	
Mr. WANG Fosong	
Mr. LI Wai Keung	(<i>appointed on 16 March 2010</i>)

投資物業

本集團於年內的投資物業詳情載於財務報表附註18。

物業、機器及設備

本集團及本公司於年內的物業、機器及設備詳情載於財務報表附註17。

主要客戶及供應商

年內，本集團最大客戶及五大客戶之總銷售額分別佔本集團本年度總營業額(未計入已售物業銷售退回)的41.15%及49.75%。

年內，本集團最大供應商及五大供應商之總採購額分別佔本集團本年度總採購的15.52%及26.70%。

概無董事、彼等各自之聯繫人、或就董事所知擁有本公司已發行股本5%以上之任何股東於年內擁有本集團上述任何五大客戶及供應商的權益。

董事

本公司年內及截至本報告日期之在任董事如下：

執行董事：

曾雲樞先生(主席)	
張奕炎先生	
葉慶東女士	
歐陽俊新先生	
李志成先生	(<i>於2010年9月30日獲委任</i>)
陳鼎禮先生	(<i>於2010年10月4日獲委任</i>)
楊素梅女士	(<i>於2010年10月5日獲委任</i>)
黃玲女士	(<i>於2011年1月5日獲委任</i>)
韓秦春先生	(<i>於2010年1月19日辭任</i>)
曾勝先生	(<i>於2011年1月14日辭任</i>)

非執行董事

張宜均先生	(<i>於2011年1月31日調任</i>)
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獨立非執行董事：

李珺博士	
張毅林先生	
王佛松先生	
李偉強先生	(<i>於2010年3月16日獲委任</i>)

BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the current Directors are set out on page 20 to page 26 of this annual report.

DIRECTORS' SERVICE CONTRACTS AND ROTATION

The appointment of each Directors is subject to retirement by rotation and, being eligible, offer themselves for re-election in accordance with the Company's articles of association. Each of the executive directors (except for Mr. Lee Chi Shing, Caesar, Mr. Chan Ting Lai, Ms. Yeung So Mui and Ms. Huang Ling) has entered into a service contract with the Company for a term of 3 years commencing from their respective dates of appointment approved by the Board or re-election in general meeting pursuant to the Company's articles of association. Each service contract will continue thereafter until terminated by not less than six months' notice in writing served by either party. Each of the independent non-executive directors (Dr. Li Jun, Mr. Cheung Ngai Lam, Mr. Wang Fosong and Mr. Li Wai Keung), who has been appointed to hold office until the end of the forthcoming general meeting, will retire at the forthcoming annual general meeting, and being eligible, offer themselves for re-election at the forthcoming annual general meeting save as Mr. Li Wai Keung. Mr. Li will retire as an independent non-executive director at the end of the forthcoming annual general meeting and will not offer himself for re-election at the forthcoming annual general meeting.

In accordance with the provisions of the Company's articles of association, Mr. Lee Chi Shing Caesar, Mr. Chan Ting Lai, Ms. Yeung So Mui and Ms. Huang Ling (who were appointed during the year), Mr. Zeng Yunshu and Mr. Zhang Yiyan will retire from the Board by rotation at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

Other than disclosed above, none of the Directors has entered or has proposed to enter into any service contract with the Company or any of its subsidiaries which is not expiring or determinable by the employing company within one year without payment of compensation other than statutory compensation.

DIRECTORS' EMOLUMENTS

Details of Directors' emoluments on a named basis are set out in note 13 to financial statements.

董事履歷

現任董事履歷詳情載於本年報第20至26頁。

董事之服務合約及輪席

各董事之委任須根據本公司組織章程輪席退任並合資格膺選連任。各執行董事(李志成先生、陳鼎禮先生、楊素梅女士及黃玲女士除外)與本公司訂立為期三年的服務合約，按本公司組織章程自本公司董事會批准之各自獲委任日期或股東大會獲膺選連任日期起生效。各服務合約將一直生效，直至任何一方發出最少六個月書面通知終止為止。各獨立非執行董事(李珺博士、張毅林先生、王佛松先生及李偉強先生)的任期至應屆股東週年大會結束為止，彼等將於應屆股東週年大會退任，並符合資格於應屆股東週年大會上膺選連任，惟李偉強先生除外。李先生將於應屆股東週年大會結束時退任獨立非執行董事一職及不會於應屆股東週年大會上候選連任。

根據本公司組織章程規定，李志成先生，陳鼎禮先生，楊素梅女士及黃玲女士(分別於本年度內獲委任)及曾雲樞先生及張奕炎先生須於應屆股東週年大會輪席退任，惟彼等符合資格並願意膺選連任。

除上述所披露者外，概無董事已或擬與本公司或任何其附屬公司訂立不可於一年內不支付賠償(法定賠償除外)則終止之服務合約。

董事酬金

按姓名分類之董事酬金詳情載於財務報表附註13。

Directors' Report 董事會報告

ANNUAL CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company had received written confirmation from each of the independent non-executive directors of their independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and both the Board and the nomination committee considered all independent non-executive directors are independent.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2010, the interests of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

LONG POSITION IN THE SHARES OF THE COMPANY

於本公司股份之好倉

Name of Director	董事姓名	Number of shares			Number of underlying shares held under equity derivatives	Percentage of aggregate interests to total number of shares in issue* %	
		Personal interests	Family interests	Corporate interests			
		個人權益	家族權益	公司權益	按股本衍生工具持有相關股份之數目	總計	
Mr. Zeng Yunshu	曾雲樞先生	3,773,023 ¹	-	-	-	3,773,023	0.31
Ms. Ye Qingdong	葉慶東女士	5,102,000 ¹	-	-	-	5,102,000	0.41
Mr. Ouyang Junxin	歐陽俊新先生	2,104,000 ¹	-	-	-	2,104,000	0.17
Dr. Li Jun	李珺博士	-	-	-	1,000,000 ⁴	1,000,000	0.08
Mr. Cheung Ngai Lam	張毅林先生	-	-	-	1,000,000 ⁴	1,000,000	0.08
Mr. Zhang Yijun ²	張宜均先生 ²	11,162,791	12,837,209	-	-	24,000,000	1.95
Mr. Zeng Sheng ³	曾勝先生 ³	380,000 ¹	-	334,652,000 ³	-	335,032,000	27.22

獨立非執行董事之年度確認書

本公司已收到各位獨立非執行董事有關彼等根據聯交所證券上市規則(「上市規則」)第3.13條發出的年度獨立的書面確認書，而董事會及提名委員會均認為所有獨立非執行董事均具獨立性。

董事於股份、相關股份或債券中之權益

於2010年12月31日，董事於本公司或其任何相聯法團(按證券及期貨條例第XV部之涵義)(「相聯法團」)之股份、相關股份及債券中擁有根據證券及期貨條例第352條須存置之登記冊所記錄或根據上市發行人董事進行證券交易之標準守則(「標準守則」)而另行知會本公司及聯交所之權益如下：

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES (CONT'D)

Notes:

1. This represents interests held by the relevant Director as beneficial owner.
 2. This represents (i) 11,162,791 shares held by Mr. Zhang Yijun and (ii) 12,837,209 shares held by his spouse.
 3. This represents interests held by Mr. Zeng Sheng (resigned as Director on 14 January 2011) through Grand Prosperity Limited ("Grand Prosperity"), which holds 334,652,000 shares of the Company. Mr. Zeng Sheng has 80% interest in Grand Prosperity, he is therefore deemed to be interested in 334,652,000 shares of the Company.
 4. This represents interests in options held by the relevant Director as a beneficial owner to subscribe for the relevant underlying shares granted by the Company under the Shares Option Scheme, details of which are set out in the section headed "Share Option".
- * The percentage has been adjusted based on the total number of shares of the Company in issue as at 31 December 2010 (i.e. 1,230,671,384 shares).

Save as disclosed above, as at 31 December 2010, none of the Directors had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" in this report and in note 39 to the financial statements, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事於股份、相關股份或債券中之權益(續)

附註：

1. 此指由相關董事作為實益擁有人持有之權益。
 2. 此指(i)由張宜均先生持有之11,162,791股股份及(ii)由其配偶持有之12,837,209股股份。
 3. 此指由曾勝先生(於2011年1月14日辭任董事)透過Grand Prosperity Limited(「Grand Prosperity」)持有之權益，而Grand Prosperity持有334,652,000股本公司股份。曾勝先生擁有Grand Prosperity之80%權益，因而彼視為擁有334,652,000股本公司股份之權益。
 4. 此指由相關董事作為實益擁有人持有之認股權權益，可認購根據認股權計劃授予之相關股份，有關詳情載於「認股權」一節。
- * 百分比已根據本公司於2010年12月31日已發行之股份總數(即1,230,671,384股)作出調整。

除上文所披露者外，於2010年12月31日，概無董事於本公司或其任何相聯法團之股份、相關股份或債券中擁有記入根據證券及期貨條例第352條所存置之登記冊或根據標準守則另行知會本公司及聯交所之任何其他權益或淡倉。

董事於重大合約之權益

除本報告「關連交易」一節及財務報表附註39披露者外，本公司或任何其附屬公司概無訂立任何董事於其中直接或間接擁有重大權益而於年結日或年內任何時間仍然生效的其他重大合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

In order to protect the Group's interest in its current business activities, each of Grand Prosperity, Mr. Zeng Sheng and Mr. Zeng Yunshu has, as covenantor, entered into a deed of non-competition (the "Deed of Non-competition") dated 31 January 2007 in favour of the Company, details of which are set out in the section headed "Relationship with the Controlling Shareholders" of the Prospectus. Pursuant to the Deed of Non-competition, each of the covenantors has undertaken, subject to the terms therein, to the Company (for itself and for the benefit of its subsidiaries) that it/he would not, and would procure that its/his associates and/or companies controlled by it/him (other than the Group) would not, either on its/his own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly be interested or engaged in or acquire or hold an interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the Group's business, those other businesses of the Group as set out in the Prospectus, in Hong Kong, the PRC and any other country or jurisdiction to which the Group markets or sells its products and/or in which any member of the Group carries on business mentioned above from time to time. The Company has received an annual declaration from each of Grand Prosperity, Mr. Zeng Sheng and Mr. Zeng Yunshu for its/his respective compliance with the undertakings under the Deed of Non-competition.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

As at 31 December 2010, the number of outstanding option shares granted by the Company under the Pre IPO-Share Options and Share Option Scheme to the Directors to subscribe for shares of the Company, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code is set out in the section headed "Share Option" of this report below.

Apart from the aforesaid, at no time during the year was the Company or its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

董事於競爭業務中的權益

為保障本集團目前業務活動中的利益，Grand Prosperity、曾勝先生及曾雲樞先生作為授約人，各自於2007年1月31日訂立以本公司為受益人的不競爭契約（「不競爭契約」），有關詳情載於招股章程之「與控股股東的關係」一節。根據不競爭契約，各授約人已向本公司（代表其本身及為其附屬公司的利益）承諾，在不競爭契約的條款規限下，其將不會和將促使其聯繫人士及／或其所控制的公司（除本集團外）不會（不論其本身或聯合或代表任何人士、商號或公司）直接或間接在香港、中國及任何其他本集團推廣或銷售其產品及／或本集團任何成員公司不時進行上述業務的國家或司法管轄區，直接或間接於任何參與或準備參與任何與本集團業務競爭或很大機會直接或間接與本集團業務競爭的任何業務中擁有權益、參與經營或取得或持有權益（於各種情況下，不論是作為股東、夥伴、代理或其他身份及不論為賺取盈利、回報或其他）。本公司已收到Grand Prosperity、曾勝先生及曾雲樞先生各自就已遵守不競爭契約下的承諾而發出的年度聲明。

董事購買股份及債券的權利

於2010年12月31日，按照證券及期貨條例第352條須存置之登記冊所記錄或根據標準守則另行向本公司及聯交所知會，本公司根據首次公開發售前認股權及認股權計劃授予可認購本公司股份之尚未行使認股權數目載於本報告下文「認股權」一節。

除上述外，年內本公司或其附屬公司概無訂立任何安排，致使董事可透過購買本公司股份或任何其他法團之股份而獲益。

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

主要股東於本公司股本之權益

As at 31 December 2010, the interests of those persons (other than the Directors) in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

於2010年12月31日，於本公司股份擁有根據證券及期貨條例第336條本公司須存置之登記冊所記錄之權益之該等人士（董事除外）如下：

Name 名稱	Capacity in which shares were held 於所持有股份之身份	Number of shares 股份數目	Number of underlying shares held under equity derivatives 按股本衍生 工具持有相關 股份之數目	Percentage of shares to total number of shares in issue* % 股份佔已發行股份 總數之百分比* %
Zeng Sheng ⁽¹⁾ 曾勝 ⁽¹⁾	Beneficial owner 實益擁有人	380,000 (L)	–	0.03%
	Interest of controlled corporation 受控公司權益	334,652,000 (L)	–	27.19%
Grand Prosperity ⁽¹⁾⁽³⁾	Beneficial owner 實益擁有人	334,652,000 (L)	–	27.19%
Sun Finance Co., Ltd. ⁽²⁾ (“Sun Finance”) 太陽國際財務有限公司 ⁽²⁾ (「太陽國際」)	Security interest 抵押權益	307,668,000 (L)	–	25%
Diamond Ocean Development Limited ⁽²⁾ (“Diamond Ocean”)	Beneficial owner 實益擁有人	307,668,000 (L)	–	25%
Green Auspice Limited ⁽³⁾ (“Green Auspice”)	Security interest 抵押權益	319,976,000 (L)	–	26%
Lehman Brothers Holdings Inc. ⁽⁴⁾ (“LB HLD”)	Interest of controlled corporation 受控公司權益	60,608,000 (L)	9,000,000 (L)	5.66%
CCB International Assets Management (Cayman) Limited ⁽⁵⁾ (“CCBIAML”)	Beneficial owner 實益擁有人	37,000,000 (L) –	86,000,000 (L) 80,000,000 (S)	9.99% 6.50%

L: Long Position 好倉

S: Short Position 淡倉

Directors' Report 董事會報告

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY (CONT'D)

Notes:

1. This represents interests held by Mr. Zeng Sheng (an ex-executive director of the Company) through Grand Prosperity, which holds 334,652,000 shares of the Company. Mr. Zeng Sheng has 80% interest in Grand Prosperity, he is therefore deemed to be interested in 334,652,000 shares of the Company.
 2. On 4 October 2010, Diamond Ocean has pledged 307,688,000 shares of the Company to Sun Finance, which is wholly owned by Sino Harvest Investments Holdings Limited ("Sino Harvest"). Messrs. Chau Cheok Wa and Cheng Ting Kong each holds 50% respective interests in Sino Harvest.
 3. On 4 October 2010, Grand Prosperity has pledged 319,967,000 shares of the Company to Green Auspice, which is wholly owned by Ms. Sou Sok Ngo.
 4. Lehman Brothers Commercial Corporation Asia Limited ("LBCCA"), which holds in total of 69,608,000 interests in the Company as beneficial owner, is owned 50% interests by each of LBCCA Holdings I LLC ("LBCCA I") and LBCCA Holdings II LLC ("LBCCA II"). Both LBCCA I and LBCCA II themselves are wholly owned by LB HLD and accordingly, the shares in which LBCCA are shown to be interested are also included in the shares in which LB HLD is shown to be interested. The number of shares held and underlying shares held under equity derivatives has been adjusted based on the information from LB HLD.
 5. This represents interests held by Central Huijin Investment Limited ("Central Huijin") through CCBIAML. Central Huijin has 57.09% indirectly interest in CCBIAML. Central Huijin therefore deemed to be interest in 123,000,000 shares (long position) and 80,000,000 shares (short position) of the Company, respectively.
- * The percentage has been adjusted based on the total number of shares of the Company in issue as at 31 December 2010 (i.e. 1,230,671,384 shares).

Save as disclosed above, as at 31 December 2010, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

主要股東於本公司股本之權益 (續)

附註：

1. 此指由曾勝先生(本公司前執行董事)透過 Grand Prosperity 持有之權益，而 Grand Prosperity 持有 334,652,000 股本公司股份。曾勝先生擁有 Grand Prosperity 之 80% 權益，因而彼視為擁有 334,652,000 股本公司股份之權益。
 2. 於 2010 年 10 月 4 日，Diamond Ocean 抵押 307,688,000 股本公司股份予太陽國際，一間由 Sino Harvest Investments Holdings Limited (「Sino Harvest」) 全資擁有的公司。周焯華先生及鄭丁港先生各自擁有 Sino Harvest 50% 權益。
 3. 於 2010 年 10 月 4 日，Grand Prosperity 抵押 319,967,000 股本公司股份予 Green Auspice (由蘇淑娥女士全資擁有)。
 4. Lehman Brothers Commercial Corporation Asia Limited (「LBCCA」) (作為實益擁有人持有本公司共 69,608,000 權益) 由 LBCCA Holdings I LLC (「LBCCA I」) 及 LBCCA Holdings II LLC (「LBCCA II」) 各自擁有 50% 權益。LBCCA I 及 LBCCA II 本身均由 LB HLD 全資擁有，因此，LBCCA 所示擁有權益之股份亦計入 LB HLD 所示擁有權益之股份內。所持有之股份及根據股本衍生工具持有之相關股份之數目已按 LB HLD 提供之資料作出調整。
 5. 此指由中央滙金投資有限責任公司 (「中央滙金」) 通過 CCBIAML 持有之權益。中央滙金擁有 CCBIAML 之 57.09% 非直接權益，中央滙金因而被視為擁有 123,000,000 股 (好倉) 和 80,000,000 股 (淡倉) 之本公司權益。
- * 百分比已根據本公司於 2010 年 12 月 31 日已發行之股份總數 (即 1,230,671,384 股) 作出調整。

除上文所披露者外，於 2010 年 12 月 31 日，本公司並無獲知會於本公司股份及相關股份中擁有根據證券及期貨條例第 336 條須存置之登記冊所記錄之任何權益及淡倉。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there was sufficiency of public float of the Company's securities as required under the Listing Rules up to the date of this report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws in the Cayman Islands.

SHARE OPTION

On 31 January 2007, in recognition of the contributions made by employees of the Group towards its growth and success, an aggregate of 23,000,000 share options of the Company (the "Pre-IPO Share Options") have been granted by the Company to, and accepted by the relevant employees prior to listing of the Company's shares on the Stock Exchange. On the same day, a share option scheme (the "Share Option Scheme") was adopted by the shareholder's written resolution of the Company.

The Listing Committee of Stock Exchange has granted the listing of, and permission to deal in the shares of the Company which may fall to be issued pursuant to the exercise of the options which granted and/or may be granted under the Pre-IPO Share Options and/or Share Option Scheme, subsequently.

As at 31 December 2010, a total of 36,935,000 share options were granted under the Share Option Scheme outstanding. All share options granted under the Pre-IPO Share Options have been exercised during the year ended 31 December 2010.

The following is a summary of the principal terms of the Share Option Scheme. For details of the Pre-IPO Share Options, please refer to 2009 annual report dated 16 April 2010.

公眾持股量

根據本公司所獲公開資料及就董事所知，本公司至本報告日期具有符合上市規則所規定本公司證券之充足公眾持股量。

優先權

本公司之公司組織章程或開曼群島法例並無有關優先權之條文。

認股權

於2007年1月31日，為表彰本集團的僱員對其成長及成功所作出之貢獻，本公司於本公司股份在聯交所上市前向有關僱員授出合共23,000,000份本公司認股權（「首次公開發售前認股權」），並獲該等僱員接納。同日，根據本公司之股東書面決議案，本公司亦採納一項認股權計劃（「認股權計劃」）。

聯交所上市委員會已批准因根據首次公開發售前認股權及／或認股權計劃授出及／或可能授出之認股權獲行使而須予發行之本公司股份上市及買賣。

於2010年12月31日，共計36,935,000份認股權未獲行使，此乃根據認股權計劃授出之認股權。所有其他根據首次公開發售授出之認股權於截至2010年12月31日止年度內已悉數行使。

以下乃認股權計劃之主要條款之概要。有關首次公開發售前認股權之詳情請參考於2010年4月16日刊發之2009年年報。

SHARE OPTION (CONT'D)

(A) SHARE OPTION SCHEME

Purpose

Recognise and acknowledge the contributions that the grantees had made or may make to the Group.

Participants

Eligible participants include:

- (a) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate");
- (b) the trustee of any trust the beneficiary of which or an discretionary trust the discretionary objects of which include any director, employee, consultant professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or
- (c) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

Exercise price

Determined by the Board and shall not be less than the higher of:

- (a) the nominal value of the share;
- (b) the closing price of (1) one share on the Stock Exchange at the offer date, which must be a trading day; and
- (c) the average closing price of the share on the Stock Exchange for the five business days immediately preceding the offer date.

認股權 (續)

(A) 認股權計劃

目的

表彰及感謝承授人過往或可能對本集團所作出之貢獻。

參與者

合資格參與者包括：

- (a) 本集團、本集團持有權益之公司或該公司附屬公司之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴或諮詢人或承建商（「聯屬人」）；
- (b) 任何信託受託人之受益人或任何全權信託之全權對象，包括本集團或聯屬人之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴、諮詢人或承建商；或
- (c) 本集團或聯屬人之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴、諮詢人或承辦商所實益擁有之公司。

行使價

由董事會釐定，且不得低於以下之最高者：

- (a) 股份之面值；
- (b) 於發售日期（須為營業日）股份在聯交所之每股收市價；及
- (c) 緊接發售日期前五個營業日股份在聯交所之平均收市價。

SHARE OPTION (CONT'D)

(A) SHARE OPTION SCHEME (CONT'D)

Total number of shares available for issue and the percentage of the issued shares capital that it represents as at the date of this annual report

104,025,000 shares, being approximately 8.45% of the issued shares of the Company.

Maximum entitlement of each participant

Not exceed 1% of the shares in issue in any 12-month period.

Period within which the securities must be taken up under the option

Subject to the discretion by the Board and, in the absence of which, from the date of acceptance to the earlier of the date on which such option lapses and 10 years from the date of offer.

Minimum period for which an option must be held before it can be exercised

Subject to the discretion by the Board.

Amount payable on acceptance

HK\$10.00 payable upon acceptance of the offer.

Period within which calls/loans must be made/repaid

Not applicable.

Remaining life of the scheme

The scheme will be valid and effective until 31 January 2017, after which no further options will be granted but the provisions of the scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of the scheme and remain unexercised immediately prior to 31 January 2017 shall continue to be exercisable in accordance with their terms of grant, notwithstanding the expiry of the scheme.

認股權(續)

(A) 認股權計劃(續)

可發行股份總數及於本年報日期佔已發行股份之百分比

104,025,000 股股份，佔本公司已發行股份約 8.45%。

每名參與者之最高配額

不超過於任何十二個月期間已發行股份之 1%。

根據認股權認購證券之期限

由董事會酌情釐定，而如並無釐定，由接納日期起至有關認股權失效之日及由授出日期起計滿十年(以較早發生者為準)。

認股權行使前必須持有之最短期限

由董事會酌情釐定。

接納時應付金額

於接納時應付 10.00 港元。

付款金額/貸款須作出/償還之期限

不適用。

該計劃之餘下年期

該計劃將生效及有效直至 2017 年 1 月 31 日，此後將不會授出任何認股權，但該計劃之條文於所有其他方面將維持十足效力及有效。於該計劃期內授出且於緊接 2017 年 1 月 31 日前仍未獲行使但符合上市規則條文之認股權，將可繼續根據彼等之授出條款予以行使，儘管該計劃之期限已屆滿。

Directors' Report 董事會報告

SHARE OPTION (CONT'D)

(B) MOVEMENTS OF THE PRE-IPO SHARE OPTIONS

Movements of the option shares, which were granted under the Pre-IPO Share Options, during the year ended 31 December 2010 are listed below in accordance with rule 17.07 of the Listing Rules:

Category	類別	As at 於 01.01.2010	During the year 年內		Lapsed/ cancelled 已失效/ 已註銷	As at 於 31.12.2010	Exercise price	Exercise period 行使期
			Granted 已授出	Exercised 已行使			行使價 HK\$ 港元	
Directors	董事							
Ms. Ye Qingdong	葉慶東女士	5,000,000	-	(5,000,000)	-	-	0.60	22.08.2007- 21.02.2012
Mr. Ouyang Junxin	歐陽俊新先生	2,000,000	-	(2,000,000)	-	-	0.60	22.08.2007- 21.02.2012
Continuous Contract Employees	持續合約僱員	12,000,000	-	(12,000,000)	-	-	0.60	22.08.2007- 21.02.2012
Total	總計	19,000,000	-	(19,000,000)	-	-		

Notes:

- The vesting period for all the option granted is six months from the Listing Date.
- The exercise price of the share options, representing a discount of 75% to the maximum IPO Offer Price as described in the prospectus dated 8 February 2007.
- All options were exercised on the same date, the closing price of the shares immediately before that date was HK\$1.55.

認股權 (續)

(B) 首次公開發售前認股權之變動

於截至2010年12月31日止年度內，根據首次公開發售前認股權授出之認股權變動如下(乃根據上市規則第17.07條載列)：

附註：

- 所有已授出認股權之歸屬期為由上市日期起計六個月。
- 認股權之行使價較於2007年2月8日刊發的招股章程所述之最高首次公開發售價折讓75%。
- 所有認股權已於同日悉數行使，行使日前一天的收市價為1.55港元。

SHARE OPTION (CONT'D)

(C) MOVEMENTS OF THE SHARE OPTION SCHEME

Movements of the share options, which were granted under the Share Option Scheme, during the year ended 31 December 2010 are listed below in accordance with rule 17.07 of the Listing Rules:

Category	類別	Date of grant 授出日期	As at 於 01.01.2010	During the year 年內			As at 於 31.12.2010	Exercise price 行使價 HK\$ 港元	Exercise period 行使期
				Granted 已授出	Exercised 已行使	Lapsed/ cancelled 已失效/ 已註銷			
Directors	董事								
Dr. Li Jun	李珺博士	15.05.2007	1,000,000	-	-	-	1,000,000	1.84	15.11.2007- 14.05.2017
Mr. Cheung Ngai Lam	張毅林先生	15.05.2007	1,000,000	-	-	-	1,000,000	1.84	15.11.2007- 14.05.2017
Continuous Contract Employees	持續合約僱員								
		15.05.2007	12,951,000	-	-	(16,000)	12,935,000	1.84	15.11.2007- 14.05.2017
		10.10.2007	1,000,000	-	-	-	1,000,000	2.99	10.04.2008- 09.10.2017
Consultants	顧問								
		15.05.2007	13,000,000	-	-	-	13,000,000	1.84	15.11.2007- 14.05.2017
		13.02.2008	8,000,000	-	-	-	8,000,000	1.70	13.08.2008- 12.08.2018
Total	總計		36,951,000	-	-	(16,000)	36,935,000		

Notes:

- The vesting period for all the options granted is six months from the date of acceptance of the offer.
- The exercise price of the share options is subject to the adjustment in case of right or bonus issues, or other similar changes in the Company's share capital.
- When the share options are lapsed or cancelled, the amount previously recognised in capital reserve will be transferred to retained profits.

認股權 (續)

(C) 認股權計劃之變動

截至2010年12月31日止年度內，根據認股權計劃授出之認股權變動如下（乃根據上市規則第17.07條載列）：

附註：

- 所有已授出認股權之歸屬期為由接納授出日期起計六個月。
- 認股權之行使價將因應供股或發行紅股或本公司股本之其他類似變動而作出調整。
- 當認股權已失效或被註銷，早前於資本儲備確認之數額將轉撥至保留溢利。

Directors' Report 董事會報告

PENSION SCHEMES

The pension schemes of the Group are primarily in form of contributions to the PRC statutory public welfare fund and Hong Kong's Mandatory Provident Funds, respectively.

CONNECTED TRANSACTIONS

On 24 May 2010, the Group entered into a sale and purchase agreement with Ms. Liao Guomei, in relation to the disposal of an office unit in Hong Long Century Plaza located in Luohu District, Shenzhen, the PRC for a cash consideration of approximately RMB2,920,000. The consideration was arrived at after arm's length negotiations and on normal commercial terms. The disposal constitutes a connected transaction on the part of the Company as Ms. Liao Guomei is the spouse of Mr. Zhang Yijun, an executive director of the Company (re-designated as non-executive director on 31 January 2011).

On 10 November 2010, the Group entered into an agreement with Shenzhen Aohong Investment Company Limited (深圳市澳宏投資有限公司) ("Aohong Investment") for the disposal of the 52% of registered capital of Huizhou Dayawan Yonghao Company Limited (惠州大亞灣永昊實業有限公司) ("HZ Dayawan Yonghao") for a consideration of RMB120,000,000 and the loans in sum of approximately RMB 268,942,000 owing by HZ Dayawan Yonghao and its subsidiary for a consideration of approximately RMB268,942,000. The disposal constitutes a connected transaction on the part of the Company as Mr. Li Shengliang, a substantial shareholder of HZ Dayawan Yonghao, is interested in 80% registered share capital of Aohong Investment.

During the year, saved as disclosed in above, the Company did not have any other connected transactions which were subject to requirements of the Listing Rules. Other transactions which exempted from the requirements of the Listing Rule are also disclosed in note 39 to the financial statements as related party transactions.

MANAGEMENT CONTRACTS

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

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

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

退休金計劃

本集團之退休金計劃主要分別為中國法定公益金供款計劃及香港強制性公積金。

關連交易

於2010年5月24日，本集團與廖國美女士訂立一份出售有關位於中國深圳羅湖區鴻隆世紀廣場寫字樓單位之協議，代價為約人民幣2,920,000元。該代價以公平磋商及按一般商業條款釐定。出售事項構成本公司的關連交易是由於廖國美女士乃執行董事張宜均先生（於2011年1月31日轉任為非執行董事）之配偶。

於2010年11月10日，本集團與深圳市澳宏投資有限公司（「澳宏投資」）訂立一份協議，以出售惠州大亞灣永昊實業有限公司（「惠州大亞灣永昊」）52%的已發行股本，代價為人民幣120,000,000元及惠州大亞灣永昊及其附屬公司欠付的貸款為數約人民幣268,942,000元，代價為人民幣268,942,000元。出售事項構成本公司的關連交易，由於惠州大亞灣永昊的主要股東李聲亮先生擁有澳宏投資註冊股本的80%權益。

年內，除以上所披露外，本公司並無任何其他須遵守上市規則規定之關連交易，其他豁免於上市規則規定之交易亦於財務報表附註39披露為關連人士交易。

管理合約

年內概無訂立或存在任何關於本公司業務全部及任何重要部分之管理及行政合約。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Directors have confirmed their compliance with the required standards as set out in the Model Code during the year ended 31 December 2010.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period as set out in note 42 to the financial statements.

AUDITOR

KPMG, who acted as auditor of the Company for past years, resigned as auditor of the Company for the financial year ended 31 December 2010. RSM Nelson Wheeler was appointed to fill the casual vacancy till the conclusion of the forthcoming annual general meeting.

The consolidated financial statements for the year have been audited by RSM Nelson Wheeler. A resolution will be submitted to the annual general meeting to reappoint RSM Nelson Wheeler, as auditor of the Company.

On behalf of the Board

Zeng Yunshu
Chairman

31 March 2011

董事進行證券交易之守則

董事會已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)。董事確認彼等於截至2010年12月31日止年度內一直遵守標準守則所載之規定標準。

報告期後事項

報告期後發生之重大事項詳情載於財務報表附註42。

核數師

本公司過往年度的核數師畢馬威會計師事務所辭任為本公司截至2010年12月31日止財政年度之核數師。中瑞岳華(香港)會計師事務所獲委任填補因上述核數師辭任而產生的空缺直至應屆股東週年大會結束止。

本年度的綜合財務報表乃由執業會計師中瑞岳華(香港)會計師事務所審核。於股東週年大會上，本公司將提呈決議案續聘中瑞岳華(香港)會計師事務所為本公司核數師。

代表董事會

曾雲樞
主席

2011年3月31日

Corporate Governance Report 企業管治報告

The Company has always recognised the importance of shareholders transparency and accountability. It is the belief of the Board that shareholders can maximise their benefits from good corporate governance. The Company is committed to ensure high standards of corporate governance in the interest of its shareholders.

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

(A) CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code of Corporate Governance Practices, as amended from time to time (the "Code"), as stated in Appendix 14 to the Listing Rules. As far as the Code is concerned, the Company complies with all aspects of the Code during the year ended 31 December 2010 and up to the date of this report save for certain deviation from the Code in respect of A.2.1. that Mr. Zhang Yijun, the ex-chief executive officer and an ex-executive director of the Company, has been re-designated as non-executive director of the Company since 31 January 2011. The nomination committee of the Company is now in the process of reviewing and selecting candidates to the Board for consideration.

The role of the chief executive officer of the Company are now being shared among the members of the Board, which meets regularly to consider major matters affecting the operations of the Company. The Board considered that this structure does not impair the balance of power and authority between the Board and the management of the Company and believes that this structure enables the Group to make and implement decision promptly and efficiently.

本公司深明對股東的透明度及問責之重要性。董事會相信股東可從良好之企業管治中獲得最大的裨益。本集團致力確保良好的企業管治標準，以符合股東利益。

董事知悉彼等有關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》的披露規定編製及真實而公平地呈列該等綜合財務報表的責任。此責任包括設計、實行及維持有關編製及真實而公平地呈列該等綜合財務報表的內部監控，以使該等財務報表並不存在任何由於欺詐或錯誤而導致的重大錯誤陳述；選擇及應用適當的會計政策；及根據情況作出合理的會計估計。

(A) 企業管治常規

本公司已採納上市規則附錄十四所載的企業管治常規守則（經不時修訂）（「守則」）的守則條文。就所涉及的守則而言，本公司於截至2010年12月31日止年度及直至本報告日期已遵守守則的所有方面，惟有關第A.2.1條偏離若干守則。本公司前行政總裁兼前執行董事張宜均先生自2011年1月31日調任本公司之非執行董事。本公司提名委員會現正檢討及甄選人選供董事會審議。

本公司行政總裁的角色現由董事會成員共同分擔。董事會定時召開會議以審議影響本公司營運的重大事宜。董事會認為此架構不會損害董事會與管理層之間的權力與授權的平衡，並相信此架構可令本集團迅速及有效地作出和實施決策。

(B) DIRECTORS' SECURITIES TRANSACTIONS

The Board has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all Directors regarding any non-compliance with the Model Code during the year and they all confirmed that they have fully complied with the required standard set out in the Model Code.

In addition, the Company has adopted provisions of the Model Code as written guidelines for relevant employees (as defined in provision A.5.4 of Appendix 14 to the Listing Rules) in respect of their dealings in the securities of the Company. Such relevant employees should abide by the provisions of the Model Code.

In consideration of the new amendments to the Model Code (the "Amendments"), which became effective on the 1st quarter of 2009, the Board has revised its Model Code corresponding to the Amendments.

(C) BOARD OF DIRECTORS

COMPOSITION

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Company and to the exercising of independent opinion.

The Directors who held office during the year and up to the date of this report were:

EXECUTIVE DIRECTOR

Mr. ZENG Yunshu	
Mr. ZHANG Yiyun	
Ms. YE Qingdong	
Mr. OUYANG Junxin	
Mr. LEE Chi Shing Caesar	(appointed on 30 September 2010)
Mr. CHAN Ting Lai	(appointed on 4 October 2010)
Ms. YEUNG So Mui	(appointed on 5 October 2010)
Ms. HUANG Ling	(appointed on 5 January 2011)
Mr. HAN Qinchun	(resigned on 19 January 2010)
Mr. ZENG Sheng	(resigned on 14 January 2011)

(B) 董事進行的證券交易

董事會已採納上市規則附錄十所載的標準守則，作為董事進行證券交易的行為守則。年內，本公司已就是否有任何違反標準守則的事項向全體董事作出具體查詢，而彼等均確認彼等已全面遵守標準守則所載標準。

此外，本公司亦已就有關僱員買賣本公司證券而採納標準守則條文作為彼等的書面指引（定義見上市規則附錄十四條文第A.5.4條）。有關僱員須按照標準守則的條文行事。

考慮到標準守則的新修訂（「修訂」，已於2009年第一季生效），董事會已根據修訂對其標準守則作出相應修改。

(C) 董事會

組成

董事會之組成確保了本公司業務運作及獨立意見所需要的技能及經驗。

年內及直至本報告日期止在任董事如下：

執行董事：

曾雲樞先生	
張奕炎先生	
葉慶東女士	
歐陽俊新先生	
李志成先生	(於2010年9月30日獲委任)
陳鼎禮先生	(於2010年10月4日獲委任)
楊素梅女士	(於2010年10月5日獲委任)
黃玲女士	(於2011年1月5日獲委任)
韓秦春先生	(於2010年1月19日辭任)
曾勝先生	(於2011年1月14日辭任)

Corporate Governance Report 企業管治報告

(C) BOARD OF DIRECTORS (CONT'D)

COMPOSITION (CONT'D)

NON-EXECUTIVE DIRECTOR

Mr. ZHANG Yijun *(re-designated on 31 January 2011)*

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. LI Jun

Mr. CHEUNG Ngai Lam

Mr. WANG Fosong

Mr. LI Wai Keung *(appointed on 16 March 2010)*

The biographical details of the current Directors are set out on page 20 to page 26 of this annual report.

NUMBER OF MEETINGS HELD AND ATTENDANCE

The Board normally has 4 scheduled meetings a year and meet at other times as and when required to review financial and internal control, risk management, company strategy and operating performance of the Group. During the year ended 31 December 2010, a total number of 19 regular and adhoc Board meetings, 2 audit committee meetings, 5 remuneration committee meetings and 5 nomination committee meeting were held. Minutes of these meetings are kept by the company secretary of the Company and are open for inspection by Directors.

The individual attendance records of each Director, on a named basis, at the meetings of the Board, audit committee, remuneration committee and nomination committee during the year ended 31 December 2010 are set out below:

(C) 董事會 (續)

組成 (續)

非執行董事

張宜均先生 *(於2011年1月31日調任)*

獨立非執行董事：

李 珺博士

張毅林先生

王佛松先生

李偉強先生 *(於2010年3月16日獲委任)*

現任董事履歷載於本年報第20頁至第26頁。

已舉行會議及出席的次數

董事會一般每年舉行4次會議，並在有需要時舉行會議檢討本集團的財務及內部監控、風險管理、公司策略及營運業績。截至2010年12月31日止年度內，合共舉行了19次定期及特別董事會會議、2次審核委員會會議、5次薪酬委員會會議及5次提名委員會會議。該等會議的紀錄由本公司公司秘書保存，並公開供董事查閱。

截至2010年12月31日止年度內，按姓名分類的每位董事出席董事會會議、審核委員會、薪酬委員會及提名委員會的個別出席紀錄載列如下：

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(C) BOARD OF DIRECTORS (CONT'D)

(C) 董事會 (續)

Name of Directors	董事姓名	Attendance/Number of Meetings entitled to attend 出席/有權出席會議的次數			
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
EXECUTIVE DIRECTORS 執行董事					
Mr. ZENG Yunshu	曾雲樞先生	18/19	–	5/5	–
Mr. ZHANG Yiyang	張奕炎先生	11/19	–	–	–
Ms. YE Qingdong	葉慶東女士	11/19	–	–	–
Mr. OUYANG Junxin	歐陽俊新先生	11/19	–	–	–
Mr. LEE Chi Shing Caesar ¹	李志成先生 ¹	5/7	–	–	–
Mr. CHAN Ting Lai ²	陳鼎禮先生 ²	2/6	–	–	–
Ms. YEUNG So Mui ³	楊素梅女士 ³	2/5	–	–	–
Mr. HAN Qin Chun ⁴	韓秦春先生 ⁴	0/1	–	–	–
Mr. ZENG Sheng ⁵	曾勝先生 ⁵	16/19	–	–	–
NON-EXECUTIVE DIRECTOR 非執行董事					
Mr. ZHANG Yijun	張宜均先生	12/19	–	–	–
INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事					
Dr. LI Jun	李珺博士	6/19	2/2	5/5	5/5
Mr. CHEUNG Ngai Lam	張毅林先生	5/19	2/2	5/5	5/5
Mr. WANG Fosong	王佛松先生	7/19	2/2	–	5/5
Mr. LI Wai Keung	李偉強先生	8/19	1/2	3/4	3/4

Notes:

1. Mr. LEE Chi Shing Caesar was appointed on 30 September 2010
2. Mr. CHAN Ting Lai was appointed on 4 October 2010
3. Ms. YEUNG So Mui was appointed on 5 October 2010
4. Mr. HAN Qin Chun was resigned on 19 January 2010
5. Mr. ZENG Sheng was resigned on 14 January 2011

RESPONSIBILITY OF THE BOARD

The Board is responsible to ensure that there is a competent executive management which is able to run the Company in a sound and efficient manner. The Board is also responsible for establishing the Company's business strategies and plans from time to time to ensure that the operations of the Company are conducted effectively.

The Board is responsible for preparation of the financial statements. In preparing the financial statements, the generally accepted accounting principles in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made.

附註：

1. 李志成先生於2010年9月30日獲委任
2. 陳鼎禮先生於2010年10月4日獲委任
3. 楊素梅女士於2010年10月5日獲委任
4. 韓秦春先生於2010年1月19日辭任
5. 曾勝先生於2011年1月14日辭任

董事會責任

董事會負責確保行政管理層能使本公司妥善及有效經營，並不時制定本公司業務策略及計劃，以確保有效營運。

董事會負責編製財務報表。於編製財務報表時，已採納香港公認會計原則，使用及貫徹應用適當的會計政策，並作出合理審慎的判斷及估計。

(C) BOARD OF DIRECTORS (CONT'D)

RESPONSIBILITY OF THE BOARD (CONT'D)

The Board also conducts appropriate internal control procedures and reviews risk management strategies and policies of the Company to ensure that the Company runs its business in compliance with all legal and regulatory requirements with prudence and integrity.

RESPONSIBILITY OF THE DIRECTORS

Each executive director is delegated individual authority and responsibility to oversee and monitor the operations of a specific business unit, and to implement the strategies and policies set out by the Board. The independent non-executive directors provide independent opinion and share their knowledge and experiences with the other members of the Board, audit committee, remuneration committee and nomination committee.

ANNUAL CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Board and the nomination committee consider all of the independent non-executive directors are independent.

TERMS OF NON-EXECUTIVE DIRECTORS

The non-executive director has been appointed for a fixed term. Each of the independent non-executive directors has been appointed to hold the office until the forthcoming annual general meeting. In addition, the appointment of each of the non-executive and/or independent non-executive directors is subject to retirement by rotation in accordance with the Company's Articles of Association.

(D) REMUNERATION OF DIRECTORS

The Board has established a remuneration committee ("RC") with written terms of reference as suggested under the code provision under the Code. The RC comprises the following four members:

- (i) Dr. LI Jun, chairman of RC (*independent non-executive director*);
- (ii) Mr. ZENG Yunshu (*executive director and chairman of the Board*);
- (iii) Mr. CHEUNG Ngai Lam (*independent non-executive director*); and
- (iv) Mr. LI Wai Keung (*independent non-executive director*).

(C) 董事會 (續)

董事會責任 (續)

董事會亦進行適當內部監控程序，並檢討本公司的風險管理策略及政策，以確保本公司在符合所有法例及監管規定的情況下審慎而真誠地經營業務。

董事責任

各執行董事獲個別授權監督及監察特定業務單位的運作，並推行董事會制定的策略及政策。獨立非執行董事提供獨立意見，並與董事會、審核委員會、薪酬委員會及提名委員會其他成員分享相關知識及經驗。

獨立非執行董事的年度確認書

本公司已收到每位獨立非執行董事根據上市規則第3.13條發出的年度獨立確認書。董事會及提名委員會認為，所有獨立非執行董事均具獨立性。

非執行董事任期

非執行董事的任命設有固定任期。每位獨立非執行董事的任期至應屆股東週年大會結束為止。此外，獲委任的每位非執行董事及／或獨立非執行董事須根據本公司的組織章程輪席退任。

(D) 董事薪酬

董事會已成立薪酬委員會，並按守則的守則條文建議制定書面職權範圍。薪酬委員會由以下四名成員組成：

- (i) 李珺博士，薪酬委員會主席（獨立非執行董事）；
- (ii) 曾雲樞先生（執行董事及董事會主席）；
- (iii) 張毅林先生（獨立非執行董事）；及
- (iv) 李偉強先生（獨立非執行董事）。

(D) REMUNERATION OF DIRECTORS (CONT'D)

The RC meets at least once a year to determine the remuneration policy for Directors and senior management. During the year ended 31 December 2010, a total number of 5 meetings were held to determine the remuneration policy for Directors and/or senior management. The attendance records of the RC, on a named basis, are set out under section of "Number of Meetings Held and Attendance" on page 45 of this annual report.

The RC has primary responsibility for making recommendations for approval by the Board with respect to matters relating to the remuneration of the executive directors of the Company. The major responsibilities of the RC are:

- (i) to make recommendations on the Company's policies and structure for all the remuneration of Directors;
- (ii) to propose the specific remuneration packages of the executive directors, and to make recommendations on the remuneration of the non-executive directors for the Board's approval;
- (iii) to review and propose performance-based remuneration for executive directors by reference to corporate goals and objectives resolved by the Board from time to time; and
- (iv) to administer and make determinations with regard to the Company's share option scheme.

During the year, the Board approved all the recommendations of the RC. Details of the amount of Directors' emoluments during the year ended 31 December 2010 are set out in note 13 to the financial statements.

(E) AUDIT COMMITTEE

The Board has established an audit committee ("AC") with written terms of reference as suggested under the code provision under the Code. The AC comprises the following four members, all of them are independent non-executive directors:

- (i) Mr. CHEUNG Ngai Lam (*chairman of AC*);
- (ii) Dr. LI Jun;
- (iii) Mr. WANG Fosong; and
- (iv) Mr. LI Wai Keung.

The AC meets at least twice a year to review and approve the Group's financial reporting process and internal control system. During the year ended 31 December 2010, a total number of 2 meetings were held. The attendance records of the AC, on a named basis, are set out under section of "Number of Meetings Held and Attendance" on page 45 of this annual report.

(D) 董事薪酬(續)

薪酬委員會每年至少舉行一次會議，以釐定董事及高級管理層的薪酬政策。截至2010年12月31日止年度內，合共舉行了5次會議，以釐定董事及／或高級管理層的薪酬政策。按姓名分類的出席薪酬委員會會議的出勤記錄載於本年報第45頁的「已舉行會議及出席的次數」一節。

薪酬委員會主要負責就有關本公司執行董事的薪酬事宜提出推薦意見，以供董事會批准。薪酬委員會的主要責任為：

- (i) 就本公司有關董事所有薪酬的政策及架構提出推薦意見；
- (ii) 就執行董事的特別薪酬待遇提出建議，及就非執行董事的薪酬提出推薦意見以供董事會批准；
- (iii) 參照董事會不時議決的公司目標及宗旨、建議執行董事基於表現的薪酬；及
- (iv) 管理本公司的認股權計劃並就此作出決定。

年內，董事會批准了薪酬委員會的所有推薦意見。截至2010年12月31日止年度內，有關董事袍金款額的詳情載於財務報表附註13。

(E) 審核委員會

董事會已成立審核委員會，並按守則的守則條文建議制定書面職權範圍。審核委員會由以下四名成員（均為獨立非執行董事）組成：

- (i) 張毅林先生(審核委員會主席)；
- (ii) 李珺博士；
- (iii) 王佛松先生；及
- (iv) 李偉強先生。

審核委員會每年至少舉行兩次會議，以檢討及批准本集團的財務申報程序及內部監控系統。截至2010年12月31日止年度內，合共舉行了2次會議。按姓名分類的出席審核委員會會議的出勤紀錄載於本年報第45頁的「已舉行會議及出席的次數」一節。

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(E) AUDIT COMMITTEE (CONT'D)

The major responsibilities of the AC are:

- (i) to make recommendations with respect to the appointment, re-appointment and removal of the Company's external auditor, and to evaluate their independence, objectivity and effectiveness of the audit process;
- (ii) to review and monitor the interim and annual financial statements, reports and accounts of the Company, and to review significant and judgemental financial reporting issues contained therein;
- (iii) to review the Company's financial controls, internal controls and risk management systems; and
- (iv) to discuss with the management the system of internal controls, and to ensure that the management has discharged its duties and responsibilities in implementing an effective internal control system.

The Group's annual results for the year ended 31 December 2010 have been reviewed by the AC.

AUDITORS' REMUNERATION

During the year ended 31 December 2010, the fees paid/payable to auditors in respect of audit services and non-audit services provided by the auditors to the Group were as follows:

Nature of services	服務性質	2010	2009
		RMB'000 人民幣千元	RMB'000 人民幣千元
Audit	核數		
– Current year	– 本年度	1,106	1,616
– Under-provision in prior year	– 以往年度不足撥備	202	–
Others	其他	520	271
Total	總計	1,828	1,887

(E) 審核委員會 (續)

審核委員會的主要責任為：

- (i) 就委任、重新委任及罷免本公司的外聘核數師提出推薦意見，以及客觀評估彼等的獨立性及審核程序的成效；
- (ii) 檢討及監察本公司的中期及年度財務報表、報告及賬目，以及檢討其中所載的重大及決策性財務申報事宜；
- (iii) 檢討本公司的財務監控、內部監控及風險管理系統；及
- (iv) 與管理層討論內部監控系統，以及確保管理層於落實有效的內部監控系統方面已履行其職責及責任。

本集團截至2010年12月31日止年度的年度業績已由審核委員會審閱。

核數師酬金

截至2010年12月31日止年度，就核數師向本集團提供的核數服務及非核數服務而已付／應付予核數師的費用如下：

(F) NOMINATION COMMITTEE

The Board has established a nomination committee (“NC”) with written terms of reference as suggested under the code provision under the Code. The members of nomination committee are independent non-executive directors, namely:

- (i) Mr. WANG Fosong (*chairman of NC*);
- (ii) Dr. LI Jun;
- (iii) Mr. CHEUNG Ngai Lam; and
- (iv) Mr. LI Wai Keung.

The NC meets at least once a year to make recommendations to the Board on the appointment of Directors and the management of the Board’s succession. During the year ended 31 December 2010, a total number of 5 meetings were held. The attendance records of the nomination committee, on a named basis, are set out under section of “Number of Meetings Held and Attendance” on page 45 of this annual report.

The major responsibilities of the NC are:

- (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
- (iii) to assess the independence of independent non-executive directors; and
- (iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the president (chief executive officer).

During the year, the Board approved all the recommendations of the NC. The retirement by rotation of the following Directors at the forthcoming annual general meeting have been approved by the NC:–

EXECUTIVE DIRECTORS:

Mr. ZENG Yunshu
Mr. ZHANG Yiyang

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. LI Jun
Mr. CHEUNG Ngai Lam
Mr. WANG Fosong

(F) 提名委員會

董事會已成立提名委員會，並按守則的守則條文建議制定書面職權範圍。提名委員會由以下獨立非執行董事組成：

- (i) 王佛松先生 (*提名委員會主席*)；
- (ii) 李珺博士；
- (iii) 張毅林先生；及
- (iv) 李偉強先生。

提名委員會每年至少舉行一次會議，以就委任董事及董事會繼承管理向董事會提出推薦意見。截至2010年12月31日止年度內，合共舉行了5次會議。按姓名分類的出席提名委員會會議的出勤記錄載於本年報第45頁的「已舉行會議及出席的次數」一節。

提名委員會的主要責任為：

- (i) 定期檢討董事會的架構、規模及組成（包括技能、知識及經驗）及就任何建議調整向董事會提出推薦建議；
- (ii) 物色具備合適資格可擔任董事之人士，及挑選獲提名出任董事之人士或就此向董事會提出推薦意見；
- (iii) 評估獨立非執行董事的獨立性；及
- (iv) 就有關委任或重新委任董事以及董事尤其是主席及總裁（行政總裁）繼任計劃的相關事宜向董事會提出推薦意見。

年內，董事會批准了提名委員會的所有推薦意見。下列董事於應屆股東週年大會上輪席退任已獲提名委員會批准：

執行董事：

曾雲樞先生
張奕炎先生

獨立非執行董事：

李珺博士
張毅林先生
王佛松先生

(G) INTERNAL CONTROL

The Board has the responsibility to maintain an effective internal control system in order to protect the Group's assets and shareholders' interests. The Board and AC also conduct periodic reviews to ensure the effectiveness of the Group's internal control system. The internal control system includes a well established corporate structure and organisation with clearly defined lines of responsibility and authority. Each department is responsible for its daily operations, and is also required to implement and monitor the strategies and policies adopted by the Board and effective employment of the resources of the Company, in order to avoid misappropriation of resources and damages made to the Company's assets, and prevent against errors and fraud.

The Board and AC assess the effectiveness of the internal control system and procedures based on information derived from discussions with the management of the Company and its external auditor. The Board and AC believe that the existing internal control system is adequate and effective.

The review covers all material controls, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Board has established a clearly defined scope of activities, responsibility and authority for each department and its management staff within the Group. The Group has a defined goal for each department to accomplish, these goals were discussed in the Board meeting and pass on to the management through the executive directors. These goals will be implemented and closely monitored by the executive directors who shall review the operational and financial results from time to time, and to take any necessary actions for the improvement of its business activities.

(H) INVESTOR RELATIONS

The Company is committed to maintain high level of transparency in communicating with shareholders and the investment community at large. The Company provides information in relation to the Company and its business in its annual report which is to be dispatched to shareholders of the Company on a timely basis. The Group's corporate website (<http://www.hlkg.net/>) also provides an effective communication medium through which the public and investors can obtain updated information about the Group.

(G) 內部監控

董事會有責任維持及檢討公司的內部監控系統，以保障集團的資產及股東的權益。董事會及審核委員會定期檢討本集團內部監控系統以確保其效用性。內部監控系統包括公司的結構和組織，清楚界定各部門的職責範圍和權屬。各部門不僅負責日常業務的操作，還需要實施及監察董事會所決定的政策、策略及整體的資源有效運用，以防止濫用資源、資產受損、防止錯失及欺詐行為的發生。

董事會及審核委員會參考公司管理層及外聘核數師所提供的資料，評估內部監控及其程序之有效性。董事會及審核委員會相信現時之內部監控系統已經足夠及有效地運用。

審閱涵蓋所有重大監控範疇，包括財務、營運和合規監控、風險管理職能以及資源足夠性、本公司會計及財務申報部門的員工資歷及經驗，以及彼等的培訓計劃及預算。

董事會對各行政管理人員設有清晰而明確的權責。本集團訂立明確的目標予各部門來完成，各項目標均在董事會會議決定後，由執行董事交給各管理部門執行。各執行董事會密切監察公司的各項業務、審閱業務進度和財務報告、檢討及作出相應的改善。

(H) 投資者關係

本公司在與股東及投資者溝通方面竭力保持高透明度，亦透過定期向本公司股東寄發年報以提供有關本公司及其業務資料。本集團的公司網站(<http://www.hlkg.net/>)更是公眾及投資者獲得本集團最新資料的有效溝通媒介。

RSM Nelson Wheeler

中瑞岳華(香港)會計師事務所

Certified Public Accountants

Independent auditor's report to the shareholders of Hong Long Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Hong Long Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 53 to 144, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 preparation 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 and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

致鴻隆控股有限公司股東 之獨立核數師報告

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第53頁至第144頁鴻隆控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2010年12月31日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他說明資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露要求編製真實而公平的綜合財務報表，以及就董事認為必要的有關內部監控負責，以確保編製綜合財務報表並無重大錯誤陳述(不論是因欺詐或錯誤而引起)。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們謹向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實而公平的綜合財務報表相關的內部控

Independent Auditor's Report 獨立核數師報告

entity's preparation of consolidated 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 Group as at 31 December 2010, and of the Group's results 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.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong
31 March 2011

制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團於2010年12月31日的事務狀況及 貴集團截至該日止年度的業績及現金流量，並已按照香港《公司條例》之披露要求妥為編製。

中瑞岳華(香港)會計師事務所
執業會計師
香港
2011年3月31日

Consolidated Statement of Comprehensive Income 綜合全面收益表

For the year ended 31 December 2010 截至2010年12月31日止年度

		Note 附註	2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Turnover	營業額	6	1,132,896	362,369
Cost of sales	銷售成本		(864,086)	(274,903)
			268,810	87,466
Less: Sales return of properties sold	減：已售物業銷售退回	6	(313,521)	–
Cost of properties returned	退回物業成本		27,776	–
			(285,745)	–
Gross (loss)/profit	毛(損)/利		(16,935)	87,466
Other net (expense)/income	其他(支出)/收益淨額	7	(4,125)	64,964
Other income	其他收入	8	6,516	31,071
Selling and distribution expenses	銷售及分銷費用		(33,394)	(21,775)
General and administrative expenses	一般及行政費用		(63,097)	(35,304)
Other operating expenses	其他營運費用		(216,069)	(10,711)
Net increase in fair value of investment properties	投資物業的公允值的增加淨額	18	208,415	56,830
(Loss)/Profit from operations	經營(虧損)/溢利		(118,689)	172,541
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額		15,977	(19,994)
Finance costs	融資成本	10	(160,934)	(87,843)
Gain on bargain purchase in respect of business combination	有關業務合併的議價購買收益	36(a)	123,979	–
Gain on disposal of subsidiaries	出售附屬公司的收益	36(b)	200,801	–
Profit before tax	除稅前溢利		61,134	64,704
Income tax	所得稅	11	(28,455)	(33,497)
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	12	32,679	31,207
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		37,609	32,699
Non-controlling interests	非控股權益		(4,930)	(1,492)
			32,679	31,207
Earnings per share (RMB cents)	每股盈利(人民幣分)	16		
Basic	基本		3.11 cents 分	3.14 cents 分
Diluted	攤薄		3.11 cents 分	3.13 cents 分

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2010 於2010年12月31日

		Note	2010	2009
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	9,871	9,921
Investment properties	投資物業	18	1,614,100	1,376,436
Available-for-sale financial assets	可供出售金融資產	19	251,895	-
Deferred tax assets	遞延稅項資產	31	13,233	49,947
			1,889,099	1,436,304
Current assets	流動資產			
Inventories	存貨	20	1,782,393	2,042,233
Trade and other receivables	應收賬款及其他應收款	21	769,384	783,115
Consideration receivables	應收代價款	22	153,927	-
Trading securities	買賣證券	23	4,060	4,519
Pledged deposits	抵押存款	24	9,431	73,569
Bank and cash balances	銀行及現金結餘	25	92,787	216,950
			2,811,982	3,120,386
Current liabilities	流動負債			
Trade and other payables, and accruals	應付賬款、其他應付款及預提費用	26	378,286	447,781
Receipts in advance	預收賬款	27	120,745	82,257
Rental and other deposits	租賃及其他按金	28	11,792	11,743
Derivative financial liabilities	衍生金融負債	29	14,275	30,252
Bank and other borrowings	銀行及其他借貸	30	823,230	375,800
Current tax liabilities	即期稅項負債		175,601	262,552
			1,523,929	1,210,385
Net current assets	流動資產淨值		1,288,053	1,910,001
Total assets less current liabilities	資產總值減流動負債		3,177,152	3,346,305
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借貸	30	1,112,200	1,393,834
Deferred tax liabilities	遞延稅項負債	31	288,726	231,634
			1,400,926	1,625,468
NET ASSETS	資產淨值		1,776,226	1,720,837

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2010 於2010年12月31日

		Note 附註	2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Capital and reserves	資本及儲備			
Share capital	股本	32	11,971	10,296
Reserves	儲備	34	1,763,260	1,707,809
Equity attributable to owners of the Company	本公司擁有人應佔 權益總額		1,775,231	1,718,105
Non-controlling interests	非控股權益		995	2,732
TOTAL EQUITY	權益總額		1,776,226	1,720,837

Approved by the Board of Directors on 31 March 2011.

董事會於2011年3月31日批准並授權刊發。

ZENG YUNSHU

曾雲樞
Director
董事

LEE CHI SHING CAESAR

李志成
Director
董事

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2010 截至2010年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔						Non-		Total equity
		Share capital	Share premium	Merger reserve	Statutory reserve	Capital reserve	Retained profits	Total controlling interests		
		股本	股份溢價 (Note 34 (c)(i))	合併儲備 (Note 34 (c)(ii))	法定儲備 (Note 34 (c)(iii))	資本儲備 (Note 34 (c)(iv))	保留溢利	總計	非控股權益	權益總額
		附註 34 (c)(i)	附註 34 (c)(ii)	附註 34 (c)(iii)	附註 34 (c)(iv)					
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2009	於 2009 年 1 月 1 日	10,296	579,466	24,227	44,025	50,122	938,585	1,646,721	13,082	1,659,803
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	-	-	-	-	-	32,699	32,699	(1,492)	31,207
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	5,348	-	(5,348)	-	-	-
Share options cancelled	已註銷的認股權	-	-	-	-	(17,667)	17,667	-	-	-
Partial disposal of interest in a subsidiary	出售於一間附屬公司的部分權益	-	-	-	-	-	28,352	28,352	3,075	31,427
Acquisition of additional interest in a subsidiary	收購一間附屬公司的額外權益	-	-	-	-	-	10,333	10,333	(11,933)	(1,600)
Changes in equity for the year	本年度權益變動	-	-	-	5,348	(17,667)	83,703	71,384	(10,350)	61,034
At 31 December 2009	於 2009 年 12 月 31 日	10,296	579,466	24,227	49,373	32,455	1,022,288	1,718,105	2,732	1,720,837
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	-	-	-	-	-	37,609	37,609	(4,930)	32,679
Issue of shares	發行股份	32(a)	704	66,182	-	-	-	66,886	-	66,886
		32(b)	220	20,615	-	-	-	20,835	-	20,835
		32(c)	167	24,592	-	-	(14,754)	10,005	-	10,005
Issue of scrip dividend shares	發行以股代息股份	15, 32(d)	584	74,749	-	-	(75,333)	-	-	-
Special dividend paid in cash	以現金支付特別股息	15	-	-	-	-	(78,209)	(78,209)	-	(78,209)
Share options cancelled	已註銷的認股權	35(c)	-	-	-	(7)	7	-	-	-
Acquisition of subsidiaries	收購附屬公司	36(a)	-	-	-	-	-	-	114,566	114,566
Disposal of subsidiaries	出售附屬公司	36(b)	-	-	-	-	-	-	(111,373)	(111,373)
Changes in equity for the year	本年度權益變動		1,675	186,138	-	(14,761)	(115,926)	57,126	(1,737)	55,389
At 31 December 2010	於 2010 年 12 月 31 日	11,971	765,604	24,227	49,373	17,694	906,362	1,775,231	995	1,776,226

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2010 截至2010年12月31日止年度

	Note 附註	2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量		
Profit before tax	除稅前溢利	61,134	64,704
Adjustments for:	調整項目：		
Interest income	利息收入	(3,095)	(9,766)
Finance costs	融資成本	160,934	87,843
Amortisation and depreciation	攤銷及折舊	3,970	2,754
Loss/(Gain) on repurchase of Senior Note	購回優先票據的虧損/(收益)	2,988	(73,128)
Impairment losses on other receivables and loans and advance	其他應收款及貸款以及墊款的減值虧損	201,073	-
Impairment loss on prepaid land costs	預付土地成本的減值虧損	1,177	-
Other receivables written off	撇銷其他應收款	4,222	-
(Gains)/Losses on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(625)	12
Gain on bargain purchase in respect of business combination	有關業務合併的議價購買收益	(123,979)	-
Gain on disposal of subsidiaries	出售附屬公司的收益	(200,801)	-
Net increase in fair value of investment properties	投資物業的公允值的增加淨額	(208,415)	(56,830)
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額	(15,977)	19,994
Net unrealised fair value losses/(gains) on trading securities	買賣證券的未變現公允值虧損/(收益)淨額	425	(552)
Dividend income	股息收入	(193)	(24)
Net exchange (gains)/losses	匯兌(收益)/虧損淨額	(2,452)	6,292
Operating (loss)/gain before working capital changes	營運資金變動前的經營(虧損)/溢利	(119,614)	41,299
Increase in inventories	存貨增加	(239,701)	(246,980)
Increase in trade and other receivables	應收賬款及其他應收款增加	(382,472)	(134,592)
Decrease/(Increase) in trading securities	買賣證券減少/(增加)	1,034	(3,000)*
Decrease/(Increase) in pledged deposits	抵押存款減少/(增加)	47,422	(13,723)
Decrease in trade and other payables, and accruals	應付賬款、其他應付款及預提費用減少	(77,217)	(21,887)
Increase/(Decrease) in receipts in advance	預收賬款增加/(減少)	116,525	(3,837)
Increase in rental and other deposits	租賃及其他按金增加	49	614
Cash used in operations	營運動用的現金	(653,974)	(382,106)
Income tax paid	已付所得稅	(31,144)	(6,388)
Net cash used in operating activities	經營活動動用的現金淨額	(685,118)	(388,494)

* In prior year, the cash flows from purchases and sales of trading securities were classified as investing activities. During the year, the cash flows from purchases and sales of trading securities were classified as operating activities in order to provide a more appropriate presentation of the state of affairs of the Group.

* 於以往年度，來自購買及出售買賣證券的現金流量分類為投資活動。年內，為對本集團的事務狀況提供更合適的呈列方式，來自購買及出售買賣證券的現金流量列入經營活動。

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2010 截至2010年12月31日止年度

	Note 附註	2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(14,370)	(1,652)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	9,976	396
Purchase of investment properties	購置投資物業	(1,473)	-
Acquisition of subsidiaries	收購附屬公司	36(a) 3,220	-
Purchase of available-for-sale financial assets	購買可供出售金融資產	(216,795)	-
Disposal of subsidiaries	出售附屬公司	36(b) 428,808	-
Acquisition of additional interest in a subsidiary	收購一間附屬公司的 額外權益	-	(1,600)
Deposits paid for acquisition of an investment	收購一項投資支付的按金	-	(32,600)
Proceeds from partial disposal of interest in a subsidiary	出售附屬公司部分權益 所得款項	-	35,000
Interest received	已收利息	674	7,251
Dividend received	已收股息	193	24
Net cash generated from investing activities	投資活動產生的現金淨額	210,233	6,819
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Drawdown of bank loans	提取銀行貸款	2,058,157	1,489,541
Repayment of bank loans	償還銀行貸款	(1,364,525)	(526,170)
Repurchase of Senior Note	購回優先票據	(185,645)	(290,585)
Proceeds from issue of shares	發行股份所得款項	10,005	-
Interest paid	已付利息	(91,513)	(118,261)
Dividend paid	已付股息	(78,209)	-
Net cash generated from financing activities	融資活動產生的現金淨額	348,270	554,525
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物的 (減少)/增加淨額	(126,615)	172,850
Effect of foreign exchange rate changes	匯率變動的影響	2,452	(2)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	1月1日的現金及現金等價物	216,950	44,102
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12月31日現金及現金等價物	92,787	216,950
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等價物分析		
Bank and cash balances	銀行及現金結餘	92,787	216,950

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman KY1-1111, the Cayman Islands. The address of its principal place of business is 17th Floor, Block B, Hong Long Century Plaza, Heping Road, Luohu District, Shenzhen, the People's Republic of China (the "PRC"). The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 40 to the financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced considering the potential impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial instruments classified as trading securities and derivative financial instruments which are carried at their fair values.

1. 一般資料

本公司於開曼群島註冊成立為有限公司。註冊辦事處的地址位於Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman KY1-1111, the Cayman Islands。主要營業地點的地址為中華人民共和國(「中國」)深圳羅湖區和平路鴻隆世紀廣場B座17樓。本公司的股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司是投資控股公司，其主要附屬公司的主要業務載於財務報表附註40。

2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已採納所有由香港會計師公會所頒佈且與其業務有關的新訂及經修訂香港財務報告準則，該等香港財務報告準則於其自2010年1月1日開始的會計年度生效。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新訂及經修訂香港財務報告準則不會對本集團之會計政策、本集團財務報表之呈列及本年度及先前年度之呈報金額產生重大變動。

本集團並無應用已頒佈但尚未生效的新增香港財務報告準則。本集團已開始評估新增香港財務報告準則的影響，但現階段仍未能定斷新增香港財務報告準則會否對本集團的經營業績及財務狀況構成重大影響。

3. 主要會計政策

此等財務報表乃根據香港財務報告準則、香港公認會計原則以及聯交所證券上市規則及香港公司條例之適用披露規定編製。

此等財務報表乃按歷史成本常規編製，並就重估按公允值入賬之投資物業、分類為買賣證券的金融工具及衍生金融工具作出修訂。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

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

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 主要會計政策(續)

財務報表乃遵照香港財務報告準則編製，當中須採用若干主要假設及估計，亦要求董事於應用該等會計政策過程中作出判斷。涉及關鍵判斷及對此等財務報表而言屬重大假設及估計之範疇，乃於財務報表附註4披露。

於編製此等財務報表時應用之重大會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至12月31日止之財務報表。附屬公司指本集團擁有控制權之實體。控制權指監管該實體之財務及營運政策以自其業務獲利之權力。在評估本集團是否控制另一實體時，會考慮現時可行使或可兌換之潛在投票權之存在及影響。

附屬公司在控制權轉移至本集團之日起綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

因出售附屬公司而導致失去控制權之盈虧為(i)出售代價之公允值加任何保留於該附屬公司之投資之公允值及(ii)本公司應佔該附屬公司資產淨值加任何有關該附屬公司之剩餘商譽及任何有關累計匯兌儲備兩者間之差額。

集團內公司間之交易、交易結餘及未變現溢利已對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司之會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Consolidation (Cont'd)

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

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

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

3. 主要會計政策 (續)

(a) 綜合賬目 (續)

非控股權益為非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合全面收益表內呈列為非控股股東與本公司擁有人應佔本年度損益及全面收益總額之分配。

即使導致非控股權益出現虧損結餘，其盈虧及其他全面收益之各個組成部份仍歸屬予本公司擁有人及非控股股東。

對於附屬公司擁有權之變動，若無導致本公司失去其控制權，則列作權益交易入賬（即與擁有人以其股東身份進行之交易）。控股及非控股權益之賬面值會作出調整，以反映彼等於附屬公司之相關權益變動。對非控股權益作出調整之金額與已付或已收代價之公允值兩者間之任何差額會直接於權益確認，並歸屬予本公司擁有人。

(b) 業務合併及商譽

就業務合併，本集團採用收購會計處理法就收購附屬公司入賬。收購成本按收購日期所給予資產、所發行股本工具、所產生負債及或然代價之公允值計量。收購相關成本於產生成本及接受服務之期間內確認為開支。收購時有關附屬公司之可識別資產及負債按收購日期之公允值計量。

收購成本超出本公司應佔有關附屬公司可識別資產及負債公允淨值之差額以商譽列賬。本公司應佔可識別資產及負債公允淨值超出收購成本之差額，於綜合損益確認為議價收購之收益，並歸屬予本公司。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Business combination and goodwill (Cont'd)

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (u) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency as well as the functional currency of the principal operating subsidiaries of the Group.

3. 主要會計政策(續)

(b) 業務合併及商譽(續)

於分階段進行之業務合併中，先前於附屬公司持有之股權按其收購日期之公允值重新計量，而所得盈虧於綜合損益內確認。有關公允值會加入收購成本以計算商譽。

倘先前於附屬公司持有之股權之價值變動已於其他全面收益(例如可供出售投資)確認，則已於其他全面收益確認之金額會按假設先前持有之股權已出售之相同基準確認。

商譽每年進行減值測試，或當有事件或情況變動顯示可能出現減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與下文會計政策(u)所述其他資產之計量方法相同。商譽減值虧損於綜合損益內確認，且其後不會撥回。就減值測試而言，商譽會分配至預期將從收購之協同效應中獲益之現金產生單位。

附屬公司之非控股權益初步按有關非控股股東佔該附屬公司於收購日期可識別資產及負債公允淨值之比例計量。

(c) 外幣換算

(i) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體營運主要經濟環境所採用之貨幣(「功能貨幣」)計量。綜合財務報表乃以本公司之功能及呈列貨幣以及本集團主要營運附屬公司之功能貨幣人民幣(「人民幣」)呈列。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (Cont'd)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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 in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

3. 主要會計政策 (續)

(c) 外幣換算 (續)

(ii) 各實體財務報表之交易及結餘

外幣交易於初步確認時按交易日期之適用匯率換算為功能貨幣。以外幣呈列之貨幣資產及負債按各報告期末適用之匯率換算。換算政策所產生之盈虧於損益確認。

按公允值計量之外幣非貨幣項目按釐定公允值當日之匯率換算。

倘非貨幣項目之盈虧於其他全面收益確認，則該盈虧之任何匯兌部份於其他全面收益確認。倘非貨幣項目之盈虧於損益確認，則該盈虧之任何匯兌部份於損益確認。

(d) 物業、廠房及設備

物業、廠房及設備均按成本扣除累計折舊及減值虧損列賬。

僅在與項目相關之日後經濟效益有可能流入本集團及能可靠計算項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產（視適用情況而定）。所有其他維修及保養開支於其產生期間在損益確認。

物業、廠房及設備以直線法按足以撇銷其成本減餘值之比率，於估計可使用年期計算折舊。主要估計可使用年期之年率如下：

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (Cont'd)

- Buildings held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 40 years after the date of completion.
- Leasehold improvements are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years.
- Furniture, fixtures and equipment 3-5 years
- Motor vehicles 4 years

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

If a property held for sale becomes investment property, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in profit or loss.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

3. 主要會計政策(續)

(d) 物業、廠房及設備(續)

- 持作自用位於租賃土地上樓宇按租約未屆滿年期與其估計可使用年期的較短者，由完成日期起不超過40年進行折舊。
- 租賃裝修按未屆滿租賃期與其估計可使用年期(不超過20年)的較短者進行折舊。
- 傢俱、裝置及設備 3至5年
- 汽車 4年

本集團會於各報告期末檢討及調整(如適用)餘值、可使用年期及折舊方法。

出售物業、廠房及設備之盈虧為出售所得款項淨額與相關資產之賬面值兩者間之差額，於損益中確認。

(e) 投資物業

投資物業乃就賺取租金及/或作資本增值持有之土地及/或樓宇。投資物業初步按其成本(包括物業應佔之所有直接成本)計量。

於初步確認後，投資物業根據外聘獨立估值師作出的估值按公允值列值。投資物業之公允值變動所產生之盈虧於其產生期間之損益內確認。

倘持作出售的物業成為投資物業，則於轉讓日期此項目的賬面值與公允值產生的任何差額於損益中確認。

出售投資物業之盈虧為出售所得款項淨額與物業賬面值兩者間之差額，於損益中確認。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated over the lease term or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 3(d).

3. 主要會計政策 (續)

(f) 租約

本集團作為租用人

(i) 營運租約

不會將資產擁有權之大部份風險及回報轉移予本集團之租約，均列為營運租約。租賃款項(扣除出租人給予之任何優惠)按租期以直線法確認為開支。

(ii) 融資租約

凡將資產擁有權之大部份風險及回報轉移予本集團之租約，均列為融資租約。融資租約在開始時按租賃資產之公允值及最低租賃付款現值兩者之較低者(兩者均在租賃開始時釐定)撥充資本。

出租人之相應債務於財務狀況表中列作應付融資租約承擔。租賃款項按比例分配為財務費用及削減未付債務。財務費用在租賃期內各期間內分攤，以為餘下債務結餘得出貫徹之定期利率。

倘有可能本集團將取得資產的所有權，則融資租約的資產按資產年期於租賃期內折舊(載於附註3(d))。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leases (Cont'd)

The Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(g) Inventories

(i) Properties for future development/under development

Properties for future development/under development are stated at the lower of cost and net realisable value. Costs include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the reporting period less selling expenses and the anticipated costs to completion, or by estimates based on prevailing market condition. On completion, the properties are reclassified to properties held for sale at the then carrying amount. Properties for future development/under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

(ii) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Costs of properties include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the reporting period less selling expenses, or by estimates based on prevailing market condition.

3. 主要會計政策(續)

(f) 租約(續)

本集團作為出租人

(i) 營運租約

不會將資產擁有權之大部份風險及回報轉移予租用人之租約，均列為營運租約。來自營運租約之租金收入按有關租期以直線法確認。

(g) 存貨

(i) 未來發展/發展中物業

未來發展/發展中物業按成本及可變現淨值之較低者入賬。成本包括收購成本、預付土地租賃款、建築成本、撥充資本之借貸成本及有關物業應佔之其他直接成本。可變現淨值乃參考報告期後收取的所得銷售款項扣除銷售開支及預計完成成本釐定，或根據當時市況作出估計。於竣工後，有關物業按其當時賬面值，重新分類為持作待售物業。除非相關在建物業項目的建築期預期於正常營運周期後才完成，否則未來發展/發展中物業將列為流動資產。

(ii) 持作待售物業

持作待售物業按成本值及可變現淨值之較低者入賬。物業成本包括收購成本、預付土地租賃款、建築成本、撥充資本之借貸成本及有關物業應佔之其他直接成本。可變現淨值乃參考報告期後收取的所得銷售款項扣除銷售開支釐定，或根據當時市況作出估計。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 主要會計政策 (續)

(h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(i) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

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

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

(h) 確認及終止確認金融工具

金融資產及金融負債於本集團成為有關工具合約條文之訂約方時，於財務狀況表內確認。

當收取資產現金流之合約權利屆滿時，本集團轉讓相關資產擁有權之絕大部份風險及回報，或本集團既不轉讓亦不保留資產擁有權之絕大部份風險及回報，惟不保留資產之控制權，則終止確認為金融資產。於終止確認一項金融資產時，該項資產之賬面值與已收代價之差額及已於其他全面收益中確認之累計盈虧於損益中確認。

當相關合約中規定之責任獲解除、註銷或屆滿，則終止確認為金融負債。已終止確認之金融負債之賬面值與已付代價間之差額於損益中確認。

(i) 投資

投資是以購入或出售投資項目，根據市場情況按合同條款規定期限於交易日期確認入賬及終止確認，並按公允值加直接交易成本作初步計算，惟按公允值計入損益之金融資產則除外。

投資分類為按公允值計入損益的金融資產或可供出售金融資產。

(i) *按公允值計入損益的金融資產*

初步確認時，按公允值計入損益的金融資產均為持作買賣或指定為按公允值計入損益的投資。此等投資隨後按公允值計量。此等投資公允值變動引起的盈虧均在損益確認。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Investments (Cont'd)

(ii) Available-for sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses at the end of the reporting period subsequent to initial recognition. Impairment losses recognised in profit or loss are not subsequently reversed.

(j) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

3. 主要會計政策(續)

(i) 投資(續)

(ii) 可供出售金融資產

可供出售金融資產指並無分類為應收賬款及其他應收賬款、持有至到期日之投資或按公允值計入損益之金融資產之非衍生金融資產。可供出售金融資產其後按公允值計量。因該等投資之公允值變動所產生之盈虧於其他全面收益中確認，直至該等投資售出或有客觀證據顯示投資出現減值為止，此時，先前於其他全面收益中確認之累計盈虧乃於損益中確認。利息以實際利率法計算於損益中確認。就分類為可供出售金融資產之股票投資之減值虧損於損益中確認，其後不會透過損益回撥。

就在交投活躍市場未有市場報價且其公允值未能可靠計量的待售股權投資，於初步確認後各報告期末乃按成本減累計減值虧損計量。於損益中確認的減值虧損其後不會撥回。

(j) 應收賬款及其他應收款

應收賬款及其他應收款為固定或可確定付款金額及沒有活躍市場報價之非衍生金融資產，初步按公允值確認，其後則以實際利率法按攤銷成本扣除減值撥備計算。應收賬款及其他應收款之減值撥備於有客觀證據顯示本集團無法按應收賬款之原有條款收回所有金額時作出。撥備金額為應收賬款賬面值與估計日後現金流量按初步確認時所用實際利率貼現之現值兩者間之差額。撥備金額於損益內確認。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Trade and other receivables (Cont'd)

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost 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 period.

3. 主要會計政策 (續)

(j) 應收賬款及其他應收款 (續)

倘應收賬款之可收回金額客觀上因確認減值後發生之事件增加，則減值虧損於往後期間撥回並在損益確認，惟應收賬款於撥回減值日期之賬面值不得超逾假設並無確認減值應存在之攤銷成本。

(k) 現金及現金等價物

就現金流量表而言，現金及現金等價物乃指銀行及手頭現金、銀行及其他財務機構之活期存款及可隨時轉換為確實數額之現金及存在非重大價值變動風險之短期高度流動投資項目。須於要求時償還之銀行透支為本集團現金管理之組成部份，亦會列作現金及現金等價物。

(l) 金融負債及股本工具

金融負債及股本工具乃按所訂立合約安排之內容及香港財務報告準則下金融負債及股本工具之釋義分類。股本工具為反映扣除所有負債後本集團資產剩餘權益之合約。下文載列就特定金融負債及股本工具所採納之會計政策。

(i) 借貸

借貸初步按公允值扣除所產生交易成本確認，其後以實際利率法按攤銷成本計量。

借貸分類為流動負債，除非本集團具無條件權力，遞延負債還款期至報告期後最少12個月則作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 主要會計政策(續)

(l) Financial liabilities and equity instruments (Cont'd)

(l) 金融負債及股本工具(續)

(ii) Financial guarantee contract liabilities

(ii) 財務擔保合約負債

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

財務擔保合約負債最初按其公允值計量，其後則按以下兩者中較高者計量：

- the amount of the obligations under the contracts, as determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”; and
- the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis over the terms of the guarantee contracts.

- 根據香港會計準則第37號「撥備、或然負債及或然資產」確定之合約承擔金額；及
- 初步確認之金額減去於擔保合約期限內按直線基準於損益內確認之累計攤銷。

(iii) Trade and other payables

(iii) 應付賬款及其他應付款

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

應付賬款及其他應付款初步按公允值入賬，其後以實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下，則按成本入賬。

(iv) Equity instruments

(iv) 股本工具

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

本公司發行之股本工具以已收所得款項減直接發行成本入賬。

(m) Derivative financial instruments

(m) 衍生金融工具

Derivative financial instruments are initially recognised and subsequently measured at fair value. Changes in the fair value of derivatives are recognised in profit or loss as they arise.

衍生金融工具會初步確認及其後按公允值計量。衍生工具公允值變動於發生時在損益確認。

(n) Revenue recognition

(n) 收入確認

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

收入乃按已收或應收代價的公允值計量，並在經濟效益可能流入本集團及收入金額可予準確計算的前提下確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 主要會計政策 (續)

(n) Revenue recognition (Cont'd)

(i) Sales of properties

Revenue from the sale of properties held for sale is recognised when the significant risks and rewards of ownership have been transferred to the buyers. The Group considers that the significant risks and rewards of ownership are transferred when the properties are completed and delivered to the buyers. Revenue from sales of properties excludes business tax and other sales related taxes and is after deduction of any trade discounts. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under receipts in advance.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments 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. Rental income excludes business tax or other sales related taxes.

(iii) Property management income

Revenue from property management is recognised in the accounting period in which the services are rendered.

(iv) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Interest income

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

(n) 收入確認 (續)

(i) 銷售物業

持作銷售物業的收入於已轉移所有權的主要風險及報酬予買家時確認。本集團認為所有權的主要風險及報酬在物業完成及交付給買家時作出轉移。銷售物業收入不包括營業稅及其他銷售相關稅項，並已扣除任何營業折扣。於收入確認日期前就出售物業收取的按金及分期付款，已計入財務狀況表的預收款項內。

(ii) 經營租賃的租金收入

經營租賃的應收租金收入於租賃期所涵蓋期間，按等額於損益內確認，但如有其他基準能更清楚地反映使用租賃資產所產生的收益模式時則除外。租賃獎勵於損益中確認為應收租賃淨付款總額的組成部分。或然租金於其產生的會計期間內確認為收入。租金收入不包括營業稅及其他銷售相關稅項。

(iii) 物業管理收入

物業管理收入於提供服務的會計期間確認。

(iv) 股息收入

股息收入乃當股東收取款項的權利確定時確認。上市投資的股息收入乃投資項目的股價除息時確認。

(v) 利息收入

利息收入按實際利率法以時間比例基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Employee benefits

(i) Employee leave entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

The Group contributes to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC. Contributions to the schemes by the Group are recognised as an expense in profit or loss as incurred, to the extent that they are not capitalised as inventories.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

3. 主要會計政策(續)

(o) 僱員福利

(i) 僱員享有假期

僱員之年假及長期服務休假之權利乃於僱員應享有時確認。本集團已就截至報告期末止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 退休金責任

本集團根據香港《強制性公積金計劃條例》的規定向界定供款退休計劃作出供款。本集團及僱員對退休福利計劃之供款乃按照僱員基本薪金之百分比計算。扣自損益之退休福利計劃成本指本集團應向基金支付之供款。

根據中國相關勞動規則及規例向當地適當的定額供款退休計劃作出供款，本集團向計劃作出的供款於產生時在損益中確認為開支，惟未資本化為存貨者則除外。

(iii) 終止合約福利

本集團須通過周詳、正式之計劃(該計劃並無任何實際撤銷之可能性)，明確地表示終止僱用員工或對自願遣散之僱員提供福利，方會確認終止合約福利。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions, with a corresponding increase in capital reserve.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and recognised as expense.

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

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. 主要會計政策 (續)

(p) 股份付款

本集團向若干董事、僱員及顧問發放股本結算股份付款。

董事及僱員之股本結算股份付款於授出日期按股本工具的公允值計量(不包括非市場歸屬條件之影響)。按股本結算股份付款授出日期釐定之允平值，乃根據本集團估計股份最終歸屬及就非市場歸屬條件調整，按歸屬期以直線法支銷，於資本儲備計入相應增加。

顧問之股本結算股份付款以提供服務之公允值計量，或所提供的服務公允值不能可靠計量，以授出股本工具公允值計量。公允值乃於本集團接獲服務及確認為費用之日計量。

行使購股權時，早前於資本儲備已確認之數額將轉撥至股份溢價。倘認股權於歸屬日期後被沒收或於屆滿日期時仍未獲行使，早前於資本儲備已確認之數額將轉入保留溢利。

(q) 借貸成本

收購、建設或生產需長時間方準備就緒作擬定用途或出售之合資格資產而直接涉及之借貸成本均撥充資本作為該等資產之部份成本，直至資產大致上準備就緒作擬訂用途或出售為止。在特定借貸撥作合資格資產之支出前暫時用作投資所賺獲之投資收入，會自合資格撥充資本之借貸成本中扣除。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Borrowing costs (Cont'd)

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策(續)

(q) 借貸成本(續)

就於一般情況及用作取得合資格資產而借入之資金而言，合資格撥充資本之借貸成本金額乃就用於該資產之開支應用資本化比率計算。資本化比率為本集團於期內尚未償還借貸(就取得合資格資產而借入之特定借貸除外)適用之加權平均借貸成本。

所有其他借貸成本均於產生期間在損益內確認。

(r) 稅項

所得稅為即期稅項與遞延稅項之總和。

應付稅項乃按本年度應課稅溢利計算。應課稅溢利與損益中確認之溢利不同，因應課稅溢利不包括其他年度之應課稅收入或可扣減開支項目，亦不包括毋須課稅或不可扣稅項目。本集團之即期稅項乃按報告期末前已頒佈或實質頒佈之稅率計算。

遞延稅項乃按財務報表中資產及負債之賬面值與用作計算應課稅溢利之相應稅基間之差額確認。遞延稅項通常會就所有應課稅暫時性差額確認，倘有應課稅溢利可用以抵銷可扣減暫時性差異、未動用稅項虧損或未動用稅項抵免，則會確認為遞延稅項資產。於一項交易中，倘因其他資產及負債之商譽或初步確認(業務合併除外)而產生之暫時性差額不影響應課稅溢利及會計溢利時，則不會確認該等資產及負債。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Taxation (Cont'd)

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(s) PRC Land Appreciation tax ("LAT")

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures. LAT is recognised as an income tax. LAT paid is a deductible expense for PRC corporate income tax purposes.

3. 主要會計政策 (續)

(r) 稅項 (續)

遞延稅項就投資於附屬公司產生之應課稅暫時性差額確認，除非本集團能控制撥回暫時性差額以及暫時性差額在可見將來不會被撥回。

遞延稅項資產之賬面值於各報告期末均會作出檢討，並在預期不再有足夠應課稅溢利抵銷全部或部份資產時扣減。

遞延稅項乃以預期於償還負債或變現資產當期基於報告期末前已頒佈或實質頒佈之稅率計算。遞延稅項會於損益確認，倘遞延稅項與已於其他全面收益或直接於權益中確認之項目有關則除外，在此情況下，遞延稅項亦會於其他全面收益或直接於權益中確認。

倘有法定可行使權利將即期稅項資產及即期稅項抵銷，且兩者與同一稅務機構徵收之所得稅有關，而本集團擬按淨額基準結算即期稅項資產及負債，則可抵銷遞延稅項資產及負債。

(s) 中國土地增值稅 (「土地增值稅」)

中國土地增值稅是按土地價值的增加，以累進稅率30%至60%計算，為銷售物業所得款項減可扣減支出，包括土地成本、借貸成本、營業稅和所有物業發展開支。土地增值稅確認為所得稅。已付土地增值稅就中國企業所得稅而言是可扣減開支。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(u) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets except investment properties, deferred tax assets, inventories and financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. 主要會計政策(續)

(t) 關連人士

於以下情況，任何一方即為本集團之關連人士：

- (i) 該方透過一家或多家中介公司，直接或間接控制本集團、受本集團控制或與本集團受共同控制；於本集團擁有權益，可藉此對本集團行使重大影響力；或共同控制本集團；
- (ii) 該方為聯營公司；
- (iii) 該方為合營公司；
- (iv) 該方為本公司或母公司主要管理人員之成員；
- (v) 該方為(i)或(iv)所述任何人士之家族近親；
- (vi) 該方為一家實體，直接或間接受(iv)或(v)所述任何人士控制或共同控制，直接或間接對該實體行使重大影響力或擁有重大投票權；或
- (vii) 該方為終止僱用後福利計劃，乃為本集團或屬其關連人士之任何實體之僱員福利而設。

(u) 資產減值

於各報告期末，本集團均會審閱其資產之賬面值(投資物業、遞延稅項資產、存貨及金融資產除外)，以釐定是否有任何跡象顯示該等資產已出現減值虧損。如有任何減值情況，則會估計資產之可收回金額，以釐定減值虧損之程度。如不能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Impairment of assets (Cont'd)

Recoverable amount is the higher of fair value 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 assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, 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.

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 is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow is remote.

3. 主要會計政策 (續)

(u) 資產減值 (續)

可收回金額為公允值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，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。

倘資產或現金產生單位之可收回金額估計將少於賬面值，則資產或現金產生單位之賬面值會減少至其可收回金額。減值虧損會即時於損益確認，除非有關資產乃按重估金額列賬則除外，在該情況下，減值虧損視為重估減少。

倘其後撥回減值虧損，則資產或現金產生單位之賬面值會增至經修訂之預計可收回金額，惟增加後之賬面值不得超逾過往年度並無就資產或現金產生單位確認減值虧損應予釐定之賬面值（經扣除攤銷或折舊）。減值虧損撥回會即時於損益確認，惟倘有關資產按重估金額列賬，則減值虧損撥回會視作重估增加處理。

(v) 撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任而可能需要撥出以履行責任經濟利益並可作出可靠估計，則會就未有確定時間或金額之負債確認撥備。倘金錢之時間價值重大，撥備會以履行義務預期所需支出之現值列賬。

倘需要撥出經濟利益之可能性不大，或未能可靠估計有關金額，則除非撥出經濟利益之可能性極微，否則有關責任將列作或然負債披露。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或然負債，除非撥出經濟利益之可能性極微則作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

(a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Legal titles of certain completed properties for sale

As stated in note 20 to the financial statements, certain completed properties held for sale of the Group with carrying amount of approximately RMB18,426,000 were acquired through bidding at a public auction in 2007 pursuant to a court ruling. During the year ended 31 December 2009, a third party made a claim that it also acquired these properties at another public auction pursuant to a court ruling. The Group is applying a court order to revoke the above court ruling. The case is currently being handled by the Group's legal adviser. Based on the legal opinion obtained, the directors of the Company are of the opinion that the Group is the beneficial owner of these properties and should be able to obtain the title documents of these properties.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

3. 主要會計政策(續)

(w) 報告期後事項

本集團於報告期末業務狀況之額外資料或顯示持續經營假設並不適當之報告期後事項為調整事項，並反映於財務報表。並非調整事項之報告期後事項，倘屬重大時，則於財務報表附註內披露。

4. 關鍵判斷及主要估計

(a) 於應用會計政策時之關鍵判斷

於應用會計政策過程中，董事已作出以下對於財務報表確認之金額有極大影響之判斷。

若干已落成待售物業的合法所有權

如財務報表附註20所述，本集團賬面值約人民幣18,426,000元的若干已落成待售物業乃於2007年根據法院判決透過公開拍賣投標獲得。截至2009年12月31日止年度，第三方提出索償，其亦根據法院判決於另外公開拍賣獲得該等物業。本集團正申請法院命令以撤銷上述法院判決。案件目前正由本集團的法律顧問處理。根據獲得的法律意見，本公司董事認為，本集團乃該等物業的實益擁有人並將能取得該等物業的業權文件。

(b) 估計不明朗因素之主要來源

有極大風險導致未來財政年度之資產與負債之賬面值出現重大調整之有關未來之主要假設，以及於報告期末估計不明朗因素之其他主要來源均於下文論述。

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4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(i) Available-for-sale financial assets

The Group's available-for-sale financial assets include unlisted investments that do not have a quoted market price in an active market and the range of reasonable fair value estimates is considered so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. Accordingly the Group has reflected these available-for-sale financial assets at cost less any impairment losses.

The Group determine whether an available-for-sale financial asset is impaired in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement". In addition, the Group evaluates, among others, the financial position of and business outlook for the investee, including factors such as industry and sector performance, operational and financing cash flows. The Group's estimates may be inaccurate and any change in the estimates would affect profit or loss in future years.

(ii) Provision for completed properties held for sale and properties for future development and under development for sale

As explained in note 3(g), the Group's completed properties held for sale and properties for future development and under development for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in case for properties for future development and under development for sale, and the costs to be incurred in selling the properties based on prevailing market conditions.

4. 關鍵判斷及主要估計 (續)

(b) 估計不明朗因素之主要來源 (續)

(i) 可供出售金融資產

本集團的可供出售金融資產包括於活躍市場上並無報價，以及合理公允值估計範圍實屬重大董事認為其公允值未能可靠計量的非上市投資。因此，本集團已按成本減任何減值虧損反映此等可供出售金融資產。

本集團根據香港會計準則第39號「金融工具：確認及計量」確定可供出售金融資產是否出現減值。另外，本集團評估(包括其他因素)被投資公司的財務狀況及業務前景，包括行業及分部表現、經營及融資現金流量等因素。本集團的估計未必準確，而估計的任何變動將影響日後年度之溢利或虧損。

(ii) 持作出售的已竣工物業及供出售未來開發及發展中物業的準備

如附註3(g)所解釋，本集團持作出售的已竣工物業、供出售未來開發及發展中物業乃以成本值及可變現淨值的較低者入賬。根據本集團的最近經驗及上述物業的性質，本集團基於現時的市場狀況，推算售價、供出售未來開發及發展中物業的竣工成本及出售該等物業所產生的成本。

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4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

- (ii) *Provision for completed properties held for sale and properties for future development and under development for sale (Cont'd)*

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for completed properties held for sale and properties for future development and under development for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than estimated at the reporting date. Any increase or decrease in the provision would affect profit or loss in future years.

- (iii) *Impairment losses on prepaid project costs*

The Group prepaid land and construction costs for certain projects located on the lands which the Group has not obtained title documents of the land use rights. The Group is in the process of obtaining title documents of these land use rights. Should the title documents of these land use rights cannot be obtained subsequently, certain prepaid costs may not be recoverable. The Group provides for impairment losses for the unrecoverable costs based on its estimation. The Group's estimates may be inaccurate and any change in the estimates would affect profit or loss in future years.

4. 關鍵判斷及主要估計(續)

(b) 估計不明朗因素之主要來源(續)

- (ii) *持作出售的已竣工物業及供出售未來開發及發展中物業的準備(續)*

倘竣工成本有所增加或銷售價值淨值有所減少，可變現價值淨額將會減少，繼而或會為持作出售的已竣工物業、未來開發物業及待出售的發展中物業撥提準備。該準備須予以判斷及估計。倘預期與原來估計有所不同，於該推算出現改動期內的物業賬面值及準備將會相應地調整。

此外，根據中國物業市場的波動及個別物業的特有性質，成本及收益的實際所得或會高於或低於在報告日所估計的所得。準備的任何增加或減少將對未來的溢利或虧損構成影響。

- (iii) *預付項目成本的減值虧損*

本集團就位於其未獲取土地使用權的業權文件的若干項目，預付土地及建築成本。本集團現正採取行動獲取該等土地使用權的業權文件。倘本集團於日後未能獲取該等土地使用權的業權文件，若干預付成本或會不能收回。本集團根據其估計為不可收回的成本的減值虧損作準備。本集團的估計或會不準確，而該等估計的任何變動將影響來年的溢利或虧損。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(iv) Impairment losses on loans and advances

The Group reviews the recoverability and ageing of loans and receivables and provides for impairment losses if the balances are not fully recoverable. The assessments involve estimation on the recoverability of these balances. The Group's estimates may be inaccurate and any change in estimates would affect profit or loss in future years.

(v) Estimated income taxes (including LAT)

The Group is subject to income taxes mainly in the PRC. Significant estimates are required in determining the amount of the provision for tax and the timing of payment of the related tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 periods in which such determination are made.

(vi) Derivative financial instruments

The fair values calculated on the basis of well-established valuation techniques using current market parameters are theoretical values applicable at a given reporting date, and hence can only be used as an indicator of value realisable in a future sale. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realised in an immediate sale of the instruments.

4. 關鍵判斷及主要估計(續)

(b) 估計不明朗因素之主要來源(續)

(iv) 貸款及墊款的減值虧損

本集團審核貸款及墊款的可收回性及賬齡，倘餘額無法悉數收回，則將對減值虧損作撥備。有關評估涉及對餘額可收回性的估計。本集團的估計可能不準確，而估計亦可能須於日後年度進行調整。

(v) 估計所得稅(包括中國土地增值稅)

本集團主要須繳納中國之所得稅，於釐定相關稅項之稅項撥備金額及支付時間時，需要作出重大估計。於日常業務過程中有頗多未能確定最終稅項之交易及計算。倘該等事宜之最終稅務結果與初步記錄之金額不符，有關差異將影響作出釐定之期間內之所得稅及遞延稅項撥備。

(vi) 衍生金融工具

根據信譽卓著的估值方法採用當前市場參數計算的公允值為適用於某一報告日期的理論價值，因此僅可用作日後出售時可變現價值的指標。該等方法涉及不明朗因素，及受到所採用假設、就各種金融工具的風險特徵作出的判斷、折現率、估計未來現金流量、未來預期虧損經驗及其他因素的顯著影響。假設變動可顯著影響該等估計及就此產生的公允值。所推算的公允值估計不一定能夠透過與獨立市場作比較而獲得證實，而在很多情況下，本集團均不能將該等工具直接出售以變現公允值。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(vii) Valuation of investment properties

As described in note 18 to the financial statements, investment properties are stated at fair value based on the valuation performed by an independent firm of professional surveyors after taking into consideration the net rental income allowing for reversionary income potential.

In determining the fair value, the surveyors have based on a method of valuation which involves, inter alia, certain estimates including current market rents for similar properties in the same location and condition, appropriate discount rates and expected future market rents. In relying on the valuation report, the directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

(viii) Financial guarantee contracts

Details of guarantees provided by the Group are set out in note 37 to the financial statements. Based on expectations at the reporting date, the directors consider that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

4. 關鍵判斷及主要估計(續)

(b) 估計不明朗因素之主要來源(續)

(vii) 投資物業的估值

誠如財務報表附註18所述，投資物業根據獨立專業測量師於考慮租金收入淨額及可能的復歸收入後所進行的估值按公允值列賬。

測量師根據涉及若干估計，其中包括目前市場上所處位置及狀況相同的同類物業租金、適當折現率及預期未來市場租金的估值方法釐定公允值。於倚賴估值報告時，董事已作出判斷及信納估值方法可反映目前市況。

(viii) 財務擔保合約

本集團提供擔保的詳情載於財務報表附註37。根據報告日之預期，董事認為很大可能毋須根據安排支付款項。然而，上述估計將視乎對手方根據擔保提出申索之可能性而有變，而提出申索之可能性則取決於對手方所持獲擔保財務應收款項出現信貸虧損之可能性。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

5. FINANCIAL INSTRUMENTS

5. 金融工具

(a) Categories of financial instruments

Financial assets

Available-for-sale financial assets

Financial assets at fair value through profit or loss, classified as held for trading

Loans and receivables (including bank and cash balances)

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss, classified as held for trading

金融資產

可供出售金融資產

分類為持作買賣按公允值計入損益的金融資產

貸款及應收款
(包括銀行及現金結餘)

金融負債

按攤銷成本計量的金融負債

分類為持作買賣按公允值計入損益的金融負債

(a) 金融工具的分類

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
251,895	-
4,060	4,519
747,945	757,377
2,325,508	2,229,158
14,275	30,252

(b) Financial risk management

(i) Foreign currency risk

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

All the Group's revenue-generating activities were transacted in RMB. Exposure to foreign currency risks is mainly attributable to bank deposits, bank and other borrowings that are denominated in currencies other than RMB. Foreign currency risk is measured by employing sensitivity analysis, taking into account current and anticipated exposures.

At 31 December 2010, it is estimated that had the United States Dollars exchange rate (versus RMB) increased/decreased by 5% (2009: 5%), with all other variables remaining constant, the Group's profit after tax for the year would have decreased/increased by approximately RMB8,574,000 (2009: RMB11,899,000).

(b) 財務風險管理

(i) 外幣風險

本集團業務須承受各種財務風險，包括外幣風險、價格風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃專注於金融市場不可預測之特性，務求降低對本集團財務表現帶來之潛在負面影響。

本集團所有產生收入的業務均以人民幣進行交易。所面對的外幣風險主要為銀行存款、銀行及其他借貸以人民幣以外的貨幣計值。外幣風險乃採用敏感度分析計量，並計及當前及預期的風險。

於2010年12月31日，在所有其他變量維持不變之情況下，如每美元兌人民幣匯率分別上調/下調5% (2009年：5%)，則本集團於本年度的除稅後溢利估計將分別減少/增加約人民幣8,574,000元(2009年：人民幣11,899,000元)。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

5. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Price risk

The Group's exposure to equity price risk is mainly attributable to the Warrants (note 29) issued by the Company. The Warrants are measured at fair value at the end of each reporting period and the Warrants' fair value are changed in response to the change in market price of the Company's shares.

At 31 December 2010, it is estimated that had the market price of the Company's shares increased/decreased by 10% (2009: 10%), with all other variables remaining constant, the Group's profit after tax for the year would have decreased/increased by approximately RMB4,339,000 (2009: RMB5,744,000).

(iii) Credit risk

At 31 December 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has a defined credit policy. In addition, the Group reviews the ageing of its individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group had concentration of credit risk by its trade debtors as 76% of its trade receivables was due from one single property purchaser as at 31 December 2010. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

5. 金融工具(續)

(b) 財務風險管理(續)

(ii) 價格風險

本集團面臨的股本價格風險主要由於本公司發行的認股權證(附註29)所致。認股權證於各報告期末按公允值計量，並且認股權證的公允值會因應本公司股份的市價變動而有所變化。

於2010年12月31日，在所有其他變量維持不變之情況下，如本公司股份的市價分別上升／下降10% (2009年：10%)，則本集團於本年度的除稅後溢利估計將分別減少／增加約人民幣4,339,000元(2009年：人民幣5,744,000元)。

(iii) 信貸風險

於2010年12月31日，本集團之最高信貸風險自綜合財務狀況表所述各已確認金融資產之賬面值產生。信貸風險會因對手方未能履行責任而對本集團造成財務損失。

本集團擁有清晰的信貸政策。此外，本集團於各報告期末檢討個別債項之賬齡，以確保對不可收回金額計提足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

於2010年12月31日，由於本集團76%的應收賬款乃應收一名單一物業買家款項，故其就應收賬款面臨集中信貸風險。本集團已制訂妥善政策以確保向客戶作出的銷售擁有合適的信貸記錄。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

5. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Credit risk (Cont'd)

In addition to credit risk on trade receivables, the Group is also exposed to concentration of credit risk through its 100% consideration receivables due from two third parties and 99% of its loan receivables due from three third parties. With respect to these receivables, the Group either holds collateral over the balances or has close business relationship with the counterparties. In addition, the directors have regular liaison with the counterparties to identify any early sign of potential problems. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on pledged deposits, cash and bank balances is limited because the counterparties are banks with high credit-ratings.

The Group has arranged bank financing for certain purchasers of properties and provided guarantees to certain former subsidiaries, its tenant and business associates. Details of these guarantees are set out in note 37 to the financial statements.

(iv) Liquidity risk

Individual subsidiaries within the Group are responsible for their own cash management based on the Group's internal guidelines on liquidity requirement, including raising loans to cover the expected cash demand, and obtaining credit lines, subject to approval by the Board. The Group's objective is to strike a balance between continuity of funding and flexibility through the use of banking facility and other borrowings. The Group financed its operations and investment activities with internally generated cash flows, balanced with proceeds from the line of credit obtain from banks. There has been no default on repayment of interest and/or bank borrowings as at year end or at any time during the year.

5. 金融工具(續)

(b) 財務風險管理(續)

(iii) 信貸風險(續)

除應收賬款的信貸風險外，本集團亦因應收兩名第三方的100%應收代價及應收三名第三方99%的應收貸款而面臨集中信貸風險。就該等應收款項而言，本集團或就結餘持有抵押品或與對手方有密切業務關係。此外，董事已定期聯繫對手方，以識別任何潛在問題的早期跡象。就此而言，董事認為，本集團的信貸風險大幅減低。

由於對手方為擁有高信貸評級之銀行，故抵押存款、銀行及現金結餘的信貸風險有限。

本集團亦為若干物業買家提供銀行融資及為若干前附屬公司、其租戶及業務聯繫人士提供擔保。有關擔保的詳情列載於財務報表附註37。

(iv) 流動性風險

本集團個別附屬公司根據本集團有關流動資金規定的內部指引，自行負責其本身的現金管理，包括籌集貸款以應付預期的現金需求及獲得融資額，惟須取得董事會批准。本集團的目標是致力於透過運用銀行信貸及其他借貸達致資金持續性與靈活性之間的均衡。本集團以內部產生的現金流量為其經營業務及投資活動提供資金，同時以銀行獲授的融資額為補充。於年結或年內任何時間並無任何償還利息及／或銀行借款的違約情況。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

5. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Liquidity risk (Cont'd)

The following tables show the remaining contractual maturities at the reporting date of the Group's non-derivative financial liabilities (excluding receipts in advance), which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

Trade and other payables, and accruals	應付賬款、其他應付賬款及預提費用	378,286	-	-	-	378,286	378,286
Rental and other deposits	租賃及其他按金	2,160	714	2,477	6,441	11,792	11,792
Bank and other borrowings	銀行及其他借貸	932,519	677,187	245,574	364,630	2,219,910	1,935,430
Total	合計	1,312,965	677,901	248,051	371,071	2,609,988	2,325,508

Trade and other payables, and accruals	應付賬款、其他應付賬款及預提費用	287,467	-	-	-	287,467	447,781
Rental and other deposits	租賃及其他按金	3,139	462	1,879	6,263	11,743	11,743
Bank and other borrowings	銀行及其他借貸	495,750	830,064	489,537	414,677	2,230,028	1,769,634
Total	合計	786,356	830,526	491,416	420,940	2,529,238	2,229,158

The above table excluded all non-cash settled contractual liabilities.

5. 金融工具(續)

(b) 財務風險管理(續)

(iv) 流動性風險(續)

下表顯示本集團之非衍生金融負債(不包括預收賬款)於報告日之餘下合約到期日，乃根據合約未折現現金流量(包括使用合約利率計算之利息付款，或如屬浮動利率，則按於資產負債表日之利率計算)以及本集團可要求償還之最早日期計算：

2010					
Contractual undiscounted cash outflow					
合約未折現現金流出					
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
一年內或按要 求	一年以上但 少於兩年	兩年以上但 少於五年	五年以上	總額	賬面 值
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
378,286	-	-	-	378,286	378,286
2,160	714	2,477	6,441	11,792	11,792
932,519	677,187	245,574	364,630	2,219,910	1,935,430
1,312,965	677,901	248,051	371,071	2,609,988	2,325,508

2009					
Contractual undiscounted cash outflow					
合約未折現現金流出					
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
一年內或按要 求	一年以上但 少於兩年	兩年以上但 少於五年	五年以上	總額	賬面 值
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
287,467	-	-	-	287,467	447,781
3,139	462	1,879	6,263	11,743	11,743
495,750	830,064	489,537	414,677	2,230,028	1,769,634
786,356	830,526	491,416	420,940	2,529,238	2,229,158

上表不包括所有非現金結算之合約負債。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

5. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(v) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing assets and liabilities. It is the Group's intention to keep its borrowings at floating interest rate with an aim to reflect market costs of funding. It is this reason that cost of specific borrowings financing the Group's development projects would be capitalised at a rate reflecting market conditions. The Group's effect on changes in interest rate is considered immaterial to the Group's profit or loss.

Sensitivity analysis

At 31 December 2010, it is estimated that a general increase/decrease of 1% (2009: 1%) in interest rates, with all other variables held constant, would decrease/increase the Group's profit after tax for the year by approximately RMB10,809,000 (2009: decrease/increase by RMB5,892,000).

(c) Fair values

The directors consider that the carrying amounts of the financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

The following disclosures of fair value measurements use a fair value hierarchy which has 3 levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or 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).

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

5. 金融工具(續)

(b) 財務風險管理(續)

(v) 利率風險

本集團的利率風險主要來自於計息資產及負債。本集團有意繼續保留浮息借貸，藉以反映資金的市場成本，原因是為本集團開發項目提供資金的特定借貸成本將按反映市場情況之利率予以資本化。本集團認為利率變動對本集團溢利或虧損的影響極微。

敏感度分析

於2010年12月31日，在所有其他變量維持不變之情況下，如利率全面上調/下調1%（2009年：1%），則本集團於本年度的除稅後溢利將減少/增加約人民幣10,809,000元（2009年：減少/增加人民幣5,892,000元）。

(c) 公允值

董事認為綜合財務狀況表所列示金融資產及金融負債之賬面值與其各自公允值相若。

以下乃按公允值計量分為三個公平價值層級之披露：

第1層：相同資產或負債之活躍市場報價（未經調整）。

第2層：第一層所包括之報價以外，資產或負債直接（即價格）或間接（即從價格推算）觀察得出之輸入數據。

第3層：並非根據可觀察市場數據得出之資產或負債輸入數據（無法觀察輸入數據）。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

5. FINANCIAL INSTRUMENTS (CONT'D)

5. 金融工具(續)

(c) Fair values (Cont'd)

Disclosures of level in fair value hierarchy at 31 December 2010:

Assets	資產
Trading securities	買賣證券
– Listed	– 已上市
– Unlisted	– 非上市
Liabilities	負債
Derivative financial liabilities	衍生工具負債
– Warrants	– 認股權證

During the year, decrease in derivative financial liabilities measured at fair value based on level 3 represented the fair value gain of approximately RMB15,977,000 recognised in the profit or loss.

Disclosures of level in fair value hierarchy at 31 December 2009:

Assets	資產
Trading securities	買賣證券
– Listed	– 已上市
– Unlisted	– 非上市
Liabilities	負債
Derivative financial liabilities	衍生工具負債
– Warrants	– 認股權證

(c) 公允值(續)

於2010年12月31日的公允價值層級之披露：

Level 1	Level 2	Level 3	Total
第1層	第2層	第3層	總計
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
3,060	–	–	3,060
–	1,000	–	1,000
3,060	1,000	–	4,060
–	–	14,275	14,275

年內，以第3級為基準按公允價值計量的衍生金融負債減少指於損益中確認公允價值收益約人民幣15,977,000元。

於2009年12月31日的公允價值層級之披露：

Level 1	Level 2	Level 3	Total
第1層	第2層	第3層	總計
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
502	–	–	502
–	4,017	–	4,017
502	4,017	–	4,519
–	–	30,252	30,252

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

6. TURNOVER

The principal activities of the Group are property development and property leasing in the PRC.

Turnover represents income from sales of properties, rental income and management fee income during the year, net of business tax and other sales related taxes and discounts allowed. The amount of each significant category of revenue recognised in turnover during the year is as follows:

Sales of properties	銷售物業
Rental income	租金收入
Management fee income	管理費收入
Less: Sales return of properties sold	減：已售物業銷售退回

6. 營業額

本集團的主要業務為在中國從物業開發及物業租賃。

營業額即於本年度內的銷售物業收入及租金收入及管理費用收入(已扣除營業稅及其他銷售有關稅項及折扣)。本年度內，已於營業額確認的各主要收益分類的金額如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
1,066,386	289,360
53,407	62,059
13,103	10,950
1,132,896	362,369
(313,521)	-
819,375	362,369

7. OTHER NET (EXPENSE)/INCOME

(Loss)/Gain on repurchase of Senior Note	購回優先票據之(虧損)/收益
Gains/(Losses) on disposal of property, plant and equipment	出售物業、廠房及設備之收益/(虧損)
Net fair value (losses)/gains on trading securities	買賣證券的公允值(虧損)/收益淨額
Net exchange losses	匯兌虧損淨額

7. 其他(支出)/收益淨額

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
(2,988)	73,128
625	(12)
(264)	552
(1,498)	(8,704)
(4,125)	64,964

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

8. OTHER INCOME

Interest income	利息收入
Reversal of impairment losses on loans and advances	貸款及墊款的減值虧損撥回
Dividend income from unlisted investment	來自非上市投資的股息收入
Others	其他

8. 其他收入

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
3,095	9,766
-	15,920
193	24
3,228	5,361
6,516	31,071

9. SEGMENT INFORMATION

The Group has two reportable segments as follows:

Property development – this segment develops and sells office premises, residential and retail properties. Currently all the Group's property development activities are carried out in the PRC.

Property leasing – this segment leases retail properties to generate rental income and to gain from the appreciation in the properties' values in the long term. Currently the Group's entire investment property portfolio is located in the PRC.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the financial statements. Segment profits or losses do not include finance costs, net change in fair value of derivative financial instruments and corporate income and expenses. Segment assets include all current and non-current assets with the exception of trading securities, deferred tax assets and other corporate assets. Segment liabilities include all trade and other payables, accruals, receipts in advance and rental and other deposits.

9. 分部資料

本集團有如下兩個報告分部：

物業開發 – 本分部開發及銷售寫字樓、住宅及零售物業。現時本集團之所有物業開發業務均於中國進行。

物業租賃 – 本分部租賃零售物業以賺取租金收入和獲取長期物業升值收益。現時本集團之投資物業組合均位於中國。

本集團之報告分部為提供不同產品及服務之策略業務單位，由於各業務須應用不同技術及市場策略，故報告分部乃分開管理。

經營分部之會計政策與財務報表附註3所述者一致。分部損益不包括融資成本、金融衍生工具之公允值變動淨額及企業收入及開支。分部資產包括所有流動及非流動資產(除買賣證券、遞延稅項資產及其他企業資產外)。分部負債包括所有應付賬款及其他應付款、預提費用、預收賬款、租金及其他按金。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

9. SEGMENT INFORMATION (CONT'D)

9. 分部資料(續)

Information about reportable segment profit or loss, assets and liabilities

有關須報告分部損益、資產及負債的資料

		Property development	Property leasing	Total
		物業開發	物業租賃	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2010	截至2010年12月31日止年度			
Revenue from external customers	外來客戶收入	752,865	66,510	819,375
Segment profit	分部溢利	48,693	242,758	291,451
Other information:	其他資料：			
Net increase in fair value of investment properties	投資物業公允值增加淨額	-	208,415	208,415
Depreciation	折舊	3,321	548	3,869
Gain on bargain purchase in respect of business combination	有關業務合併的議價購買收益	123,979	-	123,979
Gain on disposal of subsidiaries	出售附屬公司的收益	200,801	-	200,801
Impairment loss on prepaid costs	預付成本減值虧損	1,177	-	1,177
Impairment losses on other receivables and loans and advance	其他應收款、貸款及墊款減值虧損	187,597	-	187,597
Other receivables written off	其他應收款撤銷	-	4,222	4,222
Additions to segment non-current assets	新增至分部的非流動資產	4,028	29,881	33,909
At 31 December 2010	於2010年12月31日			
Segment assets	分部資產	2,817,290	1,688,470	4,505,760
Segment liabilities	分部負債	430,207	71,389	501,596

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

9. SEGMENT INFORMATION (CONT'D)

9. 分部資料(續)

Information about reportable segment profit or loss, assets and liabilities (Cont'd)

有關須報告分部損益、資產及負債的資料(續)

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Year ended 31 December 2009	截至 2009 年 12 月 31 日止年度			
Revenue from external customers	外來客戶收入	289,360	73,009	362,369
Segment profit	分部溢利	14,464	108,056	122,520
Other information:	其他資料:			
Net increase in fair value of investment properties	投資物業公允值增加淨額	-	56,830	56,830
Depreciation and amortisation	折舊及攤銷	2,247	386	2,633
Additions to segment non-current assets	新增至分部的非流動資產	1,534*	112	1,646*
At 31 December 2009	於 2009 年 12 月 31 日			
Segment assets	分部資產	2,674,657	1,444,714	4,119,371
Segment liabilities	分部負債	361,896	64,970	426,866

* The comparative figure of additions to segment non-current assets have been restated to conform with the current year's presentation.

* 新增至分部的非流動資產的比較數據已經重列以符合本年度的呈列。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

9. SEGMENT INFORMATION (CONT'D)

9. 分部資料(續)

Reconciliations of reportable segment profit or loss, assets and liabilities

須報告分部損益、資產及負債的對賬

		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Profit	溢利		
Total profit of reportable segments	須報告分部溢利總額	291,451	122,520
Other income and other net income	其他收入及收益淨額	1,988	96,035
Depreciation and amortisation	折舊及攤銷	(101)	(121)
Corporate finance costs	企業融資成本	(160,934)	(87,843)
Net change in fair value of derivative financial instruments	衍生金融工具公允價值變動淨額	15,977	(19,994)
Other corporate expenses	其他企業開支	(87,247)	(45,893)
Consolidated profit before tax	除稅前綜合溢利	61,134	64,704
Assets	資產		
Total assets of reportable segments	須報告分部資產總額	4,505,760	4,119,371
Trading securities	買賣證券	4,060	4,519
Deferred tax assets	遞延稅項資產	13,233	49,947
Unallocated corporate assets	未能分類的企業資產	178,028	382,853
Consolidated total assets	綜合總資產	4,701,081	4,556,690
Liabilities	負債		
Total liabilities of reportable segments	須報告分部負債總額	501,596	426,866
Current tax liabilities	即期稅項負債	175,601	262,552
Deferred tax liabilities	遞延稅項負債	288,726	231,634
Unallocated corporate liabilities	未能分類的企業負債	1,958,932	1,914,801
Consolidated total liabilities	綜合總負債	2,924,855	2,835,853

Geographical information

All the revenue generated by the Group for the two years ended 31 December 2010 were attributable to customers based in the PRC. In addition, majority of the Group's non-current assets are located in the PRC. Accordingly, no geographical analysis is presented.

Revenue from major customers

During the year, revenue derived from the Group's largest customer which accounted for 10% or more of the Group's total revenue amounted to approximately RMB466,240,000. This revenue is attributable to the property development segment. During the year ended 31 December 2009, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

地區資料

本集團於截至2010年12月31日止各兩個年度產生的所有收入均歸屬於中國的客戶。此外，本集團的大部分非流動資產均位於中國。因此，並未呈列地區分析。

來自主要客戶的收入

年內，本集團來自最大客戶的收入(佔本集團總收入10%或以上)約為人民幣466,240,000元。該收入歸屬於物業開發分部。截至2009年12月31日止年度，並無來自本集團單一客戶的收入佔本集團總收入的10%或以上。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

10. FINANCE COSTS

10 融資成本

		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Interest on bank and other loans wholly repayable within five years	須於五年內全部償還的銀行貸款及其他借貸利息	212,025	32,105
Interest on Senior Note	優先票據利息	45,093	86,460
Total borrowing costs	借貸成本總額	257,118	118,565
Less: Amount capitalised	減：資本化金額	(96,184)	(30,722)
		160,934	87,843

The borrowing costs have been capitalised at interest rates ranging from 5.13% to 20.00% per annum (2009: 4.05% to 10.00% per annum).

借貸成本已分別按年利率介乎5.13%至20.00% (2009年：年利率4.05%至10.00%) 予以資本化。

11. INCOME TAX

11. 所得稅

(a) Taxation in the consolidated statement of comprehensive income:

(a) 綜合全面收益表內的稅項：

		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Current tax	即期稅項		
PRC Corporate Income Tax	中國企業所得稅		
– Provision for the year	– 一年內撥備	56,255	16,085
– Under provision in respect of prior years	– 以往年度不足撥備	60	–
		56,315	16,085
LAT	中國土地增值稅		
– Provision for the year	– 一年內撥備	37,512	6,683
– Over provision in prior years	– 以往年度超額撥備	(151,610)	–
		(114,098)	6,683
		(57,783)	22,768
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異之產生及撥回	87,661	10,729
Effect of changes in tax rate on opening deferred tax balances	稅率變動對期初遞延稅項結餘的影響	(1,423)	–
		86,238	10,729
		28,455	33,497

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

11. INCOME TAX (CONT'D)

(a) Taxation in the consolidated statement of comprehensive income (Cont'd):

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI. No Hong Kong Profits Tax has been provided for as the Group does not have estimated assessable profits in Hong Kong.

The provision for the PRC Corporate Income Tax is based on a statutory rate of 25% of the taxable profits determined in accordance with the relevant income tax rules and regulations in the PRC for the year ended 31 December 2010, except for certain subsidiaries of the Group located within the special economic zones in the PRC for which the applicable preferential tax rate is 22% for 2010. The preferential tax rate will be gradually increased to 24% and 25% for the years ending 31 December 2011 and 2012, respectively. Accordingly, the deferred tax of the Group is recognised based on tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditure including lease charges of land use rights, borrowing costs and all property development expenditure.

11. 所得稅(續)

(a) 綜合全面收益表內的稅項(續)：

根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。由於本集團於香港並無任何估計應課稅溢利，故並無就香港利得稅作出準備。

中國企業所得稅準備乃按照根據中國截至2010年12月31日止年度相關的所得稅規則及規例釐定的25%應課稅溢利的法定比率計算，惟本集團若干位於中國經濟特區之附屬公司除外。該等附屬公司於2010年的適用優惠稅率為22%。優惠稅率將分別於截至2011年及2012年12月31日止年度逐步上調至24%及25%。因此，本集團的遞延稅項將於變現資產或償付負債時根據預期於該期間適用的稅率確認。

本集團銷售所發展的物業須按土地價值增幅以30%至60%的累進稅率繳納中國土地增值稅，根據有關規例，土地增值稅乃按出售物業所得款項減可扣稅開支(包括土地使用權租賃支出、借貸成本及所有物業發展開支)計算。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

11. INCOME TAX (CONT'D)

11. 所得稅 (續)

(b) Reconciliation between income tax and accounting profit at applicable tax rate:

(b) 按適用稅率計算的所得稅與會計溢利的對賬：

		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	除稅前溢利	61,134	64,704
Notional tax on profit before tax calculated at 22% (2009: 20%) in Shenzhen	按深圳的稅率22% (2009年：20%)計算的除稅前溢利的名義稅項	13,449	12,941
Effect of changes in tax rate on opening deferred tax balances	稅率變動對期初遞延稅項結餘的影響	(1,423)	-
Tax effect on LAT deductible for calculation of income tax purpose	可在所得稅扣減的中國土地增值稅的稅項影響	(8,364)	-
Tax effect on reversal of LAT for calculation in prior years	計算以往年度中國土地增值稅撥回的稅項影響	22,670	-
Tax effect on change of tax rate	稅率變動的稅項影響	26,644	-
Tax effect of different tax rates applied to certain PRC subsidiaries	適用於若干中國附屬公司不同稅率的稅項影響	10,303	(703)
Tax effect of non-taxable revenue	毋須計稅收入的稅項影響	(23,975)	(17,657)
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	87,902	30,266
Tax effect of unused tax losses not recognised	未予以確認未動用稅項虧損的稅項影響	15,366	1,899
LAT	中國土地增值稅	37,512	6,683
Reversal of LAT provided in prior years	以往年度撥備的中國土地增值稅撥回	(151,610)	-
Under-provision in prior years	以往年度不足撥備	60	-
Others	其他	(79)	68
Income tax	所得稅	28,455	33,497

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

12. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

12. 本年度溢利及全面收益總額

		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Amortisation of leasehold land	租賃土地攤銷	-	1,268
Depreciation	折舊	4,277	2,376
Less: Amount capitalised	減：資本化金額	(307)	(890)
		3,970	1,486
Total amortisation and depreciation	攤銷及折舊總額	3,970	2,754
Auditor's remuneration:	核數師酬金：		
– Current	– 當前	1,106	1,616
– Under-provision in prior year	– 過往年度不足撥備	202	-
– Other services	– 其他服務	520	271
		1,828	1,887
Operating lease charges in respect of:	以下各項的經營租賃費用：		
– Sub-leased properties	– 分租物業	7,531	8,220
– Office premises and staff quarters	– 辦公室及員工宿舍	1,275	1,545
Cost of inventories sold	存貨銷售成本	809,237	255,412
Impairment losses on other receivables and loans and advance	其他應收賬款及貸款及墊款減值虧損	201,073	-
Impairment loss on prepaid land costs	預付土地成本減值虧損	1,177	-
Other receivables written off	其他應收款撇銷	4,222	-
Direct outgoings (note a)	直接開支(附註 a)	27,073	19,491
Staff costs including directors' emoluments:	員工成本包括董事酬金：		
– Salaries, bonus and allowances	– 工資、獎金和津貼	43,002	24,723
– Retirement benefit scheme contributions	– 退休福利計劃供款	2,010	1,107
		45,012	25,830
Less: Amount capitalised	減：資本化金額	(8,121)	(6,156)
		36,891	19,674

Note:

- (a) Direct outgoings represent operating lease charges (in respect of sub-leased properties which are disclosed separately above) and management fee expenses.

附註：

- (a) 直接開支指上文獨立披露的轉租物業經營租賃費用及管理費開支。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

13. DIRECTORS' AND EMPLOYEE'S EMOLUMENTS

13. 董事及僱員酬金

The emoluments of each director are as follows:

各董事酬金如下：

Year ended 31 December 2010

截至2010年12月31日止年度

Name of director	董事姓名	Salaries and allowances		Discretionary bonus	Retirement benefit scheme contributions		Total
		Fees	薪金及津貼		退休福利計劃供款	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<i>Executive directors</i>		<i>執行董事</i>					
ZENG Yunshu	曾雲樞	-	1,813	45	32	1,890	
ZHANG Yijun (Note (g))	張宜均(附註(g))	-	2,012	30	33	2,075	
ZHANG Yiyun	張奕炎	-	1,773	39	9	1,821	
ZENG Sheng (Note (f))	曾勝(附註(f))	-	1,743	39	32	1,814	
YE Qingdong	葉慶東	-	855	18	32	905	
OUYANG Junxin	歐陽俊新	-	467	9	30	506	
LEE Chi Shing Caesar (Note (c))	李志成(附註(c))	26	-	-	-	26	
CHAN Ting Lai (Note (d))	陳鼎禮(附註(d))	26	-	-	-	26	
YEUNG So Mui (Note (e))	楊素梅(附註(e))	26	-	-	-	26	
HAN Qinchun (Note (a))	韓秦春(附註(a))	-	-	-	-	-	
<i>Independent non-executive directors</i>		<i>獨立非執行董事</i>					
LI Jun	李璿	131	-	-	-	131	
CHEUNG Ngai Lam	張毅林	131	-	-	-	131	
WANG Fosong	王佛松	131	-	-	-	131	
LI Wai Keung (Note (b))	李偉強(附註(b))	103	-	-	-	103	
Total	總計	574	8,663	180	168	9,585	

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONT'D)

13. 董事及僱員酬金(續)

Year ended 31 December 2009

截至2009年12月31日止年度

Name of director	董事姓名	Fees 袍金	Salaries and allowances 薪金及津貼	Discretionary bonus 酌定花紅	Retirement	Total
					benefit scheme contributions 退休福利計劃供款	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<i>Executive directors</i>		<i>執行董事</i>				
ZENG Yunshu	曾雲樞	-	1,200 *	-	21	1,221
ZHANG Yijun (Note (h))	張宜均(附註(h))	-	116 *	-	2	118
ZHANG Yiyun	張奕炎	-	1,040 *	-	-	1,040
ZENG Sheng	曾勝	-	1,040 *	-	21	1,061
YE Qingdong	葉慶東	-	480 *	-	21	501
OUYANG Junxin	歐陽俊新	-	240 *	-	14	254
HAN Qinchun	韓秦春	-	1,040 *	-	11	1,051
<i>Independent non-executive directors</i>		<i>獨立非執行董事</i>				
LI Jun	李珺	132	-	-	-	132
CHEUNG Ngai Lam	張毅林	132	-	-	-	132
WANG Fosong	王佛松	132	-	-	-	132
		396	5,156 *	-	90	5,642

* The comparative figure of directors' fees have been reclassified to salaries and allowances to conform with the current year's presentation.

* 董事袍金的比較數字已重新分類至薪金及津貼，以與本年度呈列一致。

Notes:

附註：

- (a) Resigned on 19 January 2010
- (b) Appointed on 16 March 2010
- (c) Appointed on 30 September 2010
- (d) Appointed on 4 October 2010
- (e) Appointed on 5 October 2010
- (f) Resigned on 14 January 2011
- (g) Re-designated to non-executive director on 31 January 2011
- (h) Appointed on 22 December 2009

- (a) 於2010年1月19日辭任
- (b) 於2010年3月16日獲委任
- (c) 於2010年9月30日獲委任
- (d) 於2010年10月4日獲委任
- (e) 於2010年10月5日獲委任
- (f) 於2011年1月14日辭任
- (g) 於2011年1月31日調任為非執行董事
- (h) 於2009年12月22日獲委任

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

並無安排董事於本年度放棄或同意放棄任何酬金。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONT'D)

The five highest individuals in the Group during the year included 5 (2009: 4) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining individual for the year ended 31 December 2009 is set out below:

Salaries and allowances	薪金及津貼
Retirement benefit scheme contributions	退休福利計劃供款

2009
RMB'000
人民幣千元

761

11

772

The emoluments of the individual with the highest emolument is within the following band:

Nil to HK\$1,000,000 (equivalent to approximately RMB880,000)	零至 1,000,000 港元 (相等於約人民幣 880,000 元)
--	--

Number of individuals
僱員數目
2009

1

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office.

本集團於本年度五名最高酬金人士包括 5 名董事 (2009 年：4 名)，其酬金載於上文分析。其餘一名截至 2009 年 12 月 31 日止年度的酬金總額如下：

其餘一名酬金最高的人士的酬金範圍如下：

本年度內，本集團概無向任何董事或最高薪酬的人士支付酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵或離職補償。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

14. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company includes a loss of approximately RMB154,966,000 (2009: RMB32,579,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's (loss)/profit for the year:

Amount of consolidated loss attributable to owners dealt with in the Company's financial statements	於本公司的財務報表中處理的擁有人應佔綜合虧損的金額
Final dividends from subsidiaries attributable to the profits of prior financial years, approved and paid	已批准及支付的過往財政年度應佔溢利的附屬公司末期股息
Company's (loss)/profit for the year (note 34(b))	本公司本年度(虧損)/溢利(附註34(b))

14. 本公司擁有人應佔溢利

本公司擁有人應佔綜合溢利包括約人民幣154,966,000元的虧損(2009年：人民幣32,579,000元)，該虧損已於本公司的財務報表中處理。

本公司於本年度內之(虧損)/溢利與上述金額之對賬如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
(154,966)	(32,579)
-	261,200
(154,966)	228,621

15. DIVIDENDS

A special dividend of HK\$0.15 per ordinary share, in the form of cash or in the form of scrip dividend or a combination of these, was declared on 5 February 2010 and was recognised as distribution on 31 March 2010:

2010 special dividend	2010年特別股息
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Except for the special dividend, the directors do not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: nil).

15. 股息

每股普通股0.15港元(以現金方式或以股代息股份方式或綜合兩種方式)的特別股息，於2010年2月5日宣派並於2010年3月31日確認為分派：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
153,542	-

除特別股息外，截至2010年12月31日止年度，董事並無建議付任何末期股息(2009年：無)。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

16. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately RMB37,609,000 (2009: RMB32,699,000) and the weighted average number of ordinary shares of 1,209,568,636 (2009: 1,040,250,000) in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately RMB37,609,000 (2009: RMB32,699,000) and the weighted average number of ordinary shares of 1,210,768,399 (2009: 1,043,984,000), being the weighted average number of ordinary shares of 1,209,568,636 (2009: 1,040,250,000) in issue during the year used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 1,199,763 (2009: 3,734,000) assumed to have been issued at no consideration on the deemed exercise of the share options outstanding during the year.

The Company's outstanding warrants had no dilutive effect on earnings per share upon deemed exercise during the two years ended 31 December 2010.

16. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本年度內本公司擁有人應佔溢利約人民幣37,609,000元(2009年：人民幣32,699,000元)，以及於本年度內已發行普通股的加權平均數1,209,568,636股(2009年：1,040,250,000股)計算。

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司擁有人應佔溢利約人民幣37,609,000元(2009年：人民幣32,699,000元)及普通股加權平均數1,210,768,399股(2009年：1,043,984,000股)(即計算每股基本盈利時所用之年內已發行普通股加權平均數1,209,568,636股(2009年：1,040,250,000股)加於視為行使於年內尚未行使之購股權時被視為以零代價發行之普通股加權平均數1,199,763股(2009年：3,734,000股))計算。

本集團之尚未行使認股權證於被視為於截至2010年12月31日止各兩個年度內行使時並無對每股盈利產生攤薄影響。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings held for own use		Furniture, fixtures and equipment	Motor vehicles	Total
		持作自用樓宇	Leasehold improvements 租賃裝修	傢俱、裝置及設備	汽車	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost	成本					
At 1 January 2009	於2009年1月1日	3,470	4,253	3,821	9,345	20,889
Additions	添置	-	-	623	1,029	1,652
Disposals	出售	-	-	(923)	(1,340)	(2,263)
At 31 December 2009 and 1 January 2010	於2009年12月31日及2010年1月1日	3,470	4,253	3,521	9,034	20,278
Additions	添置	9,634	576	3,154	1,006	14,370
Acquisition of subsidiaries	收購附屬公司	-	-	128	2,212	2,340
Disposals	出售	(9,634)	-	(325)	(1,631)	(11,590)
Disposal of subsidiaries	出售附屬公司	-	(730)	(558)	(3,275)	(4,563)
At 31 December 2010	於2010年12月31日	3,470	4,099	5,920	7,346	20,835
Accumulated depreciation	累計折舊					
At 1 January 2009	於2009年1月1日	1,085	2,371	1,984	4,396	9,836
Charge for the year	本年度折舊	193	275	614	1,294	2,376
Disposals	出售	-	-	(923)	(932)	(1,855)
At 31 December 2009 and 1 January 2010	於2009年12月31日及2010年1月1日	1,278	2,646	1,675	4,758	10,357
Charge for the year	本年度折舊	278	260	1,426	2,313	4,277
Disposals	出售	(76)	-	(282)	(1,220)	(1,578)
Disposal of subsidiaries	出售附屬公司	-	(600)	(335)	(1,157)	(2,092)
At 31 December 2010	於2010年12月31日	1,480	2,306	2,484	4,694	10,964
Carrying amount	賬面值					
At 31 December 2010	於2010年12月31日	1,990	1,793	3,436	2,652	9,871
At 31 December 2009	於2009年12月31日	2,192	1,607	1,846	4,276	9,921

During the year, the Group changed the estimated useful lives of certain furniture, fixtures and equipment from 5 years to 3 years and motor vehicles from 5 years to 4 years. This change in accounting estimate has no significant impact on the Group's results for the current year and will not have material impact for future periods.

於本年度，本集團將若干傢俱、裝置及設備的估計可使用年期由五年減至三年，汽車則由五年減至四年。該會計估計變動對本集團於本年度的業績並無重大影響，且將不會對未來期間產生重大影響。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

18. INVESTMENT PROPERTIES

18. 投資物業

		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	1,376,436	1,319,606
Transferred from inventories	轉撥自存貨	27,776	-
Additions	添置	1,473	-
Net increase in fair value	公允值增加淨額	208,415	56,830
At 31 December	於12月31日	1,614,100	1,376,436

(a) All of the Group's investment properties held under operating lease for rental purposes are measured using the fair value model. The Group's investment properties were revalued as at 31 December 2010 by an independent firm of surveyors, Knight Frank Petty Limited, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued, on a market value basis calculated by reference to the net rental income allowing for reversionary income potential.

(a) 本集團投資物業在2010年12月31日已由擁有對被估物業的位置及種類有近期經驗的香港測量師學會資深會員為僱員的獨立測量師行萊坊測計師行有限公司根據公開市場價值參考租金收入淨額並計及可能的復歸收入重估。

(b) The Group's investment properties at their carrying amounts are analysed as follows:

(b) 本集團投資物業按其賬面值分析如下：

		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
In Shenzhen, PRC	中國深圳		
- Long leases	- 長期租賃	1,571,700	1,335,416
- Medium-term leases	- 中期租賃	42,400	41,020
		1,614,100	1,376,436

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

18. INVESTMENT PROPERTIES (CONT'D)

- (c) The Group leases out certain investment properties under operating leases. The leases typically run for an initial period of one to twenty years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases has significant contingent elements as at 31 December 2010.

The Group's total future minimum lease payments under non-cancellable operating leases from investment properties are receivable as follows:

Within one year	一年內
In the second to fifth years inclusive	兩年至五年(首尾兩年包括在內)
After five years	五年後

- (d) At 31 December 2010, all investment properties of the Group were pledged against certain bank and other borrowings granted to the Group and details of which are set out in note 30(e) to the financial statements.

18. 投資物業(續)

- (c) 本集團根據經營租賃出租若干投資物業。通常該等租約初步均為期一至二十年及於該日後可選擇續租，而屆時所有條款均可重新協商。於2010年12月31日，該等租賃均不含重大或然因素。

本集團根據不可解除的經營租賃的投資物業在日後應收的最低租賃款項總額如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
36,952	36,967
140,203	125,778
248,905	221,061
426,060	383,806

- (d) 於2010年12月31日，本集團所有投資物業已作授予本集團若干銀行及其他貸款抵押之用，有關詳情載於財務報表附註30(e)。

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Unlisted equity securities, at cost (note (a))	非上市股票，按成本(附註(a))
Unlisted limited partnership, at cost (note (b))	非上市有限合夥企業，按成本(附註(b))

19. 可供出售金融資產

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
249,395	—
2,500	—
251,895	—

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONT'D)

- (a) In January 2010, the Group entered into a share transfer and project cooperation agreement (the "Agreement") to acquire 100% equity interest in Shenzhen Huaxingguang Industrial Company Limited ("Huaxingguang"), a company established in the PRC with registered capital of RMB10,000,000 and is principally engaged in property development. Under the Agreement, the Group is required to pay RMB25 million to the vendors and to assume the debt amount of Huaxingguang of approximately RMB148,758,000. The vendors are also entitled to share the developed properties in accordance with the Agreement.

Pursuant to certain supplemental agreements subsequently entered by the Group, additional consideration of approximately RMB206,142,000 and a compensation of approximately RMB143,000,000 are also required to be paid by the Group to the vendors.

At 31 December 2010, 22% equity interest in Huaxingguang was transferred to the Group. However, the Group was required to pledge its 22% equity interest in Huaxingguang in favour of the vendors as performance guarantee for the full payment of the consideration. In the opinion of the directors of the Company, the Group has no significant influence over Huaxingguang as the remaining 78% of the issued capital is controlled by a third party independent of the Group. The Group has no representative on Huaxingguang's board of directors and has no right to appoint or remove a director to the board of directors until the Group obtained 55% of the equity interest in Huaxingguang. In view of the above, the directors of the Company concluded that the Group has no significant influence over Huaxingguang.

At 31 December 2010, the Group's capital expenditure contracted for but not provided in the consolidated financial statements in respect of Huaxingguang amounted to approximately RMB273,505,000.

- (b) The Group's investment in a limited partnership, established in the PRC, was set up with the investment objective of investing in real estate in the PRC.

At 31 December 2010, the Group's capital expenditure contracted for but not provided in the consolidated financial statements in respect of the unpaid capital contribution to the limited partnership amounted to approximately RMB22,500,000.

The Group's available-for-sale financial assets are stated at cost less any impairment losses at the reporting date as these investments do not have a quoted price in an active market and the range of reasonable fair value estimates is considered so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

19. 可供出售金融資產(續)

- (a) 於2010年1月，本集團訂立一項股份轉讓及項目合作協議(「該協議」)，以收購深圳市華興廣實業有限公司(「華興廣」)全部股權，華興廣於中國成立，註冊資本為人民幣10,000,000元，主要從事物業開發。根據該協議，本集團須向賣方支付人民幣25,000,000元並承擔華興廣的債務約人民幣148,758,000元。賣方亦有權根據該協議享有開發物業。

根據本集團其後訂立的若干補充協議，本集團亦須向賣方支付額外代價約人民幣206,142,000元及補償約人民幣143,000,000元。

於2010年12月31日，華興廣的22%股權已轉讓至本集團。然而，本集團須以賣方為受益人抵押華興廣的22%股權作為悉數支付代價的履約保證。本公司董事認為，本集團對華興廣並無重大影響力，因為餘下78%的已發行股本由獨立於本集團的第三方控制。本集團於華興廣的董事會並無代表，亦無權委任或罷免董事會董事，直至本集團取得華興廣的55%股權。鑒於以上所述，本公司董事認為，本集團對華興廣並無重大影響力。

於2010年12月31日，本集團已訂約但未於綜合財務報表內就華興廣作出撥備的資本開支約為人民幣273,505,000元。

- (b) 本集團乃為投資於中國房地產的投資目標而投資於有限合夥企業(於中國成立)。

於2010年12月31日，本集團已訂約但未於綜合財務報表內就有限合夥企業的未付出資作出撥備的資本開支約為人民幣22,500,000元。

本集團的可供出售金融資產按成本減任何減值虧損於報告日期列賬，因為該等投資並無活躍市場的報價，且合理公允價值估計範圍被視為較大，致使本公司董事認為其公允價值無法可靠計量。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

20. INVENTORIES

20. 存貨

Properties for future development and under development for sale	供出售的未來開發及發展中物業
Completed properties held for sale	持作出售的已竣工物業

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
1,058,282	1,888,556
724,111	153,677
1,782,393	2,042,233

- (a) The analysis of carrying value of leasehold land included in properties for future development and under development for sale and completed properties held for sale is as follows:

- (a) 包括在供出售的未來開發及發展中物業及持作出售的已竣工物業內的租賃土地賬面值分析如下：

In PRC	中國
– Long leases	– 長期租賃
– Medium-term leases	– 中期租賃

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
311,824	363,441
3,959	4,050
315,783	367,491

Included above are amounts totalled approximately RMB15,288,000 (2009: nil) representing lease payment for land use rights of certain pieces of land in the PRC. The Group is in the process of applying for the land use right certificates subject to the approval from the relevant PRC authorities. Based on the legal opinion obtained, the directors of the Company are of the opinion that the Group is the beneficial owner of the land use rights and is entitled to lawfully and validly use these land use rights.

上述金額包括合共約人民幣15,288,000元(2009年：無)，即有關中國若干幅土地的土地使用權的租賃款項。本集團正申請土地使用權證，惟須待相關中國機構批准。根據所獲得的法律意見，本公司董事認為本集團為土地使用權的實益擁有人，並有權合法有效使用該等土地使用權。

- (b) The amount of properties for future development and under development for sale expected to be recovered after more than one year is analysed as follows:

- (b) 預期超過一年以後方可變現的供出售未來開發及發展中物業的金額分析如下：

Properties for future development and under development for sale	供出售的未來開發及發展中物業
--	----------------

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
780,021	634,945

Apart from the above, all inventories are expected to be recovered within one year.

除上述外，所有其他存貨預期可在一年內變現。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

20. INVENTORIES (CONT'D)

- (c) At 31 December 2010, certain inventories were pledged against bank loans granted to the Group and details of which are set out in note 30(e) to the financial statements.
- (d) During the year ended 31 December 2010, included in the additions to the Group's properties for future development and under development for sale is an amount of approximately RMB240,217,000 which was acquired through acquisition of a subsidiary, Boshing Investments Limited. Boshing Investments Limited and its subsidiary, Chaohu Boshing Tourism Development Company Limited*, are principally engaged in property development. The directors are of the opinion that the acquisition of subsidiaries was in substance acquisition of assets, instead of acquisition of businesses, and therefore was not accounted for as a business combination.
- (e) Certain completed properties held for sale of the Group with carrying amount of approximately RMB18,426,000 were acquired through bidding at a public auction in 2007 pursuant to a court ruling. During the year ended 31 December 2009, a third party made a claim that it also acquired these properties at another public auction pursuant to a court ruling. The Group is applying a court order to revoke the above court ruling. The case is currently being handled by the Group's legal adviser. Based on the legal opinion obtained, the directors are of the opinion that the Group is the beneficial owner of these properties and should be able to obtain the title documents of these properties.

* For identification purposes only.

20. 存貨(續)

- (c) 於2010年12月31日，若干存貨被用作本集團獲授銀行貸款的抵押品，詳情載於財務報表附註30(e)。
- (d) 於截至2010年12月31日止年度，本集團供出售的未來開發及發展中物業增加包括約人民幣240,217,000元，該款項乃透過收購一間附屬公司寶昇投資有限公司而獲得。寶昇投資有限公司及其附屬公司巢湖寶昇旅遊開發有限公司主要從事物業開發。董事認為，收購附屬公司實質為收購資產，而非收購業務，因此並無按業務合併入賬。
- (e) 本集團持作出售的竣工物業的賬面值約為人民幣18,426,000元，乃透過根據法院裁定於2007年在公開拍賣中投標而獲得。於截至2009年12月31日止年度，第三方聲稱其亦根據法院裁定於另一公開拍賣中獲得該等物業。本集團正申請法院命令撤銷上述法院裁定。此案件現由本集團法律顧問處理。根據所獲得的法律意見，董事認為本集團為該等物業的實益擁有人，並能夠獲得該等物業的業權文件。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

21. TRADE AND OTHER RECEIVABLES

21. 應收賬款及其他應收款

Trade receivables (note (a))	應收賬款(附註(a))
Other receivables (note (b))	其他應收款(附註(b))
Loans and advances (note (c))	貸款及墊款(附註(c))
Prepaid land costs (note (d))	預付土地成本(附註(d))
Prepayments and deposits	預付款及按金

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
326,940	82,087
2,445	110,020
157,046	228,031
232,320	85,596
50,633	277,381
769,384	783,115

- (a) Trade receivables are mainly arisen from leasing and sales of properties. Rental receivables from tenants are due on presentation of invoices and no credit terms for sales of properties unless otherwise specified in the underlying agreements with the purchasers.

The ageing analysis of trade receivables, based on invoice date for property leasing and delivery date for property sales, is as follows:

0 to 3 months	0至3個月
More than 3 months but less than 6 months	超過3個月但少於6個月
More than 6 months but less than 1 year	超過6個月但少於1年
Over 1 year	超過1年

- (a) 應收賬款主要來自物業租賃及銷售。應收租戶租金於出具發票時到期，物業銷售並無信貸期限，與買家之相關協議另有規定則除外。

應收賬款按物業租賃的發票日期及物業銷售交付日期的賬齡分析如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
317,528	81,584
683	2
5,096	6
3,633	495
326,940	82,087

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

21. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) (Cont'd)

The ageing analysis of trade receivables which were past due but not impaired is as follows:

0 to 3 months	0至3個月
More than 3 months but less than 6 months	超過3個月但少於6個月
More than 6 months but less than 1 year	超過6個月但少於1年
Over 1 year	超過1年

The above receivables relate to a number of independent purchasers and tenants. In respect of the trade receivables arose from sales of properties, the directors of the Company consider that these receivables would be recovered and no allowance was made against these past due receivables. Regarding the rental receivables, rental deposits were held as collateral over the balances. As such, the directors consider that no allowance for impairment is necessary in respect of these balances.

(b) Included in other receivables is an amount due from a major construction contractor of approximately RMB167,597,000 (2009: RMB90,625,000). During the year ended 31 December 2010, a full allowance for impairment (2009: nil) was made for estimated irrecoverable.

21. 應收賬款及其他應收款(續)

(a) (續)

已逾期但尚未減值的應收賬款賬齡分析如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
42,711	59,947
683	2
5,096	6
3,633	495
52,123	60,450

上述應收款項涉及若干獨立買方及租戶。就銷售物業產生的應收賬款而言，董事認為該等應收款項能夠收回，故並無對該等逾期應收款項作出撥備。關於應收租金，租金按金乃作為餘額抵押品而持有。因此，董事認為並無必要應該等餘額作出減值撥備。

(b) 其他應收款項中包括應收主要建築承包商款項約人民幣167,597,000元(2009年：人民幣90,625,000元)。截至2010年12月31日止年度已就估計不可收回金額悉數作出減值撥備(2009年：無)。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

21. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Included in loans and advances are amounts of approximately:

(i) RMB80,349,000 (2009: RMB80,349,000) made to a business associate that is unsecured, interest-bearing at 110% of 1 year RMB benchmark lending rate as determined from time to time by the People's Bank of China per annum. This loan receivable was past due by 24 months up to 31 December 2010. Apart from full allowance for impairment on interest receivable of approximately RMB13,476,000, no other impairment was provided against the principal of approximately RMB80,349,000. In March 2011, this principal sum was fully repaid.

(ii) RMB40,000,000 (2009: RMB40,000,000) made to a business associate that is secured, interest-bearing at 110% of 1-3 year RMB benchmark lending rate as determined from time to time by the People's Bank of China per annum and interest receivable of approximately RMB4,126,000. These loan and interest receivables will be due on 16 April 2011.

(iii) RMB50,000,000 (2009: nil) made to a business associate that is unsecured and interest-free. In March 2011, approximately RMB30,000,000 was repaid. In view of the uncertainty of the recovery of the outstanding amount, the directors consider that it is appropriate, to make an allowance for impairment on the remaining balance of approximately RMB20,000,000.

(d) The Group's prepaid land costs comprise the following:

(i) Included in prepaid land costs are amounts totalled of approximately RMB134,506,000 (2009: nil) relating to partial payment of land costs for acquisition of land use rights in the PRC upon successfully bidding at land auctions conducted by the PRC government and the related preparatory costs. At 31 December 2010, the relevant purchase agreements of land use rights are yet to be entered by the Group.

21. 應收賬款及其他應收款(續)

(c) 給予下列人士的貸款及墊款中，其中：

(i) 業務聯繫人士的貸款及墊款約人民幣80,349,000元(2009年：人民幣80,349,000元)，為無抵押、按中國人民銀行每年不時釐定的一年期人民幣貸款基準利率110%計息。該筆應收貸款截至2010年12月31日已逾期24個月。除就應收利息約人民幣13,476,000元悉數作出減值撥備外，概無就本金約人民幣80,349,000元作出減值撥備。於2011年3月，該本金已悉數償還。

(ii) 業務聯繫人士的貸款及墊款約人民幣40,000,000元(2009年：人民幣40,000,000元)，為有抵押、按中國人民銀行每年不時釐定的一至三年期人民幣貸款基準利率的110%計息，應收利息約為人民幣4,126,000元。該貸款及應收利息將於2011年4月16日到期。

(iii) 業務聯繫人士的貸款及墊款約人民幣50,000,000元(2009年：無)，為無抵押及免息。於2011年3月，約人民幣30,000,000元已償還。鑒于收回未償還款項的不確定性，董事認為適宜就餘額約人民幣20,000,000元作出減值撥備。

(d) 本集團預付土地成本包括如下：

(i) 計入預付土地成本的合共約人民幣134,506,000元(2009年：無)乃涉及因成功中標中國政府土地拍賣後購買土地使用權而支付的部分土地成本以及相關籌辦費用。於2010年12月31日，本集團尚未訂立相關土地使用權購買協議。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

21. TRADE AND OTHER RECEIVABLES (CONT'D)

- (d) (Cont'd)
- (ii) Included in prepaid land costs are amounts totalled of approximately RMB97,814,000 (2009: RMB85,596,000) related to prepayment for land and relocation costs in respect of potential land development projects in the PRC.

22. CONSIDERATION RECEIVABLES

- (a) Included in the consideration receivables is an amount of approximately RMB68,927,000, arising from the disposal of the Group's subsidiary, Huizhou Dayawan Yonghao Company Limited* during the year. This consideration receivable was due on 30 December 2010 and was fully settled in January 2011.
- (b) Also included in the consideration receivables is an amount of RMB85,000,000 arising from the disposal of the Group's subsidiary, Huizhou Yintaida Company Limited*. This consideration receivable will be due on 10 May 2011.

* For identification purposes only.

23. TRADING SECURITIES

Listed securities, outside Hong Kong, at fair value	香港境外上市證券(按公允值)
Unlisted fund, at fair value	非上市基金(按公允值)

The fair values of listed securities are based on quoted market bid prices.

The fair value of unlisted fund is established by reference to the price quoted by fund administrator.

21. 應收賬款及其他應收款(續)

- (d) (續)
- (ii) 計入預付土地成本的合共約人民幣97,814,000元(2009年：人民幣85,596,000元)乃涉及有關在中國潛在土地開發項目的預付土地及拆遷成本。

22. 應收代價

- (a) 應收代價包括約人民幣68,927,000元，該款項乃來自於本年度出售本集團附屬公司大亞灣永昊實業有限公司。該應收代價已於2010年12月30日到期，並已於2011年1月悉結清。
- (b) 應收代價亦包括人民幣85,000,000元，該款項乃來自本集團出售附屬公司惠州市銀泰達實業有限公司。該應收代價將於2011年5月10日到期。

23. 買賣證券

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
3,060	502
1,000	4,017
4,060	4,519

上市證券的公允值乃按市場買入價的報價計算。

非上市基金的公允值乃參考基金管理人所報的價格確定。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

24. PLEDGED DEPOSITS

- (a) Included in pledged deposits are:
- (i) Deposits of approximately RMB8,353,000 (2009: RMB10,979,000) pledged with certain banks as guarantee deposits for mortgage loan facilities granted by the banks to purchasers of the Group's properties.
 - (ii) Deposits of approximately RMB1,078,000 (2009: RMB924,000) pledged with banks securing the Group's bank loans as set out in note 30(e).
 - (iii) At 31 December 2009, deposits of approximately RMB61,056,000 pledged for purchase consideration payable to a former equity holder of a subsidiary. The pledge was released in 2010.
 - (iv) At 31 December 2009, deposits of approximately RMB610,000 pledged for the payment of retention monies to a construction contractor.
- (b) The pledged deposits are denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.
- (c) At 31 December 2010, the pledged deposits are subjected to floating interest rate ranged from 0% to 0.36% (2009: 0% to 0.36%) per annum.

24. 抵押存款

- (a) 本集團抵押存款包括：
- (i) 現金約人民幣8,353,000元(2009年：人民幣10,979,000元)。該等現金乃為若干銀行授予本集團物業買方的按揭貸款融資作為保證按金存入該等銀行。
 - (ii) 就一筆載於附註30(e)的銀行貸款而抵押予銀行約為人民幣1,078,000元(2009年：人民幣924,000元)的存款。
 - (iii) 於2009年12月31日，就應付予附屬公司一名前權益持有人之購買代價而抵押約人民幣61,056,000元存款。該抵押已於2010年獲解除。
 - (iv) 於2009年12月31日，就一筆向建築承包商支付的保留款項而抵押約為人民幣610,000元的存款，以作為保留款項。
- (b) 抵押存款以人民幣計值。人民幣兌換外幣須遵守中國外匯管理條例及結匯、售匯及付匯管理規定。
- (c) 於2010年12月31日，抵押存款按年利率介乎0%至0.36%(2009年：0%至0.36%)的浮動利率計息。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

25. BANK AND CASH BALANCES

The carrying amounts of the Group's bank and cash balances are denominated in the following currencies:

RMB	人民幣
United States Dollars	美元
Hong Kong Dollars	港元

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

At 31 December 2010, bank balances of approximately RMB90,096,000 (2009: RMB212,984,000) are subjected to floating interest rate ranged from 0% to 0.36% (2009: 0% to 0.36%) per annum.

26. TRADE AND OTHER PAYABLES, AND ACCRUALS

Trade payables (note (a))	應付賬款(附註(a))
Amounts due to directors (note (b))	應付董事款項(附註(b))
Other creditors and accrued charges	其他應付款及預提費用

25. 銀行及現金結餘

本集團銀行及現金結餘的賬面值以下列貨幣計值：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
30,547	155,898
60,739	55,173
1,501	5,879
92,787	216,950

人民幣兌換外幣須遵守中國外匯管理條例及結匯、售匯及付匯管理規定。

於2010年12月31日，銀行結餘約人民幣90,096,000元(2009年：人民幣212,984,000元)按年利率介乎0%至0.36%(2009年：0%至0.36%)的浮動利率計息。

26. 應付賬款、其他應付款及預提費用

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
108,298	33,306
3,540	777
266,448	413,698
378,286	447,781

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

26. TRADE AND OTHER PAYABLES, AND ACCRUALS (CONT'D)

(a) The ageing analysis of trade payables is as follows:

0 – 3 months or on demand	0至3個月或按要求
More than 3 months but less than 6 months	超過3個月但少於6個月
More than 6 months but less than 1 year	超過6個月但少於1年
Over 1 year	超過1年

(b) The amounts due to the directors of the Company, Mr. ZENG Yunshu and Mr. ZENG Sheng (resigned on 14 January 2011) of approximately RMB3,100,000 and 440,000 respectively (2009: amount due to Mr. ZENG Sheng of approximately RMB777,000) are unsecured, interest-free and repayable on demand.

26. 應付賬款、其他應付款及預提費用(續)

(a) 應付賬款賬齡分析如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
100,226	33,306
2,748	–
592	–
4,732	–
108,298	33,306

(b) 應付本公司董事曾雲樞先生及曾勝先生(於2011年1月14日辭任)的款項分別約人民幣3,100,000元及440,000元(2009年：應付曾勝先生的款項約人民幣777,000元)為無抵押、免息及按要求償還。

27. RECEIPTS IN ADVANCE

Receipts in advance represented sales proceeds received from purchasers in connection with the Group's pre-sales of properties and prepaid rental from tenants of the Group's investment properties. As at 31 December 2010, all receipts in advance are expected to be settled within one year. At 31 December 2009, receipts in advance of RMB15,271,000 were expected to be settled after more than one year and the remaining receipts in advance were expected to be settled within one year.

27. 預收賬款

預收賬款是指本集團自預售物業購買者收取的銷售所得款及自本集團投資物業的租戶收取的預付租金。於2010年12月31日，所有預收賬款預期於一年內結算。於2009年12月31日，預收賬款中人民幣15,271,000元預計於一年後結算，而所有其他預收賬款預期於一年內結算。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

28. RENTAL AND OTHER DEPOSITS

Included in rental and other deposits were approximately RMB9,633,000 (2009: RMB8,604,000) which are expected to be settled after more than one year. All other rental and other deposits are expected to be settled within one year.

28. 租賃及其他按金

租賃及其他按金中包括一筆預期於一年後償還為約人民幣9,633,000元的款項(2009年：人民幣8,604,000元)。所有其他租賃及其他按金均預期於一年內償還。

29. DERIVATIVE FINANCIAL LIABILITIES

29. 衍生金融負債

Warrants (note 30(b))

認股權證(附註30(b))

The Warrants, representing the fair value of the right to subscribe for the Company's ordinary share at the applicable exercise price, is determined by an independent valuer, Asset Appraisal Limited, using the Binomial option pricing model.

Fair value of the Warrants and key assumptions are as follows:

	計量日期的公允值
Fair value at measurement date	股價
Share price	行使價
Exercise price	預期波幅
Expected volatility	預期股息
Expected dividends	無風險利率
Risk-free interest rate	

2010	2009
RMB'000	RMB'000
人民幣千元	人民幣千元
14,275	30,252

認股權證(相當於可按適用行使價認購本公司普通股的權利的公允值)由獨立估值師資產評估顧問有限公司採用二項式期權定價模型計算。

認股權證的公允值及主要假設如下：

2010	2009
HK\$0.2071 港元	HK\$0.4249 港元
HK\$1.13 港元	HK\$1.05 港元
HK\$1.68 港元	HK\$1.68 港元
59%	89%
0%	0%
0.53%	0.98%

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

30. BANK AND OTHER BORROWINGS

30. 銀行及其他借貸

		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Bank loans	銀行貸款		
– Secured	– 有抵押	1,030,150	1,514,977
– Unsecured	– 無抵押	400,000	72,000
		1,430,150	1,586,977
Other loans	其他貸款		
– Secured	– 有抵押	95,000	–
– Unsecured	– 無抵押	410,280	–
		505,280	–
Senior Note	優先票據		
– Unsecured (note (b))	– 無抵押(附註(b))	–	182,657
		1,935,430	1,769,634

(a) The bank and other borrowings are repayable as follows:

(a) 應償還的銀行及其他借貸如下：

		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Bank and other loans	銀行及其他貸款		
On demand or within one year	於要求時或一年內償還	823,230	375,800
In the second year	第二年	621,600	675,177
In the third to fifth years, inclusive	第三至五年(含第五年)	185,000	194,400
After five years	五年後	305,600	341,600
		1,112,200	1,211,177
		1,935,430	1,586,977
Senior Note (note (b))	優先票據(附註(b))	–	182,657
		1,935,430	1,769,634
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內結算的到期款項(列為流動負債)	(823,230)	(375,800)
Amount due for settlement after 12 months	12個月後結算的到期款項	1,112,200	1,393,834

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

30. BANK AND OTHER BORROWINGS (CONT'D)

(b) Senior Note

Pursuant to the offering memorandum of the Company dated 20 September 2007, the Company issued 900 units, each comprised US\$100,000 senior notes (collectively referred to as the "Senior Note") and 81,000,000 nil-paid warrants (the "Warrants") for a principal amount totalling US\$90,000,000. The Senior Note, due on 3 October 2012, was interest-bearing at 12.5% per annum at issue and interests were payable semi-annually in arrears. As of 1 January 2010, the Group had repurchased 600 units of the Senior Note with a principal amount of US\$60,000,000. During the year ended 31 December 2010, the Group further repurchased 300 units of the Senior Note with a principal amount of US\$30,000,000 (representing 100% of the total outstanding principal amount of the Senior Note) at a price equal to 101% of the principal amount thereof.

Detachable from the Senior Note, each warrant may be exercised from the date of issue up to 2 October 2012 at an initial exercise price, subject to certain conditions of reset and adjustment, of HK\$3.36 per ordinary share of the Company. On 20 September 2008, the exercise price of the Warrants has been reset to HK\$1.68, being 50% of the initial exercise price of HK\$3.36 (note 29).

(c) The carrying amounts of the Group's bank and other borrowings are denominated in the following currencies:

RMB	人民幣
United States Dollars	美元

30. 銀行及其他借貸(續)

(b) 優先票據

根據本公司於2007年9月20日訂立的發售備忘錄，本公司發行900個單位的優先票據(統稱為「優先票據」)(每個單位為100,000美元的優先票據)及81,000,000份未繳款認股權證(「認股權證」)，本金額合共為90,000,000美元。優先票據於2012年10月3日到期，按年利率12.5%計息，須每半年付息一次。於2010年1月1日，本集團已購回600個單位的優先票據，本金額為60,000,000美元。於截至2010年12月31日止年度，本集團進一步按相等於本金額101%的價格購回300個單位的優先票據，本金額為30,000,000美元(相當於優先票據未償還本金總額的100%)。

與優先票據分開，每份認股權證可由發行日期起至2012年10月2日，按初步行使價(受若干重定及調整之條件規限)每股本公司普通股3.36港元認購。於2008年9月20日，認股權證的行使價被重定為1.68港元，即初步行使價3.36港元的50%(附註29)。

(c) 本集團銀行及其他借貸的賬面值乃以下列貨幣計值：

2010	2009
RMB'000	RMB'000
人民幣千元	人民幣千元
1,655,150	1,476,477
280,280	293,157
1,935,430	1,769,634

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

30. BANK AND OTHER BORROWINGS (CONT'D)

30. 銀行及其他借貸(續)

(d) The following table details the interest rate profile of the Group's bank and other borrowings at the reporting date:

(d) 下表詳述本集團銀行及其他借貸於報告日期的利率狀況：

		2010		2009	
		Effective interest rate		Effective interest rate	
		實際利率	RMB'000	實際利率	RMB'000
		%	人民幣千元	%	人民幣千元
Fixed rate borrowings:	固定利率借貸：				
Bank and other loans	銀行及其他貸款	5.84-20.00	209,472	10.00-11.00	510,500
Senior note	優先票據	N/A 不適用	-	17.8	182,657
Variable rate borrowings:	浮動利率借貸：				
Bank and other loans	銀行及其他貸款	5.13-8.45	1,525,150	4.86-9.07	1,076,477
Interest-free borrowings:	免息借貸：				
		N/A 不適用	200,808	-	-

(e) At 31 December 2010, the Group's asset pledged as security for the Group's bank and other borrowing are as follows:

(e) 於2010年12月31日，為本集團銀行及其他借貸而抵押的本集團資產如下：

		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Investment properties	投資物業	1,614,100	1,264,000
Inventories	存貨	682,687	643,778
Pledged deposits	抵押存款	1,078	924
		2,297,865	1,908,702

At 31 December 2010, included in bank and other borrowings are certain loans amounted to approximately RMB1,258,622,000 (2009: RMB1,077,000,000) guaranteed by a director of the Company, Mr. ZENG Yunshu and/or a resigned director of the Company, Mr. ZENG Sheng.

於2010年12月31日，銀行及其他借貸包括由本公司一名董事曾雲樞先生及/或本公司一名辭任董事曾勝先生擔保的若干貸款約人民幣1,258,622,000元(2009年：人民幣1,077,000,000元)。

At 31 December 2010, included in bank and other borrowings are certain loans amounted to approximately RMB150,000,000 (2009: nil) secured by certain certificates of land use rights of lands owned by a disposed subsidiary of the Group.

於2010年12月31日，銀行及其他借貸包括以本集團已出售附屬公司擁有的若干土地使用權證抵押的若干貸款約人民幣150,000,000元(2009年：無)。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

30. BANK AND OTHER BORROWINGS (CONT'D)

(e) (Cont'd)

At 31 December 2009, included in bank and other borrowings are bank loans of approximately RMB200,000,000 drawn down by a subsidiary and secured by the ordinary shares of the Company held by the Company's former ultimate holding company, Grand Prosperity Limited. The subsidiary was disposed of during the current year.

As at 31 December 2009, included in bank and other borrowings is a bank loan of approximately RMB110,500,000 in relation to credit note issued by the Company secured by the ordinary shares of the Company held by the Company's former ultimate holding company. This loan was fully repaid during the current year.

30. 銀行及其他借貸(續)

(e) (續)

於2009年12月31日，銀行及其他借貸包括由一間附屬公司提取並以本公司前最終控股公司Grand Prosperity Limited持有的本公司普通股抵押的銀行貸款約人民幣200,000,000元。該附屬公司已於本年度出售。

於2009年12月31日，銀行及其他借貸包括以本公司前最終控股公司持有的本公司普通股抵押且涉及本公司發行的信貸票據的銀行貸款約人民幣110,500,000元。該貸款已於本年度悉數償還。

31. DEFERRED TAX

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

31. 遞延稅項

於綜合財務狀況表內確認的遞延稅項(資產)/負債部分及年內變動如下：

		Revaluation of investment properties	Depreciation allowances in excess of related depreciation	Temporary differences arising from deferred rent	Fair value adjustment on inventories	Total deferred tax liabilities	Temporary differences arising from LAT	Capitalisation of interest expenses	Total deferred tax assets
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2009	於2009年1月1日	205,304	3,903	-	-	209,207	(24,573)	(13,676)	(38,249)
Charged/(Credited) to profit or loss	扣除/(計入)損益	14,208	4,146	4,073	-	22,427	-	(11,698)	(11,698)
At 31 December 2009	於2009年12月31日	219,512	8,049	4,073	-	231,634	(24,573)	(25,374)	(49,947)
Effect of changes in tax rate on opening deferred tax balances to profit or loss	稅率變動對計入損益的期初遞延稅項結餘的影響	-	-	-	-	-	-	(1,423)	(1,423)
Acquisition of subsidiaries	收購附屬公司	-	-	-	81,096	81,096	-	-	-
Charged/(Credited) to profit or loss	扣除/(計入)損益	52,105	4,484	503	-	57,092	20,826	9,743	30,569
Disposal of subsidiaries	出售附屬公司	-	-	-	(81,096)	(81,096)	135	7,433	7,568
At 31 December 2010	於2010年12月31日	271,617	12,533	4,576	-	288,726	(3,612)	(9,621)	(13,233)

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

31. DEFERRED TAX (CONT'D)

At 31 December 2010, the Group had unused tax losses of approximately RMB57,960,000 (2009: RMB12,100,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB57,960,000 (2009: RMB12,100,000) will expire after five years from the year of assessment they relate to.

31. 遞延稅項(續)

於2010年12月31日，本集團有未動用稅項虧損約人民幣57,960,000元(2009年：人民幣12,100,000元)可供抵押未來溢利。未來溢利流不可預測，故並無確認遞延稅項資產。計入未確認稅項虧損的虧損人民幣57,960,000元(2009年：人民幣12,100,000元)將自所涉及課稅年度起五年後屆滿。

32. SHARE CAPITAL

32. 股本

	Note 附註	Number of shares 股份數目		Share capital 股本	
		2010	2009	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.01 each	法定： 每股面值0.01港元的普通股	30,000,000,000	30,000,000,000	300,000	300,000
Issued and fully paid: Ordinary shares of HK\$0.01 each At 1 January	已發行及繳足： 每股面值0.01港元的普通股 於1月1日	1,040,250,000	1,040,250,000	10,403	10,403
Issue of shares	發行股份	(a) 80,000,000 (b) 25,000,000 (c) 19,000,000 (d) 66,421,384	- - - -	800 250 190 664	- - - -
At 31 December	於12月31日	1,230,671,384	1,040,250,000	12,307	10,403
RMB equivalent	人民幣等額			2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
				11,971	10,296

Notes:

- (a) On 11 January 2010, the Company issued and allotted 80,000,000 ordinary shares of HK\$0.01 each at an issue price of HK\$0.95 per ordinary share to settle an upfront fee of approximately HK\$76,000,000 (equivalent to approximately RMB66,886,000) in relation to credit note issued by the Company. The premium on issue of shares amounted to approximately RMB66,182,000 was credited to the Company's share premium account. The new shares rank pari passu in all respects with the existing shares of the Company.

附註：

- (a) 於2010年1月11日，本公司以發行價每股普通股0.95港元發行及配發80,000,000股每股面值0.01港元的普通股，以結付有關本公司發行的信貸票據而產生的前期費用約76,000,000港元(相等於約人民幣66,886,000元)。發行股份的溢價約人民幣66,182,000元已計入本公司的股份溢價賬。新股份在所有方面與本公司現有股份享有同等權利。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

32. SHARE CAPITAL (CONT'D)

Notes: (Cont'd)

- (b) On 11 January 2010, the Company issued and allotted 25,000,000 ordinary shares of HK\$0.01 each at an issue price of HK\$0.95 per ordinary share to an independent third party for settlement of an advance received of approximately RMB20,835,000. The premium on issue of shares amounted to approximately RMB20,615,000 was credited to the Company's share premium account. The new shares rank pari passu in all respects with the existing shares of the Company.
- (c) On 9 February 2010, 19,000,000 ordinary shares of the Company were issued and allotted in relation to exercised share options pursuant to the share option scheme of the Company at the exercise price of HK\$0.60 per share for a total cash consideration of approximately HK\$11,400,000 (equivalent to approximately RMB10,005,000) of which approximately HK\$190,000 (equivalent to approximately RMB167,000) was credited to share capital and the balance of approximately HK\$11,210,000 (equivalent to approximately RMB9,838,000) was credited to share premium account. The new shares rank pari passu in all respects with the existing shares of the Company. Approximately RMB14,754,000 was transferred from capital reserve to share premium account.
- (d) On 31 March 2010, the Company issued and allotted 66,421,384 ordinary shares of HK\$0.01 each at an issue price of HK\$1.29 each in lieu of cash for special dividend pursuant to the scrip dividend circular dated 3 March 2010. The new shares rank pari passu in all respects with the existing shares of the Company.

Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

32. 股本(續)

附註：(續)

- (b) 於2010年1月11日，本公司以發行價每股普通股0.95港元向一名獨立第三方發行及配發25,000,000股每股面值0.01港元的普通股，以結付已收墊款約人民幣20,835,000元。發行股份的溢價約人民幣20,615,000元已計入本公司的股份溢價賬。新股份在所有方面與本公司現有股份享有同等權利。
- (c) 於2010年2月9日，本公司19,000,000股普通股因根據本公司購股權計劃以行使價每股0.60港元行使購股權而予以發行及配發，總現金代價約為11,400,000港元(相等於約人民幣10,005,000元)，其中約190,000港元(相等於約人民幣167,000元)已計入股本，而餘額約11,210,000港元(相等於約人民幣9,838,000元)已計入本公司的股份溢價賬。新股份在所有方面與本公司現有股份享有同等權利。約人民幣14,754,000元已由資本儲備轉撥至股份溢價賬。
- (d) 於2010年3月31日，本公司以發行價每股1.29港元發行及配發66,421,384股每股面值0.01港元的普通股，根據日期為2010年3月3日的以股代息計劃通函代替特別股息的現金。新股份在所有方面與本公司現有股份享有同等權利。

資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力，可透過達到債務與權益之平衡為股東帶來最大回報。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

32. SHARE CAPITAL (CONT'D)

Capital management (cont'd)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of the net debt-to-equity ratio. For this purpose the Group defines net debt as total debt (which includes trade and other payables, and accruals; derivative financial liabilities and bank and other borrowings), less pledged deposits; and bank and cash balances.

During 2010, the Group's strategy, which was unchanged from 2009, was to maintain the net debt-to-equity ratio in line with market expectations. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The net debt-to-equity ratio at the reporting date is as follows:

Trade and other payables, and accruals	應付賬款、其他應付款 及預提費用	26	378,286	447,781
Derivative financial liabilities	衍生金融負債	29	14,275	30,252
Bank and other borrowings	銀行及其他借貸	30	1,935,430	1,769,634
Total debt	總負債		2,327,991	2,247,667
Less: Pledged deposits	減：抵押存款	24	(9,431)	(73,569)
Less: Bank and cash balances	減：銀行及現金結餘	25	(92,787)	(216,950)
Net debt	淨負債		2,225,773	1,957,148
Total equity	總權益		1,776,226	1,720,837
Net debt-to-equity ratio	淨負債對權益比率		125%	114%

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

32. 股本(續)

資本管理(續)

本集團積極及定期對其資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨的較高借貸水平與良好的資本狀況帶來的好處及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

本集團以淨負債對權益比率為基準監察其資本架構。為此本集團將淨負債界定為總負債(其包括應付賬款及其他應付款及預提費用、衍生金融負債及銀行及其他借貸)減去抵押存款及銀行及現金結餘。

於2010年內，本集團的策略與2009年保持不變，其淨負債對權益比率符合市場預期。為了維持或調整該比率，本集團或會調整已付予股東的股息金額、發行新股份、退還資本予股東、籌集新的債務融資或出售資產以減少負債。

於報告日期，淨負債對權益比率如下：

Note 附註	2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
	378,286	447,781
	14,275	30,252
	1,935,430	1,769,634
	2,327,991	2,247,667
	(9,431)	(73,569)
	(92,787)	(216,950)
	2,225,773	1,957,148
	1,776,226	1,720,837
	125%	114%

唯一外部資本需求為，為維持本集團於聯交所的上市地位，本集團須保持至少25%股份的公眾持股量。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

33. 本公司的財務狀況表

		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Property, plant and equipment	物業、廚房及設備	29	25
Investments in subsidiaries	於附屬公司的投資	1,026,556	1,192,955
Loans and advance	貸款及墊款	19,679	26,359
Prepayments and deposits	預付款項及按金	1,040	374
Bank balances	銀行結餘	5,676	60,115
Other payables and accruals	其他應付款項及預提費用	(5,584)	(111,562)
Amounts due to subsidiaries	應付附屬公司款項	(244,480)	(240)
Current tax liabilities	本期稅項負債	(4,333)	(4,333)
Derivative financial liabilities	衍生金融負債	(14,275)	(30,252)
Borrowings	借貸	(79,473)	(293,157)
NET ASSETS	資產淨值	704,835	840,284
Share capital	股本	11,971	10,296
Reserves	儲備	692,864	829,988
TOTAL EQUITY	權益總額	704,835	840,284

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

34. RESERVES

34. 儲備

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.

(b) Company

(a) 本集團

本集團儲備及其變動的金額於綜合全面收益表及綜合權益變動表內呈列。

(b) 本公司

			Share premium	Merger reserve	Capital reserve	Retained profits/ losses (Accumulated)	Total
		Note	RMB'000	RMB'000	RMB'000	保留溢利/ 股份溢價 (累積虧損)	RMB'000
		附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2009	於 2009 年 1 月 1 日		579,466	(752)	50,122	(27,469)	601,367
Profit for the year	本年度溢利		-	-	-	228,621	228,621
Share options cancelled	已註銷的認股權		-	-	(17,667)	17,667	-
At 31 December 2009	於 2009 年 12 月 31 日		579,466	(752)	32,455	218,819	829,988
Loss for the year	本年度虧損		-	-	-	(154,966)	(154,966)
Issue of shares	發行股份	32(a)	66,182	-	-	-	66,182
		32(b)	20,615	-	-	-	20,615
		32(c)	24,592	-	(14,754)	-	9,838
Issue of scrip dividend shares	發行以股代息股份	15, 32(d)	74,749	-	-	(75,333)	(584)
Special dividend paid in cash	現金支付的特別股息	15	-	-	-	(78,209)	(78,209)
Share options cancelled	已註銷的認股權	35(c)	-	-	(7)	7	-
At 31 December 2010	於 2010 年 12 月 31 日		765,604	(752)	17,694	(89,682)	692,864

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

34. RESERVES (CONT'D)

34. 儲備(續)

(c) Nature and purpose of reserves

(c) 儲備的性質及目的

(i) Share premium

(i) 股份溢價

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company subject to the provisions of the Memorandum and Articles of Association and provided that immediately following the date on which the 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.

根據開曼群島公司法，本公司股份溢價賬中的資金可供分派予本公司股東，惟受組織章程大綱及組織章程細則的條文所規限；且緊隨建議派發股息之日期後本公司將能夠在日常業務過程中償清其到期債務。

(ii) Merger reserve

(ii) 合併儲備

The merger reserve represents the difference between the nominal value of shares of the subsidiary acquired over the nominal value of the shares used by the Company exchange therefore.

合併儲備乃指所收購的附屬公司股份的面值與本公司交易所用股份面值之間的差額。

(iii) Statutory reserve

(iii) 法定儲備

The statutory reserve, which is non-distributable, is appropriated from the profit after tax of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

法定儲備不可分派，並根據中國適用法律及法規自本集團中國附屬公司的除稅後溢利中轉撥。

(iv) Capital reserve

(iv) 資本儲備

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted by the Company recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(p) to the financial statements.

資本儲備包括本公司所授出的未行使認股權實際或估計數目的公允值，乃根據財務報表附註3(p)中就股本結算以股份為基礎的付款而採納的會計政策確認。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

35. EQUITY-SETTLED SHARE-BASED PAYMENTS

The Company adopted a share option scheme on 31 January 2007 whereby the directors of the Company are authorised, at their discretion, to invite eligible participants such as employees and consultants of the Group, including directors of any company in the Group, to subscribe for shares of the Company. These options generally vest after six months to one year from the date of grant and are exercisable within a period of five to ten years. Each option gives the holder the right to subscribe for one ordinary share of the Company at a predetermined exercise price plus a consideration of HK\$10 per option holder.

(a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

		Number of options 認股權數目	Vesting conditions 歸屬條件	Contractual life of options 認股權合約年期	Exercise price 行使價
Options granted to directors:	授予董事的認股權：				
- on 31 January 2007	- 於2007年1月31日	7,000,000	Six months from 22 February 2007 (the "Listing Date") 由2007年2月22日(「上市日」) 起計滿六個月	5 years 5年	HK\$0.60 0.60港元
- on 15 May 2007	- 於2007年5月15日	2,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.84 1.84港元
Options granted to employees:	授予僱員的認股權：				
- on 31 January 2007	- 於2007年1月31日	12,000,000	Six months from the Listing Date 由上市日起計滿六個月	5 years 5年	HK\$0.60 0.60港元
- on 15 May 2007	- 於2007年5月15日	12,951,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.84 1.84港元
- on 10 October 2007	- 於2007年10月10日	1,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$2.99 2.99港元
Options granted to third parties:	授予第三方的認股權：				
- on 15 May 2007	- 於2007年5月15日	13,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.84 1.84港元
- on 13 February 2008	- 於2008年2月13日	8,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.70 1.70港元
Total	合計	<u>55,951,000</u>			

35. 以股份為結算基礎的付款

本公司於2007年1月31日採納一項認股權計劃，據此本公司董事獲授權可酌情邀請本集團的僱員及顧問等合資格參與者(包括本集團旗下任何公司的董事)認購本公司股份。該等認股權一般自授出日期起滿六個月至一年後歸屬，及可於五至十年期間內行使。購股權持有人應付10港元作為代價，每份認股權賦予持有人權利，可按預定行使價認購一股本公司普通股。

(a) 年內尚存批授的條款及條件如下，據此所有認股權均以股份進行實物交付：

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

35. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONT'D)

35. 以股份為結算基礎的付款(續)

(b) Terms of unexpired and unexercised share options at the reporting date:

(b) 於報告日期尚未屆滿及尚未行使的購購權的期限：

Exercise period 行使期	Exercise price 行使價	2010 Number 數目	2009 Number 數目
22 August 2007 to 21 February 2012 2007年8月22日至2012年2月21日	HK\$0.60 0.60 港元	–	19,000,000
15 November 2007 to 14 May 2017 2007年11月15日至2017年5月14日	HK\$1.84 1.84 港元	27,935,000	27,951,000
10 April 2008 to 9 October 2017 2008年4月10日至2017年10月9日	HK\$2.99 2.99 港元	1,000,000	1,000,000
13 August 2008 to 12 August 2018 2008年8月13日至2018年8月12日	HK\$1.70 1.70 港元	8,000,000	8,000,000
		36,935,000	55,951,000

(c) The number and weighted average exercise prices of share options are as follows:

(c) 認股權數目及其加權平均行使價如下：

		2010 Weighted average exercise price 加權平均 行使價	Number of options 認股權數目 '000 千股	2009 Weighted average exercise price 加權平均 行使價	Number of options 認股權數目 '000 千股
Outstanding at beginning of year	年初尚未行使	HK\$1.42 港元	55,951	HK\$1.83 港元	81,139
Exercised during the year	年內行使	HK\$0.60 港元	(19,000)	N/A 不適用	–
Cancelled during the year	年內註銷	HK\$1.84 港元	(16)	HK\$2.75 港元	(25,188)
Outstanding at end of year	年終尚未行使	HK\$1.84 港元	36,935	HK\$1.42 港元	55,951
Exercisable at end of year	年終可予行使	HK\$1.84 港元	36,935	HK\$1.42 港元	55,951

No share options were granted during the year ended 31 December 2010 and 2009.

截至2010年及2009年12月31日止年度並無授出任何認股權。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

35. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONT'D)

(c) The number and weighted average exercise prices of share options are as follows: (Cont'd)

During the year ended 31 December 2010, 19,000,000 share options granted on 31 January 2007 were exercised (2009: Nil). Approximately RMB14,754,000 was transferred from capital reserve to share premium accounts.

During the year ended 31 December 2010, 16,000 share options granted on 15 May 2007 were cancelled. Accordingly, the fair value on grant date of the share options so cancelled of approximately RMB7,000 was transferred from the capital reserve to retained profits.

During the year ended 31 December 2009, 5,188,000 and 20,000,000 share options granted on 15 May 2007 and 10 October 2007 respectively were cancelled. Accordingly, the fair value on grant date of the share options so cancelled of approximately RMB17,667,000 was transferred from the capital reserve to retained profits.

The options outstanding at 31 December 2010 had exercise prices of HK\$1.70, HK\$1.84 or HK\$2.99 and a weighted average remaining contractual life of 6.65 years.

The options outstanding at 31 December 2009 had exercise prices of HK\$0.60, HK\$1.70, HK\$1.84 or HK\$2.99 and a weighted average remaining contractual life of 4.5 years.

35. 以股份為結算基礎的付款(續)

(c) 認股權數目及其加權平均行使價如下：(續)

截至2010年12月31日止年度，於2007年1月31日授出的19,000,000份購股權已獲行使(2009年：無)。約人民幣14,754,000元已由資本儲備轉撥至股份溢價賬。

截至2010年12月31日止年度，於2007年5月15日授出的16,000份購股權已註銷。因此，已註銷購股權於授出日期的公允值約人民幣7,000元已由資本儲備轉撥至保留溢利。

截至2009年12月31日止年度，5,188,000份及20,000,000份分別於2007年5月15日及2007年10月10日授出之認股權已被註銷。因此，該等已註銷認股權於授出日期的公允值約人民幣17,667,000元已從資本儲備轉撥至保留溢利。

於2010年12月31日尚未行使認股權的行使價為1.70港元、1.84港元或2.99港元，而加權平均餘下合約年期6.65年。

於2009年12月31日尚未行使認股權的行使價為0.60港元、1.70港元、1.84港元或2.99港元，而加權平均餘下合約年期為4.5年。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

35. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONT'D)

35. 以股份為結算基礎的付款(續)

(d) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on either the Black-Scholes pricing model or the binomial lattice model. The contractual life and expectations of early exercise of the share option were used as inputs into relevant models.

Fair value of share options and assumptions are as follows:

		31 January 2007 2007年1月31日	15 May 2007 2007年5月15日	10 October 2007 2007年10月10日	13 February 2008 2008年2月13日
Fair value at measurement date	於計量日期的公允值	HK\$0.78港元	HK\$0.47港元	HK\$0.64港元	HK\$0.54港元
Share price	股價	N/A 不適用	HK\$1.84港元	HK\$2.93港元	HK\$1.61港元
Exercise price	行使價	HK\$0.60港元	HK\$1.84港元	HK\$2.99港元	HK\$1.70港元
Expected volatility (expressed as weighted average volatility used in the models)	預期波幅(以該等模式中採用的加權平均波幅表示)	47.9%	48.9%	51.1%	56.2%
Option life (expressed as weighted average life used in the models)	認股權年期(以該等模式中採用的加權平均年期表示)	3 years 年	3.25 years 年	10 years 年	10 years 年
Expected dividends	預期股息	4.4%	3.4%	1.21%	-
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(以外匯基金票據計算)	4.0%	4.2%	4.3%	2.7%
Valuation model used	採用的估值模式	Black-Scholes 伯力克-舒爾斯	Black-Scholes 伯力克-舒爾斯	Binomial 二項式	Binomial 二項式

(d) 認股權的公允值及假設

以授予認股權換取所收取服務的公允值乃參照所授予認股權的公允值計量。所授予認股權的公允值估計乃根據伯力克-舒爾斯定價模式或二項式點陣模式計量。認股權的合約年期及預期提早行使乃作為數據輸入有關模式。

認股權的公允值及假設如下：

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There was no market conditions associated with the share option grants.

預期波幅乃根據歷史波幅(根據認股權的加權平均餘下年期計算)，並就根據公開可用資料調整任何預期變動的未來波幅。

認股權根據服務狀況批授。該狀況並無計及所收取服務於授出日期的公允值計量。並無與認股權批授有關的市場條件。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

36. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

36. 綜合現金流量表附註

(a) Acquisition of subsidiaries

On 23 April 2010, the Group entered into an agreement with a vendor, Shenzhen Huifenglian Investment Company Limited* ("SZ Huifenglian") to acquire 100% of the issued share capital of Shenzhen Hong Long Real Estate Company Limited* ("SZ HL Real Estate") since SZ Huifenglian and SZ HL Real Estate failed to repay to the Group of approximately RMB2,001,000 and RMB214,850,000 respectively and was in difficulty to raise funds for their property development project. The consideration of approximately RMB2,001,000 was satisfied by the offset against the same amount due by SZ Huifenglian. SZ HL Real Estate is an investment holding company, which together with its 52% subsidiaries, Huizhou Dayawan Yonghao Company Limited* ("HZ Dayawan Yonghao") and Huizhou Hongye Investment Development Company Limited* ("HZ Hongye") (collectively referred to as "SZ HL Real Estate Group") are principally engaged in property development.

The acquisition was completed on 23 April 2010. The Group recognised a gain on bargain purchase of approximately RMB123,979,000 in relation to this business combination. The directors of the Company are of the opinion that the gain on bargain purchase was resulted from a forced sale.

The directors consider that this acquisition will allow the Group to increase substantially its land reserves and have an additional and steady income source in the coming years.

* For identification purposes only.

(a) 收購附屬公司

於2010年4月23日，由於深圳市滙豐聯投資有限公司（「深圳滙豐聯」）及深圳市鴻隆置業有限公司（「鴻隆置業」）分別未能償還本集團約人民幣2,001,000元及人民幣214,850,000元且難以為其物業開發項目籌集資金，故本集團與賣方深圳滙豐聯訂立一項協議，以收購鴻隆置業的100%已發行股本。代價約人民幣2,001,000元乃以抵銷深圳滙豐聯應付等額的方式支付。鴻隆置業為投資控股公司，連同其擁有52%權益的附屬公司惠州大亞灣永昊實業有限公司（「惠州大亞灣永昊」）及惠州宏業投資開發有限公司（「惠州宏業」）（統稱「鴻隆置業集團」）主要從事物業發展項目。

該收購事項於2010年4月23日完成。本集團就此業務合併確認識議價購買收益約人民幣123,979,000元。本公司董事認為，議價購買收益乃因強迫出售所致。

董事認為，該收購事項將使本集團大幅增加土地儲備，並於未來數年擁有額外穩定收入來源。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

36. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

36. 綜合現金流量表附註 (續)

(a) Acquisition of subsidiaries (Cont'd)

The fair value of the identifiable assets and liabilities of SZ HL Real Estate Group acquired as at the date of acquisition is as follows:

(a) 收購附屬公司(續)

所收購的鴻隆置業集團可識別資產及負債於收購日期的公允值如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,340
Other assets	其他資產	608
Available-for-sale financial assets	可供出售金融資產	2,500
Trading securities	買賣證券	1,000
Inventories	存貨	1,241,621
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	34,887
Pledged deposits	抵押存款	10,496
Bank and cash balances	銀行及現金結餘	3,220
Trade and other payables, and accruals	應付賬款、其他應付款及預提費用	(315,094)
Amounts due to the Group	應付本集團款項	(259,936)
Bank and other borrowings	銀行及其他借貸	(400,000)
Deferred tax liabilities	遞延稅項負債	(81,096)
Net assets	資產淨值	240,546
Non-controlling interests	非控股權益	(114,566)
Gain on bargain purchase in respect of business combination	業務合併的議價購買收益	(123,979)
		<u>2,001</u>
Satisfied by:	以下列方式支付：	
Consideration offsetting against the Group's receivable	抵銷本集團應收款項的代價	<u>2,001</u>
Net cash inflow arising on acquisition:	收購產生的現金流入淨額：	
Cash and cash equivalents acquired	所購入的現金及現金等價物	<u>3,220</u>

The non-controlling interest recognised at the acquisition date was measured by the non-controlling shareholders' proportionate share of the net fair value of the identifiable assets and liabilities of HZ Dayawan Yonghao and HZ Hongye at the acquisition date.

於收購日期確認的非控股權益乃以非控股權益按比例應佔惠州大亞灣永昊及惠州宏業可識別資產及負債於收購日期的公允淨值計量。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

36. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(a) Acquisition of subsidiaries (Cont'd)

SZ HL Real Estate Group's contribution of turnover and loss to the Group since the date of acquisition and up to 31 December 2010 are as follows:

Turnover contribution	營業額貢獻
Loss contribution	虧損貢獻

The contribution of turnover and loss to the Group for the year ended 31 December 2010 as if the acquisition had been completed on 1 January 2010 are as follows:

Turnover contribution	營業額貢獻
Loss contribution	虧損貢獻

The above proforma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations that actually would have been achieved had the acquisition been completed on 1 January 2010, nor is intended to be a projection of future results.

On 10 November 2010, the Group entered into an agreement to dispose of its entire 52% equity interest in HZ Dayawan Yonghao and HZ Hongye. The directors consider that the disposal represented a good opportunity for the Group to realise its investments in HZ Dayawan Yonghao and HZ Hongye and to relocate its resources to other investments which may generate higher returns to the Group.

36. 綜合現金流量表附註 (續)

(a) 收購附屬公司(續)

鴻隆置業集團自收購日期起至2010年12月31日止對本集團貢獻的營業額及虧損如下：

RMB'000
人民幣千元

Turnover contribution	營業額貢獻	-
Loss contribution	虧損貢獻	4,033

假設收購事項已於2010年1月1日完成，於截至2010年12月31日止年度對本集團貢獻的營業額如下：

RMB'000
人民幣千元

Turnover contribution	營業額貢獻	-
Loss contribution	虧損貢獻	6,461

上述備考資料僅供說明，未必表示假設收購事項於2010年1月1日完成時實際達致的營業額及經營業績，亦並非對未來業績的預測。

於2010年11月10日，本集團訂立一項協議出售於惠州大亞灣永昊及惠州宏業的全部52%股權。董事認為，出售事項為本集團提供良機，可變現於惠州大亞灣永昊及惠州宏業的投資，並調配資源至可為本集團帶來較高回報的其他投資。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

36. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

36. 綜合現金流量表附註 (續)

(b) Disposal of subsidiaries

During the year ended 31 December 2010, the Group disposed of its entire 52% equity interest in HZ Dayawan Yonghao and HZ Hongye, 82% equity interest in Huizhou Yintaida Company Limited* and 100% equity interest in Hong Long Xingye Investment Company Limited*. Net assets of the above subsidiaries being disposed of at the date of disposal were as follows:

(b) 出售附屬公司

於截至2010年12月31日止年度，本集團出售於惠州大亞灣永昊及惠州宏業的全部52%股權、於惠州市銀泰達實業有限公司的82%股權及於深圳市鴻隆興業投資有限公司的100%股權。出售的上述附屬公司於出售日期的資產淨值如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,471
Other assets	其他資產	448
Deferred tax assets	遞延稅項資產	7,568
Inventories	存貨	1,713,693
Trade and other receivables	應收賬款及其他應收款	192,598
Amount due from the Group	應收本集團款項	18,000
Current tax assets	流動稅項資產	1,912
Pledged deposits	抵押存款	27,212
Bank and cash balances	銀行及現金結餘	27,500
Trade and other payables, and accruals	應付賬款、其他應付款及預提費用	(470,462)
Receipts in advance	預收賬款	(108,037)
Amounts due to the Group	應付本集團款項	(289,052)
Bank and other borrowings	銀行及其他借貸	(811,000)
Deferred tax liabilities	遞延稅項負債	(81,096)
Net assets disposed of	所出售的資產淨值	231,755
Non-controlling interests	非控股權益	(111,373)
Waiver of debts	免除債務	289,052
Gain on disposal of subsidiaries	出售附屬公司收益	200,801
Total consideration – satisfied by cash	總代價－以現金支付	610,235
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Cash consideration received	已收現金代價	456,308
Cash and cash equivalents disposed of	所出售的現金及現金等價物	(27,500)
		428,808

* For identification purposes only.

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

36. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(c) Major non-cash transactions

Included in other payables and accruals are amounts of approximately RMB20,835,000 and RMB66,886,000 representing a short-term advance and an accrued upfront fee in relation to credit note issued by the Company, respectively, which have been settled by the issuance of 105,000,000 ordinary shares of the Company at an issue price of HK\$0.95 per ordinary shares.

During the current year, credit note of approximately RMB200,808,000 was settled directly by another loan raised with the same principal amount.

Included in additions to investment properties during the year is an amount of approximately RMB27,776,000 which was transferred from inventories.

During the current year, an advance from a third party of approximately RMB30,000,000 included in trade and other payables, and accruals at 31 December 2009 were transferred to receipts in advance for purchase of certain completed properties of the Group.

During the current year, the deposit paid of approximately RMB32,600,000 in prior year was transferred to available-for-sale financial assets.

Details of scrip dividend in lieu of cash are set out in note 32(d) to the financial statements.

36. 綜合現金流量表附註 (續)

(c) 主要非現金交易

計入其他應付款及預提費用的約人民幣20,835,000元及人民幣66,886,000元分別指短期墊款及有關本公司發行信貸票據的前期費用，並以發行價每股普通股0.95港元發行本公司105,000,000股普通股的方式結付。

於本年度，信貸票據約人民幣200,808,000元乃由籌集的等額本金其他貸款直接結付。

年內投資物業增加包括轉撥自存貨的約人民幣27,776,000元。

於本年度，一筆於2009年12月31日計入應付賬款、其他應付款及預提費用的第三方墊款約人民幣30,000,000元已轉撥至用於購買本集團若干竣工物業的預收賬款。

於本年度，過往年度已付按金約人民幣32,600,000元已轉撥至可供出售金額資產。

以股代息詳情載於財務報表附註32(d)。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

37. CONTINGENT LIABILITIES

- (a) At 31 December 2010, the Group provided guarantees to certain banks in respect of mortgage facilities granted in connection with the mortgage loans entered into by purchasers of the Group's properties as follows:

Guarantees given to banks for mortgage facilities granted to purchasers 就買方獲授按揭融資額度向銀行提供擔保

Pursuant to the terms of the guarantees, if there are any defaults on the mortgages, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulting purchasers to banks. The Group is then entitled to take over the legal title and possession of the related properties. The guarantees shall be released in accordance with the terms of the guarantee contracts, such as:

- (i) upon the issue of the relevant purchaser's property ownership certificate and in the custody of the bank; or
- (ii) up to a maximum of two years after the full repayment of mortgage loan by the relevant purchaser.

At 31 December 2010, the directors do not consider it probable that a claim will be made against the Group under the above guarantees.

The fair value of the guarantees at date of inception is not material and is not recognised in the financial statements.

- (b) At 31 December 2010, the Group provided guarantees to certain banks and financial institutions to the extent of RMB1,131,000,000 in respect of loan facilities granted to certain subsidiaries which had been disposed of during the year ended 31 December 2010. The maximum liability of the Group, at 31 December 2010, under the guarantees was the total facilities utilised by the disposed subsidiaries as at the same date which amounted to approximately RMB756,000,000. The guarantees shall be released, in accordance with the terms of the guarantee contracts, up to a maximum of two years after the full repayment of the loans.

37. 或然負債

- (a) 於2010年12月31日，本集團就有關本集團物業買家訂立的按揭貸款而授出的按揭融資額度，向若干銀行提供擔保如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
332,810	370,000

根據擔保之條款，倘按揭出現違約情況，本集團須負責償還違約買方結欠銀行之未償還按揭本金連同應計利息及罰款。本集團之後有權接管相關物業的法定業權及所有權。有關擔保將根據擔保合約條款解除，如：

- (i) 相關買方的房屋所有權證獲頒發及由銀行保管；或
- (ii) 相關買家悉數償還按揭貸款後最多兩年。

於2010年12月31日，董事認為本集團因上述擔保而面臨索償的機會不大。

有關擔保於提供日期之公允值並不重大，因此並無於財務報表確認。

- (b) 於2010年12月31日，本集團就授予若干(已於截至2010年12月31日止年度出售)附屬公司的貸款融資向若干銀行及金融機構提供擔保達人民幣1,131,000,000元。本集團2010年12月31日於擔保下的最高負債，為該已出售附屬公司於同日所動用的融資總額約人民幣756,000,000元。該擔保將根據擔保合約條款，即悉數償還按揭貸款後最多兩年內解除。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

37. CONTINGENT LIABILITIES (CONT'D)

(b) (Cont'd)

At 31 December 2010, the directors do not consider it probable that a claim will be made against the Group under the above guarantees since the loan facilities were also secured by certain certificates of land use rights of lands owned by the disposed subsidiaries and 100% equity interest of a disposed subsidiary.

The fair value of the guarantees at date of inception is not material and is not recognised in the financial statements.

(c) At 31 December 2010, the Group provided guarantee and pledged certain of its investment properties with carrying amount of approximately RMB119,100,000 to a bank regarding a loan facility of RMB95,000,000 granted to a tenant of the Group. The maximum liability of the Group, at 31 December 2010, under the guarantee was the loan amount outstanding as at the same date of approximately RMB95,000,000. The guarantee and the charged assets shall be released, in accordance with the terms of the guarantee contract, up to a maximum of two years after the full repayment of the loan.

At 31 December 2010, the directors do not consider it probable that a claim will be made against the Group under the above guarantee. The directors believe that all the outstanding amounts will be settled by the tenant upon maturity. In addition, the Group also owed approximately RMB95,000,000 to the tenant as at year end. If there is any default payment of loan by the tenant, the Group is responsible to repay the outstanding loan principal together with accrued interest and penalty owed by the tenant to the bank. The directors indicated that, in the event of default payment by the tenant, the Group would then withhold the repayment of its loan due to the tenant.

The fair value of the guarantee at date of inception is not material and is not recognised in the financial statements.

37. 或然負債(續)

(b) (續)

於2010年12月31日，因有關擔保亦以該已出售的附屬公司所擁有的若干土地使用權證書及該已出售的附屬公司的全部股權作抵押，董事認為本集團因上述擔保而面臨索償的機會不大。

有關擔保於提供日期之公允值並不重大，因此並無於財務報表確認。

(c) 於2010年12月31日，本集團就授予本集團一個租戶的貸款融資人民幣95,000,000元向一間銀行提供擔保及以其賬面值約人民幣119,100,000元的若干投資物業作抵押。本集團2010年12月31日於擔保下的最高負債，為同日未償還貸款約人民幣95,000,000元。該擔保及抵押資產將根據擔保合約條款，即悉數償還貸款後最多兩年內解除。

於2010年12月31日，董事認為本集團因上述擔保而面臨索償的機會不大。董事認為該租戶將於到期時償還所有未付款項。此外，截至年底，本集團亦欠該租戶約人民幣95,000,000元。倘該租戶拖欠貸款，本集團須負責償還該租戶結欠銀行之未償還貸款本金連同應計利息及罰款。董事表示，倘該租戶出現違約，本集團隨後將暫緩償還其應付該租戶的貸款。

有關擔保於提供日期之公允值並不重大，因此並無於財務報表確認。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

37. CONTINGENT LIABILITIES (CONT'D)

- (d) At 31 December 2010, the Group provided guarantee to a bank regarding a loan facility of approximately RMB50,000,000 for a business associate. The maximum liability of the Group, at 31 December 2010, under the guarantee was the loan amount outstanding at that date of approximately RMB50,000,000. The guarantee shall be released, in accordance with the terms of the guarantee contract, up to a maximum of two years after the full repayment of the loan.

At 31 December 2010, the directors do not consider it probable that a claim will be made against the Group under the above guarantee since the loan facility was also secured by certain property ownership certificates of properties owned by a director of the Company, Mr. ZENG Yunshu or a resigned director of the Company, Mr. ZENG Sheng or a company independent of the Group.

In view of the above, the directors are of the opinion that the fair value of the guarantee at date of inception is not material and is not recognised in the financial statements.

- (e) Pursuant to a purchase agreement of land use right and a supplement agreement both dated 31 January 2008, if the Group cannot complete the underlying property development project at Chaohu City, Anhui Province, the PRC ("Chaohu Project") on or before 31 December 2010, the vendor shall charge the Group a daily penalty of 0.1% on the land premium amount. At 31 December 2010, the Group experienced a delay in the construction progress and would not be able to meet the contractual construction completion date. However, up to the date of the approval of the financial statements, the Group has not received any enforcement notice from the vendor in relation to the above. Based on past experience, the directors are of the opinion that the first phase of Chaohu Project shall be completed in 2011 and the Group will not be subject to any penalties relating to the delay in the contractual construction completion date. Hence, no provision has been made in the financial statements.

37. 或然負債(續)

- (d) 於2010年12月31日，本集團就業務相關人士的貸款融資約人民幣50,000,000元向一間銀行提供擔保。本集團2010年12月31日於擔保下的最高負債，為同日未償還貸款約人民幣50,000,000元。該擔保及抵押資產將根據擔保合約條款，即悉數償還貸款後最多兩年內解除。

於2010年12月31日，因有關擔保亦以本公司一名董事曾雲樞先生或本公司一名辭任董事曾勝先生或獨立於本集團的一間公司所擁有的若干物業業權證書抵押，董事認為本集團因上述擔保而面臨索償的機會不大。

鑒於以上所述，董事認為有關擔保於提供日期之公允值並不重大，因此並無於財務報表確認。

- (e) 根據日期均為2008年1月31日的土地使用權購買協議及補充協議，倘本集團於2010年12月31日或之前未能完成於中國安徽省巢湖市的相關物業發展項目(「巢湖項目」)，賣方應按土地出讓金數額0.1%的向本集團收取每日罰款。於2010年12月31日，本集團遇到施工進度延期，未能達到合同竣工日期。然而，截至財務報表批准日期，本集團尚未就上述事項收到賣方任何執行通知。根據過往經驗，董事認為，巢湖項目第一期將於2011年完成及本集團將不會就有關合同竣工日期延期受到任何處罰。因此，並無於財務報表作出撥備。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

37. CONTINGENT LIABILITIES (CONT'D)

- (f) During the year ended 31 December 2009, an action was brought by a property management company against two subsidiaries of the Group for the recovery of a loss of approximately RMB1,278,000 suffered by the said property management company. Based on the legal advice obtained, the directors of the Company believe that the Group has reasonable good chances of successfully defending this action. Hence, no provision has been made in the financial statements.

38. LEASE COMMITMENTS

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

Within one year	一年內
In the second to fifth years inclusive	二至五年(含五年)
After five years	五年以上

At 31 December 2010 the total future minimum sublease payments expected to be received under non-cancellable subleases amounted to approximately RMB37,316,000 (2009: RMB32,202,000).

Operating lease payments represent rentals payable by the Group for its offices, staff quarters and sub-leased properties. Leases are typically negotiated for periods from two to fifteen years and do not include contingent rentals.

During the year, approximately RMB7,531,000 (2009: RMB8,220,000) was recognised in profit or loss as rental expenses in respect of sub-leased properties.

37. 或然負債(續)

- (f) 於截至2009年12月31日止年度，一間物業管理公司對本集團兩間附屬公司提起訴訟以收回上述物業管理公司的蒙受的損失約人民幣1,278,000元。根據所取得之法律意見，本公司董事認為本集團有合理的機會於該訴訟中勝訴。因此，並無於財務報表作出撥備。

38. 租賃承擔

於2010年12月31日，不可撤銷經營租賃下應付日後最低租賃款項總額如下：

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
11,535	8,887
34,929	29,306
19,059	23,157
65,523	61,350

於2010年12月31日，根據不可撤銷分租應收的日後最低租賃款項總額約為人民幣37,316,000元(2009年：人民幣32,202,000元)。

經營租賃款項指本集團就其寫字樓、員工宿舍及分租物業應付的租金。租賃通常協定二至十五年期間，且不包括或然租金。

於本年度，約人民幣7,531,000元(2009年：人民幣8,220,000元)已於損益內確認為分租物業的租金開支。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

39. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions and balances with related parties during the year:

(a) Key management personnel compensation

The key management personnel of the Group comprises all directors, details of their emoluments were disclosed in note 13 to the financial statements.

(b) Transactions with related parties

Sale of a completed property to a close family member of a director of the Company, Mr. ZHANG Yijun at a consideration of approximately RMB2,920,000.

Sale of a motor vehicle to a director of the Company, Mr. ZENG Sheng, resigned on 14 January 2011, at a consideration of approximately RMB340,000.

(c) Balances with related parties

Included in trade and other receivables
Prepayments of construction materials to a related party, which is beneficially owned and controlled by Mr. ZENG Yunshu

Included in trade and other payables, and accruals
Amount due to a related party, which is beneficially owned and controlled by Mr. ZENG Yunshu

計入應收賬款及其他應收款
向一名關連人士(由曾雲樞先生實益擁有及控制)
預付建築材料款項

計入應付賬款、其他應付款及預提費用
應付一名關連人士(由曾雲樞先生實益擁有及控制)款項

39. 關連人士交易

除於財務報表其他地方披露的該等關連人士交易及結餘外，本集團與關連人士於年內之交易及結餘如下：

(a) 主要管理人員薪酬

本集團的主要管理人員包括所有董事，彼等的薪酬詳情披露於財務報表附註 13。

(b) 與關連人士的交易

以代價約人民幣 2,920,000 元向本公司一名董事張宜均先生的直系親屬出售竣工物業。

以代價約人民幣 340,000 元向本公司一名董事曾勝先生(於 2011 年 1 月 14 日辭任)出售汽車。

(c) 與關連人士的結餘

2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
1,136	1,538
200	-

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

40. PRINCIPAL SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets and liabilities of the Group. To give details of other subsidiaries would in the opinion of the directors, result in particulars of excessive length. The class of shares held is ordinary unless otherwise stated.

40. 主要附屬公司

下表僅載列主要影響本集團業績、資產及負債的附屬公司的詳情。董事認為，提供其他附屬公司詳情將導致有關詳情過於冗長。除另有說明外，所持有的股份類別為普通股。

Name of subsidiaries 附屬公司名稱	Place of incorporation or registration 註冊成立/登記地點	Place of operation 經營地點	Issued and paid up capital 已發行及實繳資本	Percentage ownership interest/ voting power/ profit sharing 應佔擁有權權益/ 投票權/溢利百分比		Principal activities 主要業務	Legal form 法定形式
				Direct 直接 %	Indirect 間接 %		
Access Achievement Limited	BVI 英屬處女群島	The PRC 中國	US\$10,000 10,000美元	100	-	Investment holding 投資控股	Private limited liability company 私人有限公司
Hong Long Property Group Company Limited * 鴻隆地產集團有限公司	The PRC 中國	The PRC 中國	RMB299,000,000 人民幣 299,000,000 元	-	100	Property development and property investment 物業開發及物業投資	Wholly foreign-owned enterprise 外商獨資企業
Shenzhen Hong Long Commercial Management Company Limited * 深圳市鴻隆商業管理有限公司	The PRC 中國	The PRC 中國	RMB10,680,000 人民幣 10,680,000 元	-	100	Property leasing and sub-leasing 物業租賃及轉租	Limited liability company 有限公司
Zhangjiakou Centre Way Real Estate Development Company Limited * 張家口中惠房地產開發有限公司	The PRC 中國	The PRC 中國	HK\$20,000,000 20,000,000 港元	-	100	Property development 物業開發	Wholly foreign-owned enterprise 外商獨資企業

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

40. PRINCIPAL SUBSIDIARIES (CONT'D)

40. 主要附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation or registration 註冊成立/登記地點	Place of operation 經營地點	Issued and paid up capital 已發行及實繳資本	Percentage ownership interest/ voting power/ profit sharing 應佔擁有權權益/ 投票權/溢利百分比		Principal activities 主要業務	Legal form 法定形式
				Direct 直接 %	Indirect 間接 %		
Meizhou Hong Long Shi Ye Company Limited * 梅州鴻隆實業有限公司	The PRC 中國	The PRC 中國	RMB50,000,000 人民幣50,000,000元	-	100	Property development 物業開發	Limited liability company 有限公司
Xingning Hong Long Property Development Company Limited * 興寧市鴻隆房地產實業有限公司	The PRC 中國	The PRC 中國	RMB230,000,000 人民幣230,000,000元	-	100	Property development 物業開發	Wholly foreign-owned enterprise 外商獨資企業
Shenzhen City Zirui Real Estate Development Company Limited * ("SZ Zirui") 深圳市紫瑞房地產開發有限公司 (「深圳紫瑞」)	The PRC 中國	The PRC 中國	RMB21,000,000 人民幣21,000,000元	-	# 100	Property development 物業開發	Limited liability company 有限公司
Shenzhen Hong Long Real Estates Company Limited * 深圳市鴻隆置業有限公司	The PRC 中國	The PRC 中國	RMB10,000,000 人民幣10,000,000元	-	100	Property development 物業開發	Limited liability company 有限公司

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

40. PRINCIPAL SUBSIDIARIES (CONT'D)

40. 主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation or registration 註冊成立/登記地點	Place of operation 經營地點	Issued and paid up capital 已發行及實繳資本	Percentage ownership interest/ voting power/ profit sharing		Principal activities 主要業務	Legal form 法定形式
				應佔擁有權權益/ 投票權/溢利百分比			
				Direct 直接 %	Indirect 間接 %		
Shenyang Hong Long Real Estates Company Limited * 瀋陽鴻隆置業有限公司	The PRC 中國	The PRC 中國	RMB2,000,000 人民幣2,000,000元	-	100	Property development 物業開發	Limited liability company 有限公司
Shenzhen Yiurui Investment Development Company Limited * 深圳市饒瑞投資發展有限公司	The PRC 中國	The PRC 中國	RMB1,000,000 人民幣1,000,000元	-	100	Property development 物業開發	Limited liability company 有限公司
Hong Long Winfinder (Shenyang) Real Estates Company Limited * 鴻隆致勝(瀋陽)置業有限公司	The PRC 中國	The PRC 中國	HK\$74,000,000 74,000,000港元	-	100	Property development 物業開發	Wholly foreign-owned enterprise 外商獨資企業
Chaohu Boshing Tourism Development Company Limited * 巢湖寶昇旅遊開發有限公司	The PRC 中國	The PRC 中國	US\$2,790,800 2,790,800美元	-	100	Property development 物業開發	Wholly foreign-owned enterprise 外商獨資企業

* For identification purposes only.

The Group acquired 90% of the equity interest of SZ Zirui in 2008. According to the share transfer agreement entered, the vendor shall transfer the remaining 10% equity interest to the Group upon the delivery of certain properties to the vendor upon completion of construction. However, the vendor shall not share any profits in SZ Zirui and shall not participate in the financial and operating policies of SZ Zirui. Hence, the Group regards SZ Zirui as a wholly-owned subsidiary.

本集團於2008年收購深圳紫瑞的90%股權。根據股份轉讓協議，賣方將於向賣方交付若干竣工物業後向本集團轉讓餘下10%股權。然而，賣方不得分佔深圳紫瑞的任何溢利，且不得參與制訂深圳紫瑞的財務及營運政策。故此，本集團將深圳紫瑞視為全資附屬公司。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The major changes included the reclassification of prepaid land costs previously disclosed as a separate item in the consolidated statement of financial position now being classified under trade and other receivables; the reclassification of warrants previously classified under trade and other payables, and accruals now being presented as a separate item in the consolidated statement of financial position; and the reclassification of cash flows from purchases and sales of trading securities previously classified as investing activities in the consolidated statement of cash flows now being classified as operating activities. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

41. 比較數字

若干比較數字已重新分類以符合本年度呈列規定。主要變更包括將先前於綜合財務狀況表披露為單獨項目的預付土地款重新分類，現列入應收賬款及其他應收款；將先前分類為應付賬款、其他應付賬款及預提費用的認股權證重新分類，現呈列為綜合財務狀況表的單獨項目；及將先前分類為綜合現金流量表投資活動的來自購買及出售買賣證券的現金流量重新分類，現列入經營活動。會計項目的重新分類被認為能為本集團事務提供更合適的呈列。

42. EVENTS AFTER THE REPORTING PERIOD

- (a) In March 2011, the Group entered into three transfer agreements to dispose of its 90% equity interest in Dongguan Honghua Shiye Investment Company Limited* and its 100% equity interests in Shenzhen Hong Long Weiye Real Estate Company Limited* and in Shenzhen Yinghua Development Company Limited* at a total consideration of approximately RMB52,800,000. The disposals were completed in March 2011.
- (b) In March 2011, the Group entered into a sale and purchase agreement to dispose of its office premises in the PRC at a consideration of approximately RMB3,734,000. The disposal was completed in March 2011.

* For identification purposes only

42. 報告期後事項

- (a) 於2011年3月，本集團訂立三份轉讓協議，以出售其於東莞市鴻華實業投資有限公司的90%股權及其於深圳市鴻隆偉業房地產有限公司和深圳市英華實業發展有限公司的100%股權，總代價約為人民幣52,800,000元。出售事項已於2011年3月完成。
- (b) 於2011年3月，本集團訂立買賣協議，以代價約人民幣3,734,000元出售其在中國的寫字樓物業。出售事項已於2011年3月完成。

43. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2011.

43. 批准財務報表

董事會已於2011年3月31日批准並授權刊發財務報表。



鴻隆控股
HONG LONG
Holdings