

# Welling

威靈控股有限公司  
WELLING HOLDING LIMITED

Stock Code 股份代號: 0382

Annual  
Report 2011  
年報



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## DIRECTORS

### Executive Directors

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

### Independent Non-executive Directors

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

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

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

## EXECUTIVE COMMITTEE

Mr. CAI Qiwu (*Chairman*)  
Mr. JIANG Deqing  
Mr. QU Fei  
Mr. CHEN Jianhong  
Ms. YUAN Liqun  
Mr. LI Jianwei  
Mr. ZHENG Weikang

## 董事

### 執行董事

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

### 獨立非執行董事

譚勁松先生  
林明勇先生  
陳春花女士

## 審核委員會

譚勁松先生(*主席*)  
林明勇先生  
陳春花女士

## 薪酬委員會

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

## 提名委員會

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

## 行政委員會

蔡其武先生(*主席*)  
姜德清先生  
瞿飛先生  
陳建紅先生  
袁利群女士  
栗建偉先生  
鄭偉康先生

## COMPANY SECRETARY

Ms. TANG Wai Ying, Tracy *CPA FCCA*

## REGISTERED OFFICE

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

## LEGAL ADVISERS

Paul, Hastings, Janofsky & Walker  
21-22/F, Bank of China Tower  
1 Garden Road  
Hong Kong

## AUDITOR

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

## PRINCIPAL BANKERS

Bank of China Ltd.  
Agricultural Bank of China Limited  
Industrial and Commercial Bank of China Ltd.  
China Merchants Bank Co., Ltd.  
Bank of Communications Co., Ltd.

## SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

## WEBSITE ADDRESS

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

## STOCK CODE

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## 公司秘書

鄧惠英女士 *CPA FCCA*

## 註冊辦事處

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九龍  
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海港城港威大廈  
第6座39樓3904室

## 法律顧問

普衡律師事務所  
香港  
花園道1號  
中銀大廈21-22樓

## 核數師

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

## 主要銀行

中國銀行股份有限公司  
中國農業銀行股份有限公司  
中國工商銀行股份有限公司  
招商銀行股份有限公司  
交通銀行股份有限公司

## 股份過戶登記處

香港中央證券登記有限公司  
香港  
灣仔皇后大道東183號  
合和中心17M樓

## 公司網址

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

## 股份代號

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#### Annual Profit

The audited profit attributable to the owners of Welling Holding Limited (the "Company") and earnings per share of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2011 (the "Year") amounted to approximately HK\$607,563,000 (2010: approximately HK\$532,338,000) and HK21.56 cents (2010: HK19.12 cents) respectively, representing a profit growth of 14.1% as compared to the results of last year. Our gross profit margin for year 2011 decreased to approximately 11.5% (2010: approximately 13.0%).

#### Overview

Year 2011, which marked the first year of the 12th Five Year Plan period, was also an extremely complicated year for business operations of enterprises. The business environment has been dealt a heavy blow by the slowdown in global economy, which had been impacted by the sovereign debt crisis in Europe and the debt crisis in the U.S.. High inflation in the PRC, restrained investments in the property sector (with which the home appliance industry was closely associated) under government measures to control excessive growth and those favourable national policies for the home appliance industry coming to a conclusion, such as the "Subsidy for Energy Efficient Appliances", the "Home Appliances Replacement Subsidy" and the "Home Appliances Subsidy for Rural Areas" (for the first pilot zones including the provinces of Shandong, Henan, Sichuan and the city of Qingdao) combined to result in significantly contracted demand for home appliances during the second half of the year. The previous boom of the industry dramatically reversed with overall inventory level reaching a historical high, which indicated the onset of a major correction period for the industry. The market for intermediate components of home appliances also underwent a significant turn.

To address such challenging conditions, we took resolute actions and commenced preemptive planning for strategic transformation based on our unambiguous judgment of the situation.

#### 全年利潤

威靈控股有限公司(「本公司」)及其附屬公司(合稱「本集團」)截至二零一一年十二月三十一日止年度(「本年度」)經審核本公司擁有人應佔利潤為約港幣607,563,000元(二零一零年：約港幣532,338,000元)，及每股盈利為21.56港仙(二零一零年：19.12港仙)；利潤較去年增長14.1%。本集團二零一一年之毛利率下降至約11.5%(二零一零年：約13.0%)。

#### 業務概覽

二零一一年是「十二五」時期開局之年，也是企業經營運行中極其複雜的一年。歐債、美債危機及全球經濟減速，企業經營的外部環境受到嚴重衝擊。國內通脹高企，與家電產業相關聯的房地產行業在國家政策調控下投資開始緊縮，加之「節能補貼」、「以舊換新」及「家電下鄉」(包括山東、河南、四川及青島等首批試點省份)等相關國策的退出，導致家電行業需求在下半年出現明顯萎縮，先前行業高景氣度也出現逆轉，整體庫存創歷史新高，行業發展步入調整時期。與家電終端產品相配套的中間產品也經歷了轉折性變化。

面對嚴峻的發展形勢，本集團認清形勢，果斷出擊，前瞻性佈局戰略轉型工作。



In product mix adjustment, we have continued to strengthen the management of strategic products (including direct current motors, commercial motors, servo motors and motors for small home appliances etc) with increased investment inputs, with an intention to make these strategic products becoming the key driver for our business transformation. While the weight of strategic products in terms of sales revenue contribution steadily increased in recent years, we have continued to consolidate our cooperation with some internationally renowned companies, such as our collaboration in servo motors with Sanyo Denki Co., Ltd. of Japan, an expert in servo motors that owns advanced manufacturing technologies in related areas, which would be conducive to our Group's proprietary development and manufacture of servo motors; and our collaboration in pump products and high-efficiency motors with Sanso Electric Co., Ltd., a Japanese company primarily engaged in the research, development and manufacturing of pumps and high-efficiency motor products and in possession of sophisticated technologies in these areas. Coupled with the Group's strengths in market development, such cooperation helped achieve the strategic goal of allowing both parties to "complement each other and pursue development in a manner mutually beneficial". Moreover, we have also enhanced the cooperation and exchange with some other Japanese companies in connection with vehicle motors, and overall progress has been noted.

For the customer development, we have continued to enhance our efforts in expanding our outside customer bases. We expedited market development for commercial air-conditioning motors in the American markets and secured major breakthroughs in increasing businesses with key customers. Small-volume orders were received for garage door motors, while the customer base structure for direct current motors was further enriched. We have also started commercial supply of certain small home appliances motors to some internationally renowned home appliance makers.

From the perspective of technology innovation, we have continued to advance the construction of facilities of Shanghai R & D Centre. As at the date of this report, 20 research specialists have been deployed at the Centre, one of whom is a Ph.D. degree holder and the remaining nineteen specialists are Master's degree holders. The Centre concentrates its resources for the development of new high energy efficient products, mainly for the development of products including direct current brushless refrigerator compressor motors, EPS (Electric Power Steering) motors, servo motors and rotary converters etc, and substantive progress has been made. The Centre has filed the applications for registration of patent rights for six items and has been invited to participate in the 14th International Conference on Electrical Machines and Systems.

在產品結構調整方面，繼續強化戰略產品(包括直流電機、商用電機、伺服電機及小家電電機等)的管理，加大投入，將戰略產品的管理作為經營轉型的突破口來抓，近幾年戰略產品佔銷售收入比重穩步提升；同時，繼續鞏固與國際知名企業的合作，包括與日本山洋電器株式會社在伺服電機方面的合作，彼乃伺服電機專家，擁有相關的先進製造技術，透過合作有助本集團開發製造伺服電機；及與日本三相電機株式會社在泵類產品及高效電機方面的合作，日本三相電機主要從事泵類產品以及高效電機產品的研發製造，具備成熟的產品研發製造技術，結合本集團的市場拓展能力，雙方合作能夠達到「優勢互補，共贏發展」的戰略目的。此外，亦加強與日本企業在汽車電機領域的交流合作，總體已取得一些進展。

在客戶拓展方面，繼續加大外部客戶拓展，商用空調電機在美洲市場拓展步伐已加快，重點客戶拓展已取得重大突破，車庫門用電機已獲得小批供貨，直流電機客戶結構也進一步豐富；部分小家電電機已成功為一些國際著名家電企業批量供貨等。

在技術創新方面，繼續加快推進上海研發中心建設，截至目前，中心已配備二十名專業研究人員，其中博士一人，碩士十九人；集中資源開發高效節能新產品，主要開發產品如直流無刷冰壓機電機、電動助力轉向系統(EPS: Electric Power Steering)電機、伺服電機、旋轉變壓器等產品已取得實質性進展。中心現已申報專利六項，應邀參加第十四屆國際電機與系統會議。

With regard to the enhancement of product quality, we have strengthened the building of our quality management system by implementing the total quality management model. Through the annual survey of customer satisfaction, a customer feedback mechanism has been built to obtain timely knowledge of customers' needs. We have built a strong reputation in the industry for the quality of our products, underpinned by persistent improvements over the years.

Under our investment management, we exercised stringent control over our investment scale and slowed down the pace of investments in line with the current conditions of economic development. Investment focus will be put on the development of high-value-added products and the technological upgrade and efficiency improvement of principal products. With the completion of the acquisition of 常州弘祿華特電機有限公司 (Changzhou Honglu Huate Electric Co., Ltd.), a manufacturer specialised in the production of commercial air-conditioning motors, during the year, we could enhance our development strengths and cost control advantage in commercial motors, and optimise the layout of our product lines as well while taking full advantage of resources integration.

All in all, the Group reported stable growth in business scale and profit in 2011 through the implementation of a series of measures. Our position in the industry and market share for principal products have been effectively fortified and a firmer foundation has been laid for future transformation and growth.

### Outlook

2012 will be an important year in the 12th Five Year Plan period to carry on what have been started and prepare for those in the pipeline. It is also a crucial year for the Group's endeavour to advance its strategic transformation and improve its profitability in all respects. For the time being and in the near future, economic conditions in the PRC and elsewhere remains uncertain, and the economy is likely to be subject to the downside risks. The government policy to regulate the property market will be continuous, which may affect the home appliance industry and other related sectors. However, we should in all soberness realise that opportunities are still there despite certain risks exist in the course of development. The government's current principles in economic development are promoting structural adjustments and transformation, merger and restructuring within the industry are also strongly encouraged. As a leading enterprise, the Group will keep closely with the development direction of the industry, carry on in-depth study on the development trend of the industry, expand actively in new products beyond the existing scope of home appliance motors, such as commercial motors and servo motors etc. Besides, we will expedite the integration of external resources and further enhance our market position and competitiveness in the industry for our principal products. Meanwhile, the Group will keep an eye on any subsequent policies of the government may be announced to drive consumption of home appliance so as to make forward-looking plans.

在產品質量提升方面，強化質量管理體系建設，推行全面質量管理模式，通過年度客戶滿意度調查，建立客戶信息反饋機制，及時了解客戶的需求；產品質量持續提升，在行業內已建立良好口碑。

在投資管理方面，根據現有形勢發展變化，嚴格控制投資規模，放緩速度。投資重心放在高附加值產品開發、主要產品的技改、效率提升上。年內，完成併購專業商用空調電機生產企業常州弘祿華特電機有限公司，強化商用電機的開發及成本控制方面的優勢，以及優化本集團產品線的佈局，充分整合資源優勢。

總的來說，二零一一年本集團通過一系列的措施基本實現了規模、利潤的穩定增長，主導產品行業地位及市場佔有率得到有效鞏固，轉型發展及增長基礎更加穩固。

### 展望未來

二零一二年是「十二五」時期承上啟下的重要一年，也是本集團深入推進戰略轉型、全面提升盈利能力的關鍵一年。當前及未來一段時間國內外經濟形勢仍不明朗，經濟繼續下行的風險依舊存在；房地產調控政策仍將持續，這都將給家電及相關行業帶來影響。然而，我們需清醒的看到，儘管發展中存在一些風險，但是機遇也是存在的。目前國家的發展基調也是調結構、促轉型，大力推進行業內兼併重組，本集團作為家電電機行業的龍頭企業，在關注行業發展動向，深度研究行業發展趨勢的同時，積極拓展家電電機以外的新產品，如商用電機及伺服電機等，加快外部資源整合，繼續提升主導產品市場地位及行業競爭力。同時，本集團也將會進一步關注國家刺激家電消費相關後續政策的出台，加強前瞻佈局。

For 2012, the Group will continue to advance product mix adjustments. The weight of strategic products in terms of revenue contribution will increase substantially and create a positive effect on our overall profit structure. We are going to enhance the development of outside customers to address the problem of dependence on a single large customer for certain products. For some large customers with whom we have had good cooperative relationships for certain existing products, we on the one hand strengthen our relationships with them and at the same time introduce some more other products offered for them in order to mitigate the risks associated with our existing customers profile. We will continue to step up with the construction of facilities of Shanghai R & D Centre and speed up the recruitment of high-calibre, specialised researchers to ensure the proper conduct of research and development of high-value-added products. It is intended to quickly build up reputation in the market and further enhance the core competitiveness of our products. Efforts will be made to improve the distribution of our existing production bases so as to enhance operating efficiency of investment and exercise stringent control over investment risks. Ongoing improvements towards quality management will be sought to ensure high quality products.

Looking ahead, slowdown of global economy is expected to continue and the prospects of developed economy entities is still uncertain, however, there are still great opportunities for business development in emerging economy markets, the Group will adjust its strategies in a timely manner in line with the structure of market demand and strengthen its forward-looking research according to the industry's technological development trends so as to maintain its leading edge amongst peers with an aim at becoming one of the world's excellent suppliers of home appliance motors, energy efficient motors and their related solutions, providing sustainable returns to our shareholders and creating career development opportunities for our staff and greater value for the community.

### Acknowledgement

Last but not least, I would like to express sincere gratitude to the shareholders, customers and business partners for their support, and to the members of the Board, the management team and all employees for their efforts in and contributions to the Group's business development over the past year that have assured its ongoing growth. With concerted efforts from our management and staff, we are prepared to take on any future challenges and excel from strength to strength.

**CAI Qiwu**  
Chairman

9 March 2012

二零一二年，本集團將一如既往繼續加快推進產品結構調整，大幅提升戰略產品收入比重，對整體盈利結構產生積極影響。繼續加大對外部客戶的拓展力度，改變部分產品客戶結構單一問題；針對現有產品已合作較好的大客戶，要繼續鞏固合作基礎，同時要嘗試加快將其他產品打入，從而降低現有客戶結構存在的風險。繼續加強上海研發中心建設，加快專職研究人才的引進力度，推進好高附加值產品的研發工作，盡快在行業建立良好口碑，提升產品的核心競爭力。完善規劃好現有基地佈局，提升投資運作效率，嚴格控制投資風險。繼續完善品質管理，強化產品質量。

展望未來，在全球經濟面臨繼續減速，發達經濟體經濟前景不明朗，新興經濟體仍擁有較大發展機遇的情況下，本集團將會根據市場需求結構及時調整策略，同時根據行業技術發展方向及產品特性加強前瞻性研究，始終保持行業領先優勢，務求成為全球優秀的家電電機、高效節能電機和相關解決方案供應商之一，為股東提供可持續性回報，為員工提供良好的職業發展機會，為社會創造更大的價值。

### 致謝

最後，本人謹借此機會感謝股東、客戶及合作夥伴的支持，感謝各董事，各管理人員及全體員工為本集團的業務發展於過去一年所做出的努力和貢獻，使集團的業務蒸蒸日上。希望管理層與全體員工繼續共同努力，迎向未來挑戰，再創佳績。

主席  
**蔡其武**

二零一二年三月九日



#### Business Review

The Group's profit attributable to the owners of the Company and earnings per share for the year ended 31 December 2011 amounted to approximately HK\$607,563,000 (2010: approximately HK\$532,338,000) and HK21.56 cents (2010: HK19.12 cents) respectively, representing a profit growth of 14.1% as compared to the same period last year.

The Group's turnover from continuing operations for the year ended 31 December 2011 amounted to approximately HK\$10,490,373,000 (2010: HK\$7,235,360,000), representing an increase of approximately 45.0% as compared to the same period last year. The Group's gross profit margin was approximately 11.5% (2010: 13.0%). Net asset value per share of the Group as at 31 December 2011 was HK88.5 cents (2010: HK68.2 cents).

#### Analysis of Major Business Operations

In 2011, there were profound changes in the economic situations both in the PRC and abroad. Global economic growth slowed down mainly as a result of the turmoil in major developed economies because of the sovereign debt crisis in Europe as well as the U.S. debt crisis. While emerging economies managed to sustain growth, the foundation for such growth was not strong enough, as evidenced by generally shrinking exports in the fourth quarter which had a material impact on business. Inflation and quarter-on-quarter decline in the GDP growth rate prevented domestic consumption from growing at full speed. Moreover, the nation had shifted the focus of its development strategy from extensive growth to intensive growth. This strategy was implemented with full force and investment in the property sector slowed down under the policy. Coupled with the expiry of the policies of "Home Appliances Subsidy for Rural Areas" (for certain provinces and cities), "Home Appliances Replacement Subsidy" and "Subsidy for Energy Efficient Appliances", these factors rendered corporate development a challenging task. They also sounded the alarm for related industries which had relied much on such development model in the past, indicating that a period of significant correction has loomed.

#### 業務回顧

截至二零一一年十二月三十一日止年度，本公司擁有人應佔本集團利潤約港幣607,563,000元(二零一零年：約港幣532,338,000元)，及每股盈利為21.56港仙(二零一零年：19.12港仙)，利潤較去年同期增長14.1%。

於截至二零一一年十二月三十一日止年度，本集團持續經營業務的營業額為約港幣10,490,373,000元(二零一零年：港幣7,235,360,000元)，同比上升約45.0%，本集團的毛利率為約11.5%(二零一零年：13.0%)。於二零一一年十二月三十一日，本集團之每股資產淨值為88.5港仙(二零一零年：68.2港仙)。

#### 主要業務經營情況

二零一一年，國內外經濟形勢發生深刻變化，全球經濟增速放緩，主要發達經濟體受歐債美債危機影響動盪不已，新興經濟體雖保持一定程度增長，但增長基礎還不牢固，出口進入第四季度全面萎縮，給企業經營帶來嚴重影響。內需則受通貨膨脹及GDP增速逐季下滑影響未全面提速，加之國家改變發展策略，由原來依靠粗放式增長模式向內涵式增長模式轉變，推行力度加大，房地產受政策影響投資放慢，「家電下鄉」(部分省市)、「以舊換新」、「節能補貼」等相關政策退出等等一系列影響因素都給企業發展帶來挑戰，同時也給相關行業過往的發展模式敲響警鐘，各行業大幅調整的時期已經到來。



In such severe environment, industries relating to the Group's existing products also underwent significant changes in the year. Annual sales growth of the household air-conditioner sector slowed down to 15.1%, while annual sales growth of the commercial air-conditioner sector slowed down to 23.8%, reflecting the impact of a weakened real estate industry. The washing machine sector reported annual sales growth of 10.6% with the highest ownership rate among all related home appliances, as it entered a stage of slower growth compared to previous years when sales were supported by excessive credit spending driven by policy incentives. The refrigerator sector, subject to production overcapacity and decreasing demand, was also undergoing a low-growth period with an annual growth rate of 13.3%. The output value of the small home appliance sector grew at a steady pace of approximately 10%, despite its larger market capacity. Other products have also been affected to various extents. (Source of the aforesaid figures: www.chinalOL.com).

#### 1. Micro Motors Business

The household air-conditioner sector fared strongly during the first six months in 2011 with a 30.9% growth in aggregate sales compared to the same period last year. Market demand fell in the second half of the year after the expiry of the policy of "Subsidy for Energy Efficient Appliances" which coincided with an adverse turn in the general economic conditions. Production capacity of the industry as a whole was excessive while substantial declines were noted in both domestic sales and export sales. As at the end of December, annual domestic sales and export sales of household air-conditioners increased by 17.5% and 12.3%, respectively, as compared to the same period last year. (Source of the aforesaid figures: www.chinalOL.com).

For the year ended 31 December 2011, the Group's micro motors business recorded approximately 93,565,000 units of domestic sales and 11,414,000 units of export sales of micro motors. The aggregate sales volume increased by 34.8% as compared to the same period last year, which continued to outperform the industry average. The micro motors business recorded a turnover of HK\$7,049,296,000 for 2011, which represented an increase of approximately 60.4% as compared to HK\$4,395,039,000 for the same period in 2010. The increase was mainly attributable to the rise in overall selling prices driven by higher raw material prices and the high-priced high-end products accounted for a greater percentage in overall sales as a result of the adjustments to product sales mix. Profit of the micro motors business for 2011 amounted to HK\$430,534,000, which was approximately 25.7% higher as compared to HK\$342,555,000 recorded for the same period in 2010.

在如此嚴峻的環境下，本集團現有產品相關行業發展在年內也發生了重大的改變。家用空調行業全年銷售增長為15.1%，增幅出現放緩。商用空調行業受房地產行業景氣度下滑影響，也受到一定程度的衝擊，增幅也出現下滑，全年銷售增幅為23.8%。洗衣機行業受以往政策激勵過度透支消費影響，行業步入緩慢增長通道，保有量在相關家電產品中處於最高，全年銷量增長為10.6%。冰箱受行業產能過剩及需求下滑影響，基本步入低增長時期，全年增速維持在13.3%。小家電行業儘管市場容量大，但是產值增幅基本維持在10%左右的平穩水平。其他產品也相繼受到不同程度影響。(以上數據資料來源：產業線上)。

#### 1. 微電機業務

二零一一年上半年，家用空調行業依舊保持高景氣度，銷售總量同比增幅達到30.9%，隨著「節能補貼」政策的退出，加之下半年整體經濟形勢不好，需求下滑，行業整體產能出現過剩，家用空調內外銷售都出現明顯下滑；截至12月底家用空調全年內銷同比增長17.5%，出口同比增長12.3%。(以上數據資料來源：產業線上)。

截至二零一一年十二月三十一日止年度，微電機業務內銷之電機銷量約為93,565,000台，出口之微電機銷量約為11,414,000台，總銷量較去年同期上升34.8%，繼續領先於行業增長水平。微電機業務於二零一一年之營業額為港幣7,049,296,000元，比二零一零年同期之營業額為港幣4,395,039,000元，增幅約60.4%，主要由於原材料價格上升導致整體售價上升，以及產品銷售結構調整令售價較高的高端產品銷售比例增加。微電機業務於二零一一年利潤為港幣430,534,000元，比二零一零年同期之利潤為港幣342,555,000元，增幅約為25.7%。

The Micro Motor Division has continued its business operation towards the direction set by the 12th Five Year Plan during the year, and changed its development strategy step by step from a scale-oriented approach to a profit-oriented approach by starting a significant advance in strategic transformation of the division since the latter half of the year. In terms of product development, we further strengthened the development of our strategic products. Through the acquisition of 常州弘祿華特電機有限公司 (Changzhou Honglu Huate Electric Co., Ltd.), we accelerated the development of commercial air-conditioner motors and the sales of such products increased by 66% as compared to the same period of 2010, which growth rate was significantly higher than the average rate in the industry. Besides, we actively expanded our customer base to local outside customers and foreign customers who have established their production factories in the PRC. Sales of our direct current motors increased by 129% compared to the same period of 2010. With the rapid development of variable frequency air-conditioners, our production scale expanded swiftly to put us in a strong market position currently second only to Japanese manufacturers 電產芝浦 and Panasonic. Through cooperation with Sanyo Denki Co., Ltd. of Japan, our development was accelerated and sizeable production scale was formed for servo motors. Our production scale for refrigerator compressor motors is currently at the forefront among industry peers. In lean manufacturing, after adopting measures to upgrade equipment automation and implement total quality management, there have been steady improvements in our production efficiency and product quality which underpinned the shorter lead-time for delivery and notable decrease in quality loss. In research and development, through the Shanghai R & D Centre we recruited more high-caliber personnel. Substantive progress has been made for certain energy efficient and high value-added products, such as direct current refrigerator compressor motors. Progress in product research has been achieved by the Shanghai R & D Centre in 2011 for certain products including servo motor and rotary converter having passed the relevant tests. All in all, our efforts over the past year enabled the Micro Motors Division to achieve business growth against the odds of the adverse environment to the whole industry. We managed to maintain the top ranking position for our core products in certain sub-segments and continued to register a stable growth.

微電機事業部於二零一一年繼續以「十二五」戰略規劃為牽引，在進入下半年後，將發展策略逐步由以規模為導向轉變為以利潤為導向，開始大幅度推進事業部戰略轉型。在產品拓展方面，繼續加強戰略產品拓展，透過併購常州弘祿華特電機有限公司，加快商用空調電機的發展，商用空調電機銷量較二零一零年同比增長66%，遠高於行業增長水平。此外，積極拓展外部客戶及外資品牌在國內設立工廠的客戶；直流電機銷量較二零一零年同比增長129%，隨著變頻空調的快速發展，規模擴張速度迅速，目前僅次於日系中的電產芝浦及松下，在行業中已形成一定地位；透過與日本山洋電器株式會社合作加快發展，伺服電機已形成一定規模；冰壓機電機規模已維持在行業前列。在精益製造方面，通過採取提升設備自動化水平，推行全面品質管制，生產效率及產品品質穩步提升，產品交貨期進一步加快，品質損失明顯下降。在研發方面，繼續依託上海研發中心，加強人才引進，部分高效節能和高附加值產品如直流冰壓機電機等產品已獲得實質性進展，上海研發中心在二零一一年產品研究進展還包括伺服電機及旋轉變壓器原理件通過測試合格等。總之，經過一年的努力，微電機事業部逆勢而上，在整體行業環境不理想的情況下仍保持較佳的增長，主要產品在相關細分行業中仍保持行業第一的地位，繼續會保持穩定的增長。



## 2. Washing Motors Business

As affected by the high ownership rate of washing machines and excessive credit spending in the past, the growth in the washing machine sector as a whole slowed down. Future growth of the sector will continue to be mainly driven by replacement demand. With an annual sales growth of 10.7%, roll washing machines are expected to sustain rapid growth owing to the spending structure and consumers' preference for high-end products. It has recorded an annual sales growth of 9.2% for wave-wheel washing machines, which will remain a mainstream product although overall growth will be modest. (Source of the aforesaid figures: www.chinalOL.com). Sales growth of intermediate components was in tandem with their corresponding end products. Annual sales of wave-wheel motors increased by 9.3% as compared to the same period last year. (Source of the aforesaid figures: National Bureau of Statistics and relevant authorities).

For the year ended 31 December 2011, the Group recorded approximately 20,655,000 units of domestic sales and approximately 11,992,000 units of export sales for its washing motors. Total sales volume grew by 11.1% as compared to the same period last year, which was in tandem with the industry average. The aggregate turnover of the washing motors business for 2011 increased by approximately 23.5% (HK\$2,711,566,000 for the same period in 2010) to HK\$3,349,382,000. Profit of the washing motors business for 2011 amounted to HK\$177,724,000, decreased by approximately 5.2% as compared to HK\$187,535,000 recorded for the same period in 2010. The decline in profit was mainly attributable to the amortisation of expenses relating to the newly constructed manufacturing plant in Hefei and the increase in fixed costs incurred by this plant after commencing operations.

## 2. 洗滌電機業務

洗衣機行業受行業保有量提升及受過度透支消費影響，整體增長放緩，未來增長將繼續以重置需求為主，其中滾筒洗衣機受消費結構及人們對高端產品偏好影響將會保持快速增長，年銷量增幅達到10.7%，波輪洗衣機仍會佔據主流地位，但整體增速會接近平緩，年銷量增幅達到9.2%。（以上數據資料來源：產業線上）。與終端產品對應的相配套中間產品維持相對應的增長幅度，其中波輪電機年銷量較去年同比增幅達到9.3%。（以上數據資料來源：國家統計局及相關權威機構）。

截至二零一一年十二月三十一日止年度，洗滌電機業務內銷之電機銷量約為20,655,000台，出口之電機銷量約為11,992,000台，總銷量較去年同期上升11.1%，增長基本與行業水平持平。洗滌電機業務於二零一一年之營業額為港幣3,349,382,000元，比二零一零年同期之營業額為港幣2,711,566,000元，增幅約23.5%。洗滌電機業務於二零一一年利潤約為港幣177,724,000元，比二零一零年同期之利潤為港幣187,535,000元，下跌約為5.2%，利潤下跌主要因為新建的合肥廠房的費用攤銷及該廠房在投產後使固定費用增加所引致。

During the year, the Washing Motor Division has continued its business with focus on its existing traditional products while enhancing the development of strategic products by resorting to project management. The lean production management model was thoroughly implemented, while specialised programmes in resources conservation and cost reduction were conducted. The overall operating efficiency of the division was improved on a year-on-year basis, with notable results achieved in cost control. Pursuit of scale in production remained a primary objective, although we also sought to enhance our profitability. Development of new products was advanced with an intention to optimising our existing product structure. Through the organisational reforms to adopt the operating mode to run by new product companies, the capacity utilisation rates of various production bases increased as a result. In order to accelerate the improvement in our existing customer regime, we revamped our customer development strategy and sought to expand the customer base for the same product as well as expand the scope of products offered for the same customer in order to mitigate the risk associated with customer concentration. An increasing proportion of our traditional and strategic products were being supplied to external customers other than Midea Group companies to achieve the development of a balanced supply to customers. Meanwhile, certain motors for small home appliances were also being supplied to large customers who had been stable buyers of series motors. Besides, progress in product research and development has been achieved by the Shanghai R & D Centre in 2011 for the EPS (Electric Power Steering) motor having passed the relevant tests. Over the year, the Washing Motors Division has achieved a stable growth in overall business scale outperforming the development pace of certain peers in the industry. The market position of its principal products remains secure and is backed by a well established product development pipeline and a well-defined roadmap for development. Driver for sustainable growth will remain in the future and gradual improvement in profitability will be seen following the growth in business of high-value-added strategic products.

洗滌電機事業部於本年內繼續以經營好現有傳統產品為主線，以專案管理的方式加大戰略產品的拓展，深入推行精益生產管理模式，專項開展「開源節流、降本增效」工作，事業部整體運營效率與同期相比繼續得到提升，成本控制獲得一定成效。繼續以上規模為主導，兼顧盈利能力提升，加快推進新產品開發，優化現有產品結構組織。通過開展組織變革，按新的產品公司運作模式，提升各基地的產能利用率。加快並完善現有客戶體系，革新拓展策略，採取同一產品客戶來源多樣化，同一客戶多產品同時供貨的策略，逐步降低客戶風險；目前傳統產品、戰略產品除美的系客戶外，逐步加大外部客戶供貨比例，實現客戶供貨均衡發展；同時，對於目前串激電機已穩定供貨的大客戶，如今部分小家電電機已成功為其供貨。此外，上海研發中心在二零一一年產品研發進展方面取得電動助力轉向系統(EPS: Electric Power Steering)電機通過測試合格。經過一年的發展，洗滌電機事業部總體規模增長平穩，仍優於同行一些企業的發展速度，主導產品行業地位依舊穩固，產品發展梯隊已成立，發展思路更清晰，未來持續增長的動力尚存，盈利能力隨著部分高附加值戰略產品的壯大會逐步改善。



### 3. Business of Associate

Shanxi Huaxiang Group Co., Ltd. (formerly known as Shanxi Huaxiang Investment Co., Ltd.) ("Huaxiang", an associate owned as to 49% by the Group) further enhanced its organisational reforms, reinforced its division-based management approach, advanced the development of its precision production division and improved the organisational structure of its mechanical engineering division. Decentralisation was enhanced with the delegation of authority to lower levels of management. Preparations were actively underway for the establishment of a machine processing division to facilitate resources integration. Further define the direction for product development and accelerate the structural adjustments to advance strategic transformation. Business operations performed well during the year with ongoing improvements in management quality, while sales volume and profit doubled to provide a solid foundation for rapid growth. The first phase of the new industrial park has been put into operation with sound effect, the construction of the second phase is in progress on schedule and expected to be completed in the first half of 2012.

For the year ended 31 December 2011, Huaxiang's turnover amounted to approximately HK\$1,328,124,000 (2010: approximately HK\$709,400,000) and the Group's share of profit from Huaxiang amounted to HK\$19,204,000 (2010: approximately HK\$9,269,000).

## Financial Review

### Liquidity and Financial Resources

The Group has maintained a healthy financial and liquidity position with a current ratio of 128% as at 31 December 2011 (2010: 119%).

As at 31 December 2011, the Group was in a net cash position of HK\$717,174,000 (2010: HK\$577,269,000), representing cash and cash equivalents and pledged bank deposits of approximately HK\$1,050,690,000 less total bank borrowings of approximately HK\$333,516,000 (comprising approximately HK\$239,121,000 would be due within one year and approximately HK\$94,395,000 would be due over one year).

### 3. 聯營公司業務

山西華翔集團有限公司(前稱山西華翔投資有限公司)(「山西華翔」,本集團佔49%股權的聯營公司)通過進一步加強組織結構變革,繼續加強事業部制管理模式,推進精密製造事業部、機械工程事業部完善組織架構,管理重心下移,加大分權;積極籌劃機加工事業部,充分整合資源;進一步清晰產品發展思路,加快結構調整,推進戰略轉型。全年經營情況良好,經營品質面繼續提升,銷售規模和利潤實現翻番,已具備了快速發展的基礎。新工業園一期專案順利投產,目前運作效果良好,二期專案按計劃穩步推進中,廠房建設預計二零一二年上半年可以完工。

截至二零一一年十二月三十一日止年度,山西華翔的營業額約港幣1,328,124,000元(二零一零年:約港幣709,400,000元)。本集團應佔山西華翔的利潤約為港幣19,204,000元(二零一零年:約港幣9,269,000元)。

## 財務回顧

### 流動資金及財務資源

本集團之財政及流動資金狀況穩健,於二零一一年十二月三十一日之流動比率為128%(二零一零年:119%)。

於二零一一年十二月三十一日,集團處於淨現金狀態,淨現金盈餘達港幣717,174,000元(二零一零年:約港幣577,269,000元),由現金及現金等價物及已抵押銀行存款約港幣1,050,690,000元減去總借款約港幣333,516,000元(包括約港幣239,121,000元於一年內到期及約港幣94,395,000元於超過一年後到期)組成。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Financial Ratios

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

#### 財務比率

下表載列於所示綜合財務狀況表日本集團的若干財務比率：

		2011 二零一一年	2010 二零一零年 (Restated) (重列)
Inventories turnover (Note 1)	存貨周轉期(附註1)	50 days日	77 days日
Trade receivables turnover (Note 2)	貿易應收賬周轉期(附註2)	46 days日	50 days日
Trade payables turnover (Note 3)	貿易應付賬周轉期(附註3)	69 days日	99 days日
Current ratio (Note 4)	流動比率(附註4)	1.28 times倍	1.19 times倍

#### Notes:

1. Inventories turnover is calculated based on the average of the opening inventories and closing inventories divided by the cost of goods sold for continuing operations of the year, and multiplied by the total number of days of the year.
2. Trade receivables turnover is calculated based on the average of the opening and closing of trade receivables of third parties and related companies, divided by the turnover for continuing operations of the year, and multiplied by the total number of days of the year.
3. Trade payables turnover is calculated based on the average of the opening and closing of trade payables of third parties and related companies, divided by the cost of goods sold for continuing operations of the year, and multiplied by the total number of days of the year.
4. Current ratio is calculated based on the year-end current assets divided by the year-end current liabilities.

#### 附註：

1. 存貨周轉期是根據年初存貨與年終存貨平均數除以當年持續經營業務之銷售貨品成本，再乘以該年的總日數計算。
2. 貿易應收賬周轉期是根據第三方及關聯公司年初應收賬與年終應收賬平均數除以當年持續經營業務之收入，再乘以該年的總日數計算。
3. 貿易應付賬周轉期是根據第三方及關聯公司年初應付賬與年終應付賬平均數除以當年持續經營業務之銷售貨品成本，再乘以該年的總日數計算。
4. 流動比率是根據年終的流動資產除以年終流動負債。

#### Pledge of Assets

As at 31 December 2011, short-term borrowings of the Group were secured by certain property with net book value of approximately HK\$43,253,000 (2010: approximately HK\$97,891,000) and certain leasehold land and land use rights with net book value of approximately HK\$46,102,000 (2010: approximately HK\$60,429,000) of the Group.

#### 資產抵押

於二零一一年十二月三十一日，本集團的短期借款以本集團帳面淨值約港幣43,253,000元(二零一零年：約港幣97,891,000元)之若干物業以及賬面淨值約港幣46,102,000元(二零一零年：約港幣60,429,000元)之若干租賃土地及土地使用權作為抵押。



### Contingent Liabilities

Save as the financial guarantees as disclosed below, as at 31 December 2011 and 2010, the Group and the Company did not have any material contingent liabilities.

### Financial Guarantees

As at 31 December 2011, the Group has given guarantee to banks in respect of the banking facilities extended to the associates of the Group of approximately HK\$528,556,000 (2010: approximately HK\$532,965,000). As at 31 December 2011, bank loans of approximately HK\$470,581,000 (2010: approximately HK\$304,971,000) being guaranteed by the Group to associates have been drawn down.

### Capital Expenditure

For the year ended 31 December 2011, the capital expenditure of the Group was approximately HK\$410,503,000 (2010: approximately HK\$270,966,000) related to the purchase of property, plant and equipment, leasehold land and land use rights.

### Derivative Financial Instruments

As at 31 December 2011, the Group's outstanding derivative financial instrument assets and liabilities under various copper and aluminium futures contracts and foreign exchange forward contracts amounted to approximately HK\$16,792,000 and HK\$240,000 respectively (2010: derivative financial instrument assets of approximately HK\$25,922,000).

### Exposure to Exchange Rate Fluctuations

During the Year, approximately 22% of the Group's turnover was derived from export trading settled in Euro and US dollars. In the meantime, the Group has also imported raw materials from the suppliers which were paid in Euro and US dollars for settlement. As a result, foreign exchange risks associated with these currencies were partially offset. On the other hand, the Group has made arrangements to purchase foreign exchange forward contracts to hedge against foreign exchange exposure arising from export trading. The Group has strengthened its control over the risk of exchange rate fluctuation, and will review from time to time the sufficiency and appropriateness of the financial instruments which were currently used to hedge significant foreign currency risks.

### 或然負債

除下述的融資擔保外，本集團及本公司於二零一一年及二零一零年十二月三十一日並無任何重大或然負債。

### 融資擔保

於二零一一年十二月三十一日，本集團為銀行向聯營公司提供銀行融資作出約港幣528,556,000元(二零一零年：約港幣532,965,000元)擔保。於二零一一年十二月三十一日，本集團所擔保的聯營公司銀行貸款約港幣470,581,000元(二零一零年：約港幣304,971,000元)已被提取。

### 資本開支

截至二零一一年十二月三十一日止年度，本集團資本開支約港幣410,503,000元(二零一零年：約港幣270,966,000元)，作添置物業、廠房及設備以及租賃土地及土地使用權之用。

### 衍生金融工具

於二零一一年十二月三十一日，本集團訂立若干銅及鋁期貨合約及外匯遠期合約，未到期衍生金融工具資產及負債分別約港幣16,792,000元及港幣240,000元(二零一零年：衍生金融工具資產約港幣25,922,000元)。

### 匯率波動風險

於本年內，本集團營業額中約佔22%來自外銷之出口貿易，交易以歐元及美元結算，與此同時，本集團亦有進口原材料是以歐元及美元向供應商付款，因此，由該等外幣引起的匯兌風險彼此能作部分抵銷。另一方面，本集團已安排為部分出口貿易購買遠期外匯合約，以對沖所產生的匯兌風險。本集團已加強了對外匯匯率波動的監控，並不時檢討現時所使用以對沖重大外幣風險之金融工具是否足夠及適當。



#### Capital Commitments

As at 31 December 2011, the Group has contracted capital commitments in respect of the purchase of property, plant and equipment and leasehold land and land use rights amounting to approximately HK\$89,776,000 (2010: approximately HK\$139,757,000).

#### Human Resources

As at 31 December 2011, the Group had approximately 12,510 full time employees in Hong Kong and in the PRC. While the Group was supported by a team of young and competent staff, it does not ignore the importance of the development, management and future planning of its human resources. With the use of open recruitment, job rotation, internal promotion and professional training for the recruitment, deployment and nurture of employees, it is intended to ensure the selection and deployment of employees to be carried out in an open, fair and equitable manner. Besides, it could also provide staff with a platform for their further promotion and development. Through the implementation of comprehensive human resources management, it is aimed at achieving the objectives of enhancing employees contributions to the Group and shaping the Group's strategic advantages in human resources.

The Group has adopted a share option scheme for employees as an incentive to motivate employees by linking their interests to the future development and expansion of the Group. The Group currently provides staff with competitive remuneration packages (comprising salary, bonus and benefits in kind), adequate insurance cover (including pension, medical insurance, unemployment compensation insurance, work injury compensation insurance and maternity insurance) and housing provident fund. In addition, the Group also provides its staff with other benefits including on-the-job academic education, meal subsidy, housing subsidy, cooperative medical scheme services, support fund and recreational activities etc.

#### 資本承諾

於二零一一年十二月三十一日，本集團就購買物業、廠房及設備以及租賃土地及土地使用權已訂約的資本承擔約港幣89,776,000元(二零一零年：約港幣139,757,000元)。

#### 人力資源

於二零一一年十二月三十一日，本集團於香港及國內共聘用約12,510名全職僱員。本集團在擁有一支年輕、優秀的員工隊伍同時，亦充分重視人力資源開發、管理及發展規劃，通過公開招聘、崗位輪換、內部升遷、專業培訓等用人、育人機制，以其通過公開、公平、公正的選才、用才機制，為公司員工提供了一個晉升、發展的平台，通過完善的人力資源管理，提高僱員對本集團的貢獻，使本集團具備戰略性的人力資源優勢。

本集團採用購股權計劃，用以鼓勵員工為本集團之未來發展及擴展出力。本集團目前為員工提供具競爭力的薪酬(含崗位工資、獎金及福利)、保險(含養老保險、醫療保險、失業保險、工傷保險和生育保險)及住房公積金。另外集團為員工提供其他福利，包括在職學歷教育、膳食補助、住房補貼、員工合作醫療、扶助基金、團隊活動等。



## Business Prospects

Looking ahead to 2012, it will be a challenging year for our overall sales as the home appliance industry and related sectors will be affected by the expected decline in China's GDP, various contingencies in foreign economic environments, government's further regulation on the property market and the expiry of the policies of "Home Appliances Subsidy for Rural Areas" (for certain provinces and cities), "Home Appliances Replacement Subsidy" and "Subsidy for Energy Efficient Appliances". Notwithstanding, growth prospects for air-conditioning products remain positive in the long run, especially for variable frequency air-conditioners, the sales of which are expected to embark on a track of rapid growth. The ownership rate of air-conditioner in rural areas is still at a very low level, while the replacement demand in urban cities remains substantial. In the sectors of washing machine and refrigerator, industry reshuffle is expected and mergers and restructuring will be the trend which will benefit those leading enterprises. The Group will grasp opportunities amid the challenging situation and, as a leader of sub-segments in the home appliance motor sector, the Group will strive to expedite resources integration within the sector and further strengthen its leading position in the market. Meanwhile, we will continue to actively develop high value-added and energy efficient motor products other than the home appliance motors, such as servo motors.

For the micro motor business, we will continue to enhance the operations in household air-conditioner motor as our traditional product, further increase our market share, explore potentials to increase production efficiency, accelerate the advance in equipment automation and refine the detailed production procedures so as to firm up the support for the development of our business division. It is intended to further increase the profitability of refrigerator compressor motors which will become the core product of our division in a gradual manner. We will leverage on the strengths of our Changzhou base and our Shunde base for the production of commercial air-conditioner motors. Through the increase in investment, it is intended to expand domestic sales as a base and further develop overseas markets with full force so as to improve overall gross profit margin. For the direct current motors, we will continue to increase investment in order to speed up the pace of customer development, shorten new products development cycle to enjoy first-mover advantage. Cooperation with Sanyo Denki of Japan in servo motors will further be strengthened to achieve mass production quickly. Furthermore, we will continue to optimise our internal organisation structure and recruit more high-calibre personnel for core strategy in tandem with the expansion of the division. We will continue to seek cooperation with foreign parties to enhance market recognition. Strategic transformation of the division will be ongoing with an aim to improve our overall profitability.

## 業務展望

展望二零一二年，在國家GDP預期繼續下降，國外經濟環境仍存在很多變數，房地產調控繼續，以及「家電下鄉」(部分省市)、「以舊換新」、「節能補貼」相關政策退出等因素都給家電及相關行業帶來影響，整體銷量都會面臨挑戰；但是空調產品長期增長形勢依舊向好，尤其是變頻空調將會步入快速增長軌道；農村市場空調保有量還很低，城市更新需求仍很大。洗衣機及冰箱都會面臨行業重新洗牌，行業內兼併重組是大勢所趨，對行業內的龍頭企業是利好。本集團將會在困境中緊抓機遇，作為家電電機細分行業龍頭企業將會加快行業內的資源整合，繼續保持行業領先地位。同時積極發展家電電機以外的高附加值及高效節能電機產品如何服電機等。

微電機業務將繼續經營好家用空調電機傳統產品，繼續提升市場份額，深挖潛能，提高生產效率，加快提升設備自動化水平，精耕細作，穩固支撐事業部的發展；冰壓機電機將繼續不斷提升盈利能力，逐漸成為事業部的支柱產品；商用空調電機產品將整合常州、順德基地各發展優勢，加快投入，以內銷做大為基礎，全面拓展海外市場，提升整體毛利率；直流電機將繼續加大投入，加快客戶拓展步伐，縮短新品開發週期，搶佔市場先機；伺服電機將繼續加強與日本山洋電器的合作，實現產品快速上量等。另外，為應對事業部發展壯大的局面，將會繼續優化內部組織架構，加大核心戰略人才引進力度；繼續開展對外合作，提高產品知名度。持續推進事業部戰略轉型，全面提升整體盈利能力。

The Group has adjusted its development strategy in a timely manner in line with the market development and changed its development mode from the pursuit of scale to the increase in overall profitability. By optimising our product mix and streamlining our investment structure in all respect, our investment focus will gradually be shifted to high-value-added products and enhancement of production efficiency. We will strengthen cooperation with leading worldwide brand customers in our existing businesses to cement our relationships and bolster mutual confidence. Meanwhile, we will also seek to advance our cooperation with certain large companies with which we have started to develop partnerships on certain products. We intend to hasten development and achieve swift breakthroughs in sales so that our current product mix will be further modified and the weight of high-value-added strategic products will increase in terms of revenue contribution, as part of our efforts to step up with transformation.

For our washing motors business, we will go deeper to understand the needs of our major customers so that we could plan ahead and advance strategic cooperation with these major customers. This could enable us to secure our existing market share for our traditional products such as series motors and wave-wheel motors and further strengthen our market position. We will also continue our investment in strategic products, seeking to enlarge the customer base for small home appliance motors and vehicle motors to achieve mass production quickly. With the support of the Shanghai R & D Centre, we are able to shorten the new product development cycle and procure a quick market launch of new products. Moreover, we will further implement the lean production management approach with an aim at improving our production efficiency. Company-based operation in respect of our existing products will be further enhanced. The scope of management delegation will be extended to reduce hidden costs. Cost reduction measures will be adopted on a continuous basis and improvements in profitability will be sought in all areas. While pursuing expansion in scale, we will seek to advance the strategic transformation of the division.

本集團根據發展形勢及時調整發展策略，改變以往過度追求規模增長模式，開始注重整體盈利能力提升，通過優化產品結構組合，全面梳理投資結構，將投資重心逐步向高附加值產品及提升生產效率上傾斜，針對現有業務加強與世界大品牌客戶合作，鞏固合作基礎，增強雙方的發展信心；同時，對於拓展中的，與一些大企業開始合作的產品，則深化合作關係，加快發展步伐，實現產品銷量快速突破，進一步改變現有產品結構，穩步提升高附加值戰略產品收入佔比，加快推進轉型。

洗滌電機業務將深度了解主要客戶需求狀況，提前佈局，加快推進與主要客戶的戰略合作，確保串激電機、波輪電機等傳統產品應有的市場份額，繼續強化市場地位；繼續加大對戰略產品的資源投入，小家電電機、汽車電機等將會繼續擴大客戶面，加快上量；新品開發將依託上海研發中心縮短週期，快速打入市場。此外，繼續加快推進精益生產管理，提升生產效率；進一步強化現有產品公司化運作水平，加大分權，降低隱性成本。持續開展降成本，全面提升盈利能力，在繼續擴大規模的同時加快推進事業部戰略轉型。



Huaxiang will leverage on the favourable policies announced by the State and various local governments and the development plan relevant to the industry under the 12th Five Year Plan to continue its operation with a focus on its casting products including compressor casting parts and airborne balance weight casting parts while step up with its development of vehicle parts, high-speed rail parts and valve parts based on the in-depth research on the market capacities. Product mix adjustment will be expedited so that the strategic focus will be shifted from low-margin general products to high-end and high-margin products. The company will continue to optimise its customer profile and expand the customer base of its existing products to reduce the risk of reliance on any one customer. The overall quality of its operation was improved with steady pace and thorough strategic transformation was implemented. Moreover, the streamlining of internal structures will continue to drive reforms. Divisional management will be strengthened. Systems of funding, operations, financial, internal control and IT will be further enhanced. More efforts will be exerted to operating the first phase of the new industrial park to swiftly deliver the advantages in production capacities. Construction of the second phase of the industrial park is scheduled for completion in the first half of 2012.

In summary, the prospect for global economic recovery remains uncertain. China's economy is also starting to feel the pressure of slowdown in economic growth after sustaining years of rapid growth, bringing uncertainties to the Company's business. Nevertheless, the PRC Government has adopted appropriate measures to enhance the sustainability of economic growth, and the Group will also adjust its development strategy in a timely manner in tandem with national policies and planning, seizing various opportunities for development while continuing to fortify its strengths on the back of its existing advantages to address future challenges.

山西華翔將繼續抓住國家、地方政府出台的各项政策優勢，結合行業「十二五」發展規劃，深入研究市場容量，繼續經營好壓縮機鑄件、機載平衡重鑄件等產品，加快拓展汽車件、高鐵件、管閥件等產品，加快推進產品結構調整，將戰略重心由普通毛利率低的產品向高端毛利率高的產品轉移，繼續優化客戶結構，擴大現有產品客戶面，降低依靠單一客戶發展帶來的風險，穩步提升整體經營品質，實施全面戰略轉型。另外，繼續梳理內部結構，推動變革，加強事業部制管理，強化資金、運營、財務體系建設，加強內控及IT建設。進一步經營好新工業園一期項目，促進優勢產能的快速釋放，新工業園二期項目預計於二零一二年上半年完成廠房建設工程。

總括而言，全球經濟復甦的前景仍未明朗，中國的經濟在連續多年高增長後亦開始感受到經濟增長放緩帶來的壓力，為公司的業務帶來不明朗的因素。然而中國政府已採取了恰當的措施以維持經濟增長的可持續性，本集團亦會配合國家的政策及規劃適時調整發展策略，抓緊各項發展機遇，並繼續在現有優勢上鞏固集團的實力以迎接未來的挑戰。

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

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

The Company has fully complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2011.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the “Model Code”) as its code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry with each of the Directors, all of the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2011.

### The Board

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

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

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

截至二零一一年十二月三十一日止年度，本公司一直全面遵守企業管治守則之所有守則條文。

### 董事進行證券交易之標準守則

本公司已採納上市規則附錄 10 所載之上市發行人董事進行證券交易之標準守則（「標準守則」），作為本公司董事進行證券交易之操守守則。經向各董事作出特定查詢後，全體董事確認，彼等已於截至二零一一年十二月三十一日止年度內一直遵守標準守則所載之規定準則。

### 董事會

董事會負責確立本集團之未來發展方向、整體戰略及政策，評估本集團之業績表現，以及管理及批准性質重大之事宜。董事會授權本公司之高級管理人員，負責主管本集團之日常管理、行政及營運。各分部之高級管理人員按其專業範疇負責本集團之不同業務及職能。董事會亦指派各董事委員會承擔特定責任。該等董事委員會之詳情載於本報告下文。

During the year ended 31 December 2011, the Board held six meetings. The attendance records of each Director at the Board meetings held during the year ended 31 December 2011 are as follows:

截至二零一一年十二月三十一日止年度，董事會已舉行六次會議。各董事於截至二零一一年十二月三十一日止年度出席董事會會議之記錄如下：

<b>Directors</b>	<b>董事</b>	<b>Number of meetings attended/held</b> <b>出席會議次數／舉行會議次數</b>
<b>Executive Directors</b>		
Mr. Cai Qiwu	蔡其武先生	6/6
Mr. Jiang Deqing	姜德清先生	6/6
Mr. Qu Fei	瞿飛先生	6/6
Mr. Chen Jianhong	陳建紅先生	6/6
Ms. Yuan Liqun	袁利群女士	6/6
Mr. Li Jianwei	栗建偉先生	6/6
Mr. Zheng Weikang	鄭偉康先生	6/6
<b>Independent non-executive Directors</b>		
Mr. Tan Jinsong	譚勁松先生	6/6
Mr. Lam Ming Yung	林明勇先生	5/6
Ms. Chen Chunhua	陳春花女士	6/6

For each of the regular Board meetings held during the year ended 31 December 2011, each Director had been consulted before hand and served with prior notice to enable him/her to include matters in the agenda of the forthcoming Board meeting.

於截至二零一一年十二月三十一日止年度舉行之每次董事會定期會議，各董事均於會前獲得諮詢並獲發會前通告，使其可於將要舉行的董事會會議議程加入討論事項。

The Board will hold four regular meetings every year. The Company generally gives at least 14 days notice in advance for regular Board meetings and gives reasonable notice for all other Board meetings in order to give all Directors opportunity to attend the meetings. During the year ended 31 December 2011, the Company had complied with the said notice requirements for Board meetings by giving all Directors adequate time to plan their schedules to attend.

董事會每年舉行四次定期會議。本公司一般最少於十四日前預先發出董事會定期會議通告，並就所有其他董事會會議發出合理通告，讓全體董事均有機會出席有關會議。截至二零一一年十二月三十一日止年度，本公司已遵守上述董事會會議通告規定，讓全體董事有充裕時間作出適當安排出席會議。

All Directors could have access to the advice and services of the Company Secretary to ensure that Board procedures are complied with the applicable laws, rules and regulations and corporate governance code.

全體董事均可向公司秘書取得意見及服務，以確保董事會程序符合適用法律、規則、規例及企業管治守則。

The Company Secretary is responsible for taking minutes of Board meetings which shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed at the meetings. For each of the Board meetings held during the year ended 31 December 2011, draft and final versions of the minutes of Board meetings were sent to all Directors within reasonable time (generally within 14 days for both cases) after the Board meeting had been held for their comments and records respectively. All Board minutes are available for inspection by all Directors.

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

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting but not a written resolution. Subject to the exceptions set out in the Listing Rules, a Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the relevant Board meeting.

For the year ended 31 December 2011, appropriate insurance cover in respect of legal action against the Directors was arranged.

### Chairman and Chief Executive Officer

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

公司秘書負責記錄董事會會議之會議記錄，其須充分詳細記錄董事會所考慮之事項、所達致之決定，包括會上董事所表達之關注或反對意見。於截至二零一一年十二月三十一日止年度舉行之每次董事會會議，董事會會議紀錄之草稿及定稿已於董事會會議舉行後合理時間內（兩者一般為十四日內）送交所有董事，分別以供彼等提出意見及存檔。所有董事會會議紀錄均可隨時供全體董事查閱。

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

倘董事會須處理的事宜上任何董事涉及利益衝突，而董事會斷定有關利益衝突屬重大的，有關事宜會由實質董事會會議處理，而不會以書面決議案處理。除在上市規則列載的例外情況，董事不得在任何董事會決議案投票通過其本身或其任何聯繫人士有重大利益之任何合約或安排或任何其他建議，亦不得計入相關董事會會議之法定人數內。

截至二零一一年十二月三十一日止年度，已就針對董事採取之法律行動安排適當之保險保障。

### 主席及首席執行官

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



## Board Composition

The Board currently comprises ten Directors, including seven executive Directors, namely, Mr. Cai Qiwu (Chairman), Mr. Jiang Deqing (Chief Executive Officer), Mr. Qu Fei, Mr. Chen Jianhong (appointed on 15 March 2011), Ms. Yuan Liqun, Mr. Li Jianwei and Mr. Zheng Weikang and three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, in order to maintain a balanced composition with a strong independent element on the Board.

Mr. Gao Fazhong resigned as an executive Director with effect from 15 March 2011.

The biographies of each of the current Directors are set out in pages 36 to 39 in this annual report, which demonstrate a diversity of skills, expertise, experience and qualifications appropriate for the requirements of the business of the Company.

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

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

## Appointments, Re-Election and Removal of Directors

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

## 董事會之組成

董事會現時由十名董事組成，包括七名執行董事蔡其武先生(主席)、姜德清先生(首席執行官)、瞿飛先生、陳建紅先生(於二零一一年三月十五日獲委任)、袁利群女士、栗建偉先生及鄭偉康先生及三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士，以維持董事會之均衡組合及充足獨立元素。

郜發忠先生於二零一一年三月十五日辭任本公司執行董事。

現任董事之個人履歷載於本年報第36頁至39頁，其中顯示出符合本公司業務要求之多元化技能、專業知識、經驗及資歷。

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

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

## 委任、重選及罷免董事

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



The Articles of Association provide that at every annual general meeting of the Company, and notwithstanding any contractual or other terms on which a Director may be appointed or engaged, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that, notwithstanding anything therein, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Board is of the view that such mechanism helps to ensure orderly succession to the appointments to the Board and that changes to its composition can be managed without undue disruption.

During the year ended 31 December 2011, the Company had entered into letters of appointment with Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, each an independent non-executive Director for a term commencing on 26 May 2011 and ending on the date of the Company's next annual general meeting, as their respective then existing letters of appointment expired on 26 May 2011. All these letters of appointment shall be terminable by either party upon one month's written notice to the other party or the payment to other party of a sum equal to the relevant Director's monthly remuneration.

The Board established a nomination committee on 9 March 2012 and its details are set out below in this report. Prior to the establishment of the nomination committee, the Board as a whole was responsible for the appointment of new Directors. According to the Articles of Association, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting. In connection with the appointment of new Directors, the Board has taken into consideration the nominee's qualifications, experience and ability relevant to the requirements of the Company's business. For the year ended 31 December 2011, the Board has examined the terms of appointment of Directors, and also reviewed and assessed the independence of independent non-executive Directors.

組織章程細則規定於本公司每屆股東週年大會上，不論董事獲委任或聘任之任何合約條款或其他條款，當時三分之一之董事(或倘董事人數並非三之倍數，則以最接近但不少於三分之一之人數為準)須輪席退任，惟不論當中所載內容，每名董事(包括按特定任期獲委任之董事)須最少每三年輪席退任一次。董事會認為有關機制有助確保董事會之委任作有秩序之更替，從而可管理其組成變更，避免不適當干擾。

於截至二零一一年十二月三十一日止年度內，本公司與譚勁松先生、林明勇先生及陳春花女士(各人均為獨立非執行董事)訂立委任書，任期由二零一一年五月二十六日開始至本公司下屆股東週年大會日期止，因彼等各自當時之委任書已於二零一一年五月二十六屆滿。所有該等委任書可由任何一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。

董事會於二零一二年三月九日成立提名委員會，其詳情列載在本報告下文。提名委員會成立前，董事會作為一整體集體負責委任新董事。根據組織章程細則，董事會有權不時或於任何時候委任任何人士為董事以填補臨時空缺或作董事會額外董事，任何此等由董事會委任之董事任期僅至下屆股東週年大會為止，並合資格重選，但不得計入以釐定於該會議上輪值退任之董事人數內。就委任新董事而言，董事會已考慮被提名人的資歷、經驗及本公司業務要求的相關能力。於截至二零一一年十二月三十一日止年度，董事會已審閱董事委任之條款，並檢閱和評估獨立非執行董事的獨立性。



## Responsibilities of Directors

To ensure that every newly appointed Director has a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities as a Director of the Company under statute and common law, each of the newly appointed Director will receive a comprehensive, formal and tailored induction and also the orientation package containing the information with regard to the duties and responsibilities of Directors under the Listing Rules, related ordinances and relevant regulatory requirements and the business and corporate governance policies of the Company. Subsequently, updated information and continuous professional development training will also be provided to all the Directors when necessary to keep them abreast of the latest changes and development in legal, regulatory and corporate governance requirements and develop and refresh their knowledge and skills to facilitate the discharge of their responsibilities.

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

## Supply of and Access to Information

In connection with the convening of regular Board meetings and any meeting of the Board committees, agenda of the meeting accompanying with the relevant documents will be sent to all Directors or members of the Board committee at least three days before the date of the Board meeting or Board committee meeting.

Management has an obligation to supply the Board and the Board committees with adequate information in a timely manner to enable members of the Board and the Board committees to make informed decisions. Where any Director requires more information than is volunteered by management, each Director may contact senior management through individual and independent channel to make further enquiries if necessary and such enquiries will be responded to by management within a reasonable time with sufficient details. Furthermore, minutes of Board meetings or meetings of Board committees are open for inspection by Directors at any reasonable time on reasonable notice given.

## 董事之責任

為確保每名新任董事對本集團之運作及業務均有恰當了解，並確保彼已完全知悉根據法規及普通法作為本公司董事之責任，每名新任董事均會獲得全面、正式兼特為其而設的就任須知及一套迎新資料，內載有董事根據上市規則、相關條例及相關監管規定之職責，以及本公司之業務及企業管治政策。及後，在需要讓董事知道有關法律、監管及企業管治要求的最新變動及發展，以及開展及更新彼等的知識及技能時，亦會向全體董事提供更新資料及持續專業發展訓練，以協助彼等履行責任。

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

## 提供及使用資料

關於召開董事會定期會議及任何董事委員會會議，會議議程及相關文件會於董事會或董事委員會會議日期最少三日前送交全體董事或董事委員會成員。

管理層有責任向董事會及董事委員會適時提供充足資料，以使董事會及董事委員會成員能夠作出知情決定。倘任何董事所需之資料較管理層自願提供者為多，每名董事均可使用個別及獨立途徑接觸高級管理人員，以於有必要時作進一步查詢，而管理層將於合理時間內詳盡回應有關查詢。另外，董事會會議或董事委員會會議之會議紀錄可供董事於任何合理時間給予合理通知下查閱。

#### Board Committees

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

The written terms of reference of each of the Audit Committee, the Remuneration Committee, the Executive Committee and the Nomination Committee, explaining the role and the authority delegated to these Board committees by the Board, are available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at <http://www.welling.com.cn>.

#### Remuneration Committee

The Remuneration Committee was established by the Board on 22 September 2005. Chairman and majority of the members of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee comprises three independent non-executive Directors, namely, Ms. Chen Chunhua (chairman of Remuneration Committee), Mr. Tan Jinsong and Mr. Lam Ming Yung and two executive Directors, namely Mr. Cai Qiwu and Mr. Zheng Weikang.

The primary duties of the Remuneration Committee include the followings:

- (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and
- (ii) to review and determine, with delegated responsibilities, the remuneration packages of individual executive Directors and senior management with reference to the Board's corporate goals and objectives and make recommendations to the Board on the remuneration of non-executive Directors.

#### 董事委員會

董事會已成立四個訂有書面特定職權範圍之董事委員會。該等董事委員會為審核委員會、薪酬委員會、行政委員會及提名委員會。

說明由董事會委派予審核委員會、薪酬委員會、行政委員會及提名委員會各自之角色及權力之書面職權範圍刊載於香港交易及結算有限公司網站 [www.hkexnews.hk](http://www.hkexnews.hk) 及本公司網站 <http://www.welling.com.cn>。

#### 薪酬委員會

董事會於二零零五年九月二十二日成立薪酬委員會。薪酬委員會主席及大部分成員為獨立非執行董事。

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

薪酬委員會之主要職務包括：

- (i) 就本公司董事及高級管理人員之整體薪酬政策及架構，及就設立正規而具透明度之程序制訂此等薪酬政策，向董事會提出推薦意見；及
- (ii) 按照獲委派的職責，因應董事會訂立的企業方針及目標，檢討及釐定個別執行董事及高級管理人員的薪酬待遇，並就非執行董事的薪酬向董事會提供建議。

The Remuneration Committee held a meeting during the year ended 31 December 2011. The attendance record of each member at the Remuneration Committee meeting is set out as follows:

截至二零一一年十二月三十一日止年度，薪酬委員會舉行了一次會議。各委員會成員出席薪酬委員會會議之記錄如下：

<b>Members of Remuneration Committee</b>	<b>薪酬委員會成員</b>	<b>Number of meetings attended/held 出席會議次數/ 舉行會議次數</b>
Ms. Chen Chunhua ( <i>chairman of Remuneration Committee</i> )	陳春花女士(薪酬委員會主席)	1/1
Mr. Tan Jinsong	譚勁松先生	1/1
Mr. Lam Ming Yung	林明勇先生	1/1
Mr. Cai Qiwu	蔡其武先生	1/1
Mr. Zheng Weikang	鄭偉康先生	1/1

During the year ended 31 December 2011, the Remuneration Committee had performed the following works:

截至二零一一年十二月三十一日止年度，薪酬委員會已進行下列工作：

- |  |  |
|--|--|
| (i) reviewed and approved the remuneration packages of executive Directors (except the Chairman and Mr. Zheng Weikang) and senior management after consultations with the Chairman;  | (i) 經諮詢主席後，審閱及批准執行董事(主席及鄭偉康先生除外)及高級管理人員之薪酬待遇；                |
| (ii) reviewed and approved the remuneration packages of the Chairman and Mr. Zheng Weikang in a committee meeting at which the Chairman and Mr. Zheng Weikang abstained from voting in respect of the resolutions approving their own remuneration packages; and | (ii) 於委員會會議中審閱及批准主席及鄭偉康先生之薪酬待遇，主席及鄭偉康先生已就批准其本身薪酬待遇之決議案放棄表決；及 |
| (iii) reviewed and made recommendations to the Board on the remuneration and terms of appointment of independent non-executive Directors.  | (iii) 審閱獨立非執行董事之薪酬及委任條款，並向董事會提出推薦意見。                         |

The Company's remuneration policy for the Directors and senior management are set on the basis that the remuneration level of the Directors and senior management will be linked with their responsibilities and their contributions to the achievement of corporate performance target of the Company as resolved by the Board from time to time. For the purpose of determining the level of remuneration of Directors and senior management, appraisal of the work performance of Directors and senior management had been conducted during the year ended 31 December 2011. Such work performance of Directors and senior management was judged by the extent to which the Company's budget target was met and the financial performance of the Company in terms of sales revenue and net profits as disclosed in the audited financial statements was achieved. No Director or any of his/her associates is involved in deciding his/her own remuneration.

本公司對董事及高級管理人員之薪酬政策乃實行薪酬與績效掛鈎，即董事及高級管理人員之薪酬水平應根據彼等之職責及對於完成董事會不時制定之公司績效目標所作之貢獻而釐定。為釐定董事及高級管理人員之薪酬水平，於截至二零一一年十二月三十一日止年度內已對董事及高級管理人員之工作表現進行評估。董事及高級管理人員之有關工作表現乃透過本公司預算目標之完成程度，以及本公司按經審核財務報表所披露之銷售收入及淨利潤釐定之財務表現而作出判斷。董事或任何其聯繫人不得參與釐定其本身之薪酬。

Details of the Directors' emoluments for the year ended 31 December 2011 are set out in Note 25(b) to the consolidated financial statements.

The Remuneration Committee is provided with sufficient resources to discharge its duties including the obtaining of independent professional advice at the expense of the Company if it considers necessary.

### Audit Committee

The Audit Committee was established by the Board on 5 August 1999. All members of the Audit Committee are independent non-executive Directors, one of whom has possessed professional qualifications and accounting and financial management related expertise.

The Audit Committee comprises all three independent non-executive Directors, namely, Mr. Tan Jinsong (chairman of Audit Committee), Mr. Lam Ming Yung and Ms. Chen Chunhua.

The Audit Committee is responsible for, among other things, reviewing and monitoring the integrity of the consolidated financial statements of the Group, reviewing the effectiveness of the systems of internal control and risk management of the Group, reviewing the findings from the works carried out by internal audit department and monitoring the effectiveness of the Group's internal audit function. The Audit Committee is also responsible for making recommendation to the Board on the appointment of the external auditor and approving the remuneration and terms of engagement of the external auditor. Before commencement of annual audit, the Audit Committee will discuss with the external auditor the nature and scope of audit, the significant risk analysis and the impact of the change in accounting policies on the financial statements of the Group. The Audit Committee is required to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

截至二零一一年十二月三十一日止年度，董事之酬金詳情載於綜合財務報表附註25(b)。

薪酬委員會獲提供足夠資源(包括在其認為有需要時獲取獨立專業意見，費用由本公司負責)以履行職責。

### 審核委員會

董事會於一九九九年八月五日成立審核委員會。審核委員會所有成員均為獨立非執行董事，當中一位成員具有專業資格及會計與財務管理相關專業知識。

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

審核委員會負責(其中包括)檢討及監察本集團綜合財務報表之完整性；檢討本集團內部監控及風險管理制度之成效；檢討內部審核部之工作結果及監察本集團內部審核功能之成效；審核委員會亦負責就委任外聘核數師向董事會作出推薦及批准外聘核數師之薪酬及聘用條款。審核委員會在年度審核開始前將與外聘核數師討論審核性質及範疇、重大風險分析及會計政策改變對本集團之財務報表之影響。審核委員會須按適用之標準檢討及監察外聘核數師是否獨立客觀及核數程序之成效。

The Audit Committee held three meetings during the year ended 31 December 2011. The attendance record of each member at the Audit Committee meetings is set out as follows:

截至二零一一年十二月三十一日止年度，審核委員會已舉行三次會議。各委員會成員出席審核委員會會議之記錄如下：

<b>Members of Audit Committee</b>	<b>審核委員會成員</b>	<b>Number of meetings attended/held 出席會議次數／ 舉行會議次數</b>
Mr. Tan Jinsong ( <i>chairman of Audit Committee</i> )	譚勁松先生(審核委員會主席)	3/3
Mr. Lam Ming Yung	林明勇先生	3/3
Ms. Chen Chunhua	陳春花女士	3/3

Minutes of Audit Committee meetings are kept by the Company Secretary who also serves as secretary of the Audit Committee. Draft and final versions of the minutes of Audit Committee meetings are sent to all members of the Committee for their comments and records within a reasonable time after the meeting (usually within 14 days after the meeting). During the year ended 31 December 2011, the Audit Committee had performed the following works:

公司秘書(同時擔任審核委員會之秘書)負責保存審核委員會之會議紀錄。審核委員會會議紀錄之草稿及定稿於會議舉行後合理時段內(通常為會議後14天內)送交審核委員會全體成員，以供成員表達意見及作紀錄之用。截至二零一一年十二月三十一日止年度，審核委員會已進行下列工作：

- |  |  |
|--|--|
| (i) reviewed the Company's 2010 annual report and the preliminary announcement of final results;   | (i) 審閱本公司之二零一零年年報及初步全年業績公告；                      |
| (ii) reviewed the Company's 2011 interim report and the preliminary announcement of interim results;   | (ii) 審閱二零一一年中期報告及初步中期業績公告；                       |
| (iii) approved the remuneration and terms of engagement of the external auditor for 2011 audit and other matters;  | (iii) 批准就二零一一年之核數及其他事項聘用之外聘核數師之薪酬及聘用條款；          |
| (iv) reviewed the 2011 internal control report prepared by the internal audit department and reviewed the effectiveness of the internal control system and risk management of the Group; | (iv) 審閱內部審核部編製之二零一一年內部監控報告及檢討本集團之內部監控系統及風險管理之成效； |
| (v) reviewed the connected and continuing connected transactions entered into by the Group during the Year;  | (v) 審閱於本年度本集團所訂立之關連交易及持續關連交易；                    |
| (vi) reviewed and monitored the external auditor's independence and the non-audit services provided by the external auditor; and   | (vi) 檢討及監察外聘核數師之獨立性及其所提供之非核數服務；及                 |
| (vii) advised on significant events of the Company and highlighted the related risks to the management.  | (vii) 就本公司之重大事項提出意見，並向管理層指出有關風險。                 |

The Audit Committee is provided with sufficient resources to discharge its duties including the obtaining of independent professional advice at the expense of the Company if it considers necessary.

The Audit Committee has reviewed the Group's 2011 consolidated financial statements, including the accounting principles and policies adopted by the Group, in conjunction with the Company's external auditor and recommended to the Board for approval of the consolidated financial statements for the year ended 31 December 2011. The annual report of the Company for the year ended 31 December 2011 has been reviewed by the Audit Committee.

The Board agreed with the Audit Committee's proposal for the re-appointment of Messrs. PricewaterhouseCoopers as the Company's external auditor for the year 2012. The recommendation will be put forward for shareholders' approval at the forthcoming annual general meeting of the Company.

During the year ended 31 December 2011, the remuneration paid to the Company's external Hong Kong auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

審核委員會獲提供足夠資源(包括在其認為有需要時獲取獨立專業意見，費用由本公司負責)以履行職責。

審核委員會已聯同本公司外聘核數師審閱本集團之二零一一年綜合財務報表，包括本集團採用之會計原則及政策，並向董事會建議，以批准截至二零一一年十二月三十一日止年度之綜合財務報表。審核委員會已審閱本公司截至二零一一年十二月三十一日止年度之年報。

董事會同意審核委員會建議重新委任羅兵咸永道會計師事務所為本公司於二零一二年之外聘核數師。該建議將於本公司之應屆股東週年大會上提呈供股東批准。

截至二零一一年十二月三十一日止年度，向本公司外聘香港核數師羅兵咸永道會計師事務所支付之酬金載列如下：

#### Fee paid/payable

已付／應付費用

HK\$'000

港幣千元

Audit services, taxation services and review of continuing connected transactions

核數服務、稅務服務及  
審閱持續關連交易

3,009

## Executive Committee

The Executive Committee was established by the Board on 18 April 2006. It comprises all seven executive Directors. Mr. Cai Qiwu was appointed as the chairman of the Executive Committee by the Board on 9 March 2012. Under its term of reference, the Executive Committee shall be responsible for the determination on the matters relating to the Group's day-to-day operations, management and administration.

## 行政委員會

董事會於二零零六年四月十八日成立行政委員會。其由所有七名執行董事組成。蔡其武先生於二零一二年三月九日獲董事會委任為行政委員會主席。根據其職權範圍，行政委員會負責就有關本集團日常營運、管理及行政事宜作出決定。



In addition to the daily management and administration functions, as approved by the Board at the Board meeting held on 9 March 2012, the Executive Committee was delegated with the duties and responsibilities to monitor and oversee the corporate governance functions of the Group by incorporating the following functions into its terms of reference:

- (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

除日常管理及行政功能外，董事會在二零一二年三月九日舉行之董事會會議上批准，把以下功能納入行政委員會職權範圍，以委派其監察和監督本集團企業管治功能之職務及責任：

- (i) 制定及檢討本公司的企業管治政策及常規，並向董事會作出建議；
- (ii) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (iii) 檢討及監察本公司遵從法律及監管規定的政策及常規；
- (iv) 制定、檢討及監察僱員及董事適用之操守守則及合規手冊(如有)；及
- (v) 檢討本公司遵守企業管治守則及在企業管治報告內之披露。

## **Nomination Committee**

As approved by the Board on 9 March 2012, the Company established the Nomination Committee with majority of its members being independent non-executive Directors. The Nomination Committee shall be responsible for the following duties:

- (i) to formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy;
- (ii) to review the structure, size and composition (including the skills, knowledge, experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (iii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for appointment as Director of the Company;
- (iv) to assess the independence of independent non-executive Directors and review the annual confirmation made by independent non-executive Directors on their independence; and

## **提名委員會**

經董事會於二零一二年三月九日批准，本公司成立提名委員會，而當中大部分成員均為獨立非執行董事。提名委員會負責下列職責：

- (i) 制訂提名政策以供董事會審議，並執行董事會批准之提名政策；
- (ii) 至少每年檢討董事會之架構、規模和組成(包括技能、知識、經驗等方面)，並就任何建議改動向董事會提出建議以配合本公司企業策略；
- (iii) 物色具適當資格成為董事會成員的人士，並挑選或就獲提名委任為本公司董事之人士之選擇向董事會提出建議；
- (iv) 評估獨立非執行董事之獨立性及審閱獨立非執行董事就其獨立性作出的年度確認函；及



- (v) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the Chief Executive Officer.

The Nomination Committee comprises five members including two executive Directors, namely, Mr. Cai Qiwu (chairman of Nomination Committee) and Mr. Zheng Weikang and three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua.

### Company Secretary

The Company Secretary, namely, Ms. Tang Wai Ying, Tracy, is also the Company's financial controller of Hong Kong office. Ms. Tang is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed, and also acts as the secretary of Board committees to ensure that all records of meeting proceedings, discussion and decision of Board committees are properly kept. The Company Secretary reports to the Chairman of the Board and is responsible for facilitating the induction to be provided to newly appointed Directors and continuous professional development training to be provided to existing Directors and advising the Board through the Chairman on corporate governance matters.

All Directors could have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations are followed.

- (v) 就董事之委任或重新委任及董事(尤其是主席及首席執行官)之繼任計劃向董事會提出建議。

提名委員會由五名成員組成，包括兩名執行董事，蔡其武先生(提名委員會主席)及鄭偉康先生，以及三名獨立非執行董事，譚勁松先生、林明勇先生及陳春花女士。

### 公司秘書

本公司秘書鄧惠英女士亦是本公司香港財務總監。鄧女士為特許公認會計師公會之資深會員及香港會計師公會之會員。

公司秘書擔當確保董事會內良好資訊流通以及董事會政策及程序獲遵從以支援董事會的重要角色，並擔當董事委員會秘書的角色，以確保所有董事委員會的會議議程、討論及決定的記錄妥善保存。公司秘書向董事會主席報告，並負責促進向新委任董事提供的就職指引及向現任董事提供持續專業發展培訓以及透過主席就企業管治事宜向董事會提出意見。

所有董事均可向公司秘書取得意見及服務以確保董事會會議議程以及所有適用法律、規則及法規獲遵從。



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

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

The statements of the Directors and the Auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 59 to 60 of this annual report.

## **Internal Control**

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

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

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

The Company has a full set of Internal Control System Manual ("Manual") which was approved by the Board. This Manual contains a comprehensive overview and description of the objectives, content, methods and duties of the internal control system, and facilitates the ongoing examination and evaluation of the Company's compliance with existing rules and regulations and of the effectiveness of internal controls. During the year ended 31 December 2011 and up to the date of this annual report, the Company consistently applied the full set of Manual which covers the control of high-risk areas of operations, suppliers, sales, finance and personnel management. The Board has, through the Audit Committee, carried out ongoing examination and monitoring of the Group's internal control system.

## **董事及核數師就綜合財務報表所承擔之責任**

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

董事及本公司核數師就本集團綜合財務報表所作之申報責任聲明載於本年報第59頁至60頁之獨立核數師報告內。

## **內部監控**

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

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

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

本公司備有整套經由董事會批准之內部監控系統手冊(「手冊」)。此手冊載有內部監控系統各項目標、內容、方法及職責之綜合概覽及描述，有助持續審查及評估本公司是否符合現行規則及法規，以及內部監控系統之成效。於截至二零一一年十二月三十一日止年度及截至本年報日期，本公司貫徹應用整套手冊，涵蓋業務、供應商、銷售、財務及人事管理等高風險範疇之監控。董事會已透過審核委員會持續審查及監察本集團之內部監控系統。

During the Year, the Group based on the internal audit findings and improvement plans submitted by the internal audit department to the Audit Committee continued to enhance and improve the internal control system of the Group.

The Board has reviewed and is satisfied with the effectiveness of the Group's internal control system and believes that, such system is sufficient to provide reasonable assurances that the Group's assets are safeguarded against loss from unauthorised use or disposition, transactions are properly authorised and proper accounting records are maintained. The Board has reviewed and considered that the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function are adequate.

### Communication with Shareholders

The Board believes that general meeting can provide an open forum for communication between the Board and the shareholders of the Company. Sufficient notice for annual general meeting and other general meetings will be given to the shareholders in compliance with the requirements of the Articles of Association of the Company, Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Listing Rules. Shareholders are encouraged to attend the general meetings of the Company. The Chairman of the Board will attend annual general meeting and invite the chairman of Audit Committee, Remuneration Committee, Nomination Committee and other Board Committees, in their absence, other members of these Committees, to attend annual general meeting. They will be available to answer questions raised by shareholders at annual general meeting. The chairman or other members of the independent board committee (if any) will be available to answer questions at any general meeting to approve connected transaction or any other transaction that requires independent shareholders' approval.

To facilitate enforcement of shareholders' rights, substantially different issues are dealt with under separate resolutions at general meetings of the Company.

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

於本年度，根據由內部審核部提交予審核委員會之內部審核結果及改善計劃，本集團已繼續提升及改進內部監控系統。

董事會已審閱並滿意本集團內部監控系統之效能，且董事會相信，該系統足以提供合理保證，確保本集團資產免受因未經授權挪用或處置而出現之損失、交易經適當授權，且維持適當會計記錄。董事會已審閱並認為本公司在會計及財務匯報職能方面的資源、員工資歷及經驗足夠，而員工所接受的培訓課程及有關預算亦充足。

### 與股東溝通

董事會相信，股東大會為董事會與本公司股東提供一個開放溝通場所。本公司將遵守本公司組織章程細則、公司條例(香港法例第32章)及上市規則之規定向股東給予充足的股東週年大會及其他股東大會之通知。本公司鼓勵股東出席股東大會。董事會主席會出席股東週年大會，並邀請審核委員會、薪酬委員會、提名委員會及其他董事委員會之主席(倘其缺席，則邀請該等委員會之其他成員)出席股東週年大會。彼等將於股東週年大會上解答股東提出的問題。獨立董事委員會(如有)之主席或其他成員將於任何就批准關連交易或任何其他須獲獨立股東批准的交易之股東大會上解答問題。

本公司將於本公司之股東大會上分別以個別決議案處理內容迥異之議題，以促進股東行使其權利。

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



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

The investor relations department of the Company is responsible for handling the communications with our investors, it will regularly organise road shows and one-on-one meetings with institutional investors and financial analyst to promote better understanding of the Company to and keep continuous dialogues with professional investors.

The Company has established the shareholders communication policy which together with the information regarding the procedures for shareholders to propose a person for election as a Director and other shareholders' rights are available on the website of the Company.

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

本公司設有投資者關係部專責處理與投資者之溝通，投資者關係部門將定期舉行路演，以及與機構投資者及財務分析師之一對一會談，藉此加促外界了解本公司及維持與投資者之持續對話。

本公司已制定股東溝通政策，該政策連同股東擬提名人士參選董事程序及其他股東權利之相關資料，均可在本公司網站閱覽。

#### Biographical Details of Directors

**Mr. CAI Qiwu**, aged 48, was appointed as a non-executive Director and the Chairman of the Company on 31 March 2008 and re-designated as executive Director and the Chairman on 1 January 2009. Mr. Cai is a member of the Remuneration Committee and the chairman of the Nomination Committee and the Executive Committee of the Company. He joined the Midea Group in 1992 and has held various senior management positions in the Midea Group. He has considerable experience in strategic management, risk management and research and development activities. Mr. Cai is the chief executive officer of a member group of Midea Group. He was a director of GD Midea Holding Co., Ltd. ("GD Midea"), a company controlled by Midea and the shares of which are listed on the Shenzhen Stock Exchange. He is also a director of certain subsidiaries of the Company. Mr. Cai holds a Master of Technology Mechanical Manufacturing Degree from the Huazhong University of Science and Technology.

**Mr. JIANG Deqing**, aged 42, was appointed as an executive director and the Chief Executive Officer of the Company on 31 August 2008. Mr. Jiang is a member of the Executive Committee of the Company. He joined the Group in May 1995. He has been the General Manager of washing motor division of the Group since January 2005 and responsible for overall management of washing motor division. He has held various senior management positions in the Group and has over 16 years of experience in the washing motor industry and years of managerial experience. Mr. Jiang serves as a vice-chairman in certain subsidiaries of the Company. Mr. Jiang holds a Bachelor's Degree in Business Administration (Industrial Trade) from Chongqing University and an Executive Master of Business Administration Degree (EMBA) from the Guanghai School of Management of Peking University.

**Mr. QU Fei**, aged 38, was appointed as an executive director and the Chief Operating Officer of the Company on 31 March 2008. Mr. Qu is a member of the Executive Committee of the Company. He joined the Midea Group in 1998. He has held various senior management positions in the Midea Group and has considerable experience in operations and strategic management, information technology, and purchasing activities. Mr. Qu is the chief operation officer of a member group of the Midea Group. Mr. Qu is also a director of certain subsidiaries of the Company. Mr. Qu holds a Bachelor Degree in Economics from Zhongnan University of Finance and Economics and an Executive Master of Business Administration Degree (EMBA) from the Guanghai School of Management of Peking University.

#### 董事履歷

**蔡其武先生**，48歲，於二零零八年三月三十一日獲委任為本公司之非執行董事及主席，並於二零零九年一月一日調職為執行董事及主席。蔡先生為本公司薪酬委員會委員以及提名委員會及行政委員會主席。彼於一九九二年加盟美的集團，先後擔任美的集團多個高級管理職位。彼對戰略管理、風險管理及研發活動擁有豐富經驗。蔡先生現時為美的集團轄下成員集團的首席執行官。彼曾任廣東美的電器股份有限公司（「美的電器」）董事，美的電器為一間由美的控制之公司，其股份於深圳證券交易所上市。彼亦為本公司多間附屬公司之董事。蔡先生持有由華中理工大學頒發的工學碩士學位。

**姜德清先生**，42歲，於二零零八年八月三十一日獲委任為本公司之執行董事及首席執行官。姜先生為本公司行政委員會委員。彼於一九九五年五月加盟本集團，自二零零五年一月起出任本集團洗滌電機事業部之總經理，負責洗滌電機事業部之整體管理工作。彼於本集團內先後擔任多個高級管理職位，於洗滌電機行業擁有超過十六年的經驗以及多年的管理經驗。姜先生亦為本公司多間附屬公司之副董事長。姜先生持有由重慶大學工商管理學院頒發的工業外貿學士學位，及由北京大學光華管理學院頒發的高級管理人員工商管理碩士(EMBA)學位。

**瞿飛先生**，38歲，於二零零八年三月三十一日獲委任為本公司之執行董事及首席營運總監。瞿先生為本公司董事會轄下之行政委員會委員。彼於一九九八年加盟美的集團，先後擔任美的集團多個高級管理職位，對營運及戰略管理、資訊科技及採購活動擁有豐富經驗。瞿先生現為美的集團轄下成員集團的首席營運總監。瞿先生亦為本公司多間附屬公司之董事。瞿先生持有由中南財經大學頒發的經濟學學士學位，及由北京大學光華管理學院頒發的高級管理人員工商管理碩士(EMBA)學位。

## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

**Mr. CHEN Jianhong**, aged 42, was appointed as an executive Director, the Chief Financial Officer and a member of the Executive Committee of the Company on 15 March 2011. Mr. Chen joined the Midea Group in 1993. He has held various senior positions of financial management in Midea Group and has considerable experience in financial management. Mr. Chen is the chief financial officer of a member group of Midea Group. Mr. Chen holds a Bachelor's Degree in Economics awarded by the Jiangxi University of Finance and Economics and a Master's Degree in Administration awarded by the Fuzhou University. He is an accountant accredited by the Ministry of Finance People's Republic of China.

**Ms. YUAN Liqun**, aged 42, was appointed as a non-executive Director of the Company on 17 November 2004 and re-designated as an executive Director of the Company on 4 January 2007. Ms. Yuan is a member of the Executive Committee of the Company. She joined the Midea Group in 1992. She has held various senior management positions in the Midea Group and has considerable experience in finance, audit and overall management. Ms. Yuan is a director and vice-president of Midea Group Co., Ltd. and the chief financial officer of Midea Group. She is a director of GD Midea. Ms. Yuan is the chairman of Midea Group Finance Co., Ltd. She previously was a supervisor of GD Midea. She is also a director of certain subsidiaries of the Company. Ms. Yuan holds a Master of International Management Degree from The Australian National University.

**Mr. LI Jianwei**, aged 45, was appointed as a non-executive director of the Company on 17 November 2004 and re-designated as an executive director of the Company on 14 June 2005. Mr. Li is a member of the Executive Committee of the Company. He joined the Midea Group in 1994 and has held various senior management positions in the Midea Group. Mr. Li has considerable experience in strategic development activities. Mr. Li is a director and vice president of Midea Group Co., Ltd. He is also the vice chairman of GD Midea. He is also a director of certain subsidiaries of the Company. Mr. Li holds a Master of Business Administration Degree from Fudan University.

**Mr. ZHENG Weikang**, aged 43, was appointed as an executive director and the Chief Director of the International Offices of the Company on 31 March 2008. Mr. Zheng is a member of the Remuneration Committee, the Nomination Committee and the Executive Committee of the Company. He joined the Midea Group in 1986. He has held various senior management positions in the Midea Group and has considerable experience in financial and overall management. Mr. Zheng is currently a director of Midea International Corporation Company Limited and certain non-listed subsidiaries of the Midea Group. He is also a director of certain subsidiaries of the Company. Mr. Zheng holds a Master of International Management Degree from The Australian National University.

**陳建紅先生**，42歲，於二零一一年三月十五日獲委任為本公司執行董事、首席財務官及行政委員會委員。陳先生於一九九三年加盟美的集團。陳先生於美的集團曾擔任多個財務管理的高級職位，擁有豐富的財務管理經驗。陳先生現為美的集團轄下的成員集團的首席財務官。陳先生持有由江西財經大學頒發的經濟學學士學位及由福州大學頒發的管理學碩士學位。彼為中華人民共和國財政部認可註冊的會計師。

**袁利群女士**，42歲，於二零零四年十一月十七日獲委任為本公司之非執行董事，其後於二零零七年一月四日調任為執行董事。袁女士為本公司行政委員會委員。彼於一九九二年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務審計及整體管理擁有豐富經驗。袁女士現時為美的集團有限公司之董事兼副總裁，以及美的集團之財務總監。彼為美的電器之董事。袁女士為美的集團財務有限公司董事長。彼之前曾任美的電器之監事長。彼亦為本公司多間附屬公司之董事。袁女士持有由澳洲國立大學頒發的國際管理學碩士學位。

**栗建偉先生**，45歲，於二零零四年十一月十七日獲委任為本公司之非執行董事，其後於二零零五年六月十四日調任為執行董事。栗先生為本公司行政委員會委員。彼於一九九四年加盟美的集團，先後於美的集團擔任多個高級管理職位。栗先生對戰略開發活動擁有豐富經驗。栗先生現時為美的集團有限公司董事兼副總裁。彼亦為美的電器之副董事長。彼亦為本公司多間附屬公司之董事。栗先生持有由復旦大學頒發的工商管理學碩士學位。

**鄭偉康先生**，43歲，於二零零八年三月三十一日獲委任為本公司之執行董事及國際辦事處總監。鄭先生為本公司薪酬委員會、提名委員會及行政委員會委員。彼於一九八六年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務及整體管理擁有豐富經驗。鄭先生現時為美的國際控股有限公司及美的集團若干非上市附屬公司董事。彼亦為本公司多間附屬公司之董事。鄭先生持有由澳洲國立大學頒發的國際管理學碩士學位。

**Mr. TAN Jinsong**, aged 47, was appointed as an independent non-executive Director of the Company on 1 August 2009. Mr. Tan is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Mr. Tan is a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants. He was approved as a PRC registered accountant in June 1995 and has become a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants since January 2003. He possesses over 26 years of experience in the profession of accounting and financial management. Mr. Tan is currently a professor of the School of Management of Sun Yat-sen University and was the Head of Department of the Faculty of Accountancy and the Vice Dean of the School of Management of Sun Yat-sen University.

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

**Mr. LAM Ming Yung**, aged 48, was appointed as an independent non-executive director of the Company on 1 December 1999. Mr. Lam is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. He graduated from the School of Law of Shanghai Eastern Chinese College of Politics and Jurisprudence with a Bachelor of Law Degree in 1986. Mr. Lam started practicing law in 1987 in the province of Fujian in the PRC, and moved to Hong Kong in mid-1993. He was registered as a foreign lawyer with The Law Society of Hong Kong in July 1995, and is now practicing as Chief PRC Consultant, Corporate Finance, and Foreign Legal Consultant (PRC), in the Hong Kong office of Sidley Austin LLP. Mr. Lam was an independent non-executive director of China Agrotech Holdings Limited and a non-executive director of China Mining Resources Group Limited, both companies are listed on the Stock Exchange of Hong Kong. Mr. Lam was also an independent non-executive director of China Lifestyle Food & Beverages Group Limited, a company listed on the Stock Exchange of Singapore.

**譚勁松先生**，47歲，於二零零九年八月一日獲委任為本公司獨立非執行董事。譚先生為本公司審核委員會主席以及薪酬委員會及提名委員會委員。譚先生現為廣東省註冊會計師協會的非執業會員。彼於一九九五年六月獲批准為中國註冊會計師，並由二零零三年一月起為廣東省註冊會計師協會的非執業會員。彼於會計及財務管理方面擁有逾二十六年經驗。譚先生現為中山大學管理學院教授，並曾任中山大學會計系主任及管理學院副院長。

譚先生現時為新大洲控股股份有限公司、宜華地產股份有限公司(兩家公司均於深圳證券交易所上市)、廣東冠昊生物科技股份有限公司(於深圳證券交易所創業板上市的公司)以及中遠航運股份有限公司(於上海證券交易所上市的公司)的獨立董事。彼亦曾於多間中國上市公司擔任獨立董事，包括於上海證券交易所上市的珠海華發實業股份有限公司及廣東冠豪高新技術股份有限公司，以及於深圳證券交易所上市的廣東美的電器股份有限公司及廣東蓉勝超微線材股份有限公司。

**林明勇先生**，48歲，於一九九九年十二月一日獲委任為本公司之獨立非執行董事。林先生為本公司審核委員會、薪酬委員會及提名委員會委員。彼於一九八六年畢業於華東政法學院，取得法律學士學位。林先生於一九八七年開始在中國福建省執業，並於一九九三年中遷往香港。林先生於一九九五年七月向香港法律學會註冊為海外律師，現時於盛德律師事務所香港辦事處執業為中國企業融資部首席顧問及境外法律顧問(中國)。林先生曾為浩倫農業科技集團有限公司之獨立非執行董事，以及中國礦業資源集團有限公司之非執行董事，彼等均為於香港聯交所上市之公司。林先生亦曾為於新加坡證券交易所上市之中國休閒食品集團之獨立非執行董事。

## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

**Ms. CHEN Chunhua**, aged 48, was appointed as an independent non-executive director of the Company on 22 December 2004. Ms. Chen is the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Ms. Chen holds a Postdoctorate Degree in Business Administration from Nanjing University. She was a professor, tutor of doctoral candidates and Vice Dean of the Faculty of Business Administration of South China University of Technology. She was a visiting professor for the Asia-Pacific EMBA Program of The National University of Singapore and is a part-time professor of Nanjing University. Ms. Chen's research speciality was enterprise management, particularly enterprise organisation and operational management. Ms. Chen was a president and a director of Shandong Liuhe Company Limited and has considerable experience in enterprise operational management. Ms. Chen is presently an independent director of China Merchants Fund Management Co. Ltd. and Foshan Shunde Rural Commercial Bank Co., Ltd. and the independent non-executive director of SPT Energy Group Inc., a company listed on the Stock Exchange of Hong Kong (appointed in December 2011).

### Biographical Details of Senior Management

**Mr. ZHOU Xiangyang**, aged 39, joined the Group in July 1996. Mr. Zhou is the general manager of the micro motors division of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. Mr. Zhou holds a Bachelor's Degree in Electrical Engineering from Harbin Institute of Technology and an Executive Master of Business Administration Degree (EMBA) from the Guanghua School of Management of Peking University.

**Mr. ZENG Yong**, aged 40, joined the Group in June 1999. Mr. Zeng is the general manager of the commercial motor company of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. Mr. Zeng holds a Bachelor Degree in Electrical Engineering from Zhejiang University.

**陳春花女士**，48歲，於二零零四年十二月二十二日獲委任為本公司之獨立非執行董事。陳女士為本公司薪酬委員會主席以及審核委員會及提名委員會委員。彼持有由南京大學頒發的工商管理博士後學位。陳女士曾任華南理工大學工商管理學院教授、博士生導師及工商管理學院副院長。彼曾擔任新加坡國立大學管理學院亞太高層企業主管碩士課程客座教授，現為南京大學兼職教授。陳女士的研究領域為企業管理，且特別擅長企業組織及經營管理。陳女士曾任山東六和集團有限公司總裁及董事，並對企業經營管理擁有豐富經驗。陳女士現時為招商基金管理公司及佛山順德農村商業銀行股份有限公司的獨立董事，以及於香港聯交所上市的華油能源集團有限公司的獨立非執行董事(於二零一一年十二月獲委任)。

### 高級管理人員履歷

**周向陽先生**，39歲，於一九九六年七月加盟本集團。周先生現時擔任本集團微電機事業部總經理。彼於本集團先後擔任多個高級管理職位，對本集團業務的銷售、推廣及業務運作管理擁有豐富經驗。周先生持有由哈爾濱工業大學頒發的電機及控制電器專業工學學士學位及由北京大學光華管理學院頒發的高級管理人員工商管理碩士(EMBA)學位。

**曾勇先生**，40歲，於一九九九年六月加盟本集團。曾先生現時擔任本集團商用電機公司總經理。彼於本集團先後擔任多個高級管理職位，對本集團業務的銷售、推廣及業務運作管理擁有豐富經驗。曾先生持有由浙江大學頒發的電機及其控制專業學士學位。



The Directors hereby present this report of the Directors and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2011.

### Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are set out in Note 9 to the consolidated financial statements.

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

### Final Results

The final results of the Group for the Year are set out in the consolidated income statement on pages 65 to 66.

### Dividend

The Directors recommended the payment of a final dividend of HK4 cents per share for the Year (2010: HK0.8 cent per share before the five-to-one share consolidation) to the shareholders of the Company whose names appear on the register of members of the Company on 7 June 2012. Subject to the approval from shareholders of the Company at the annual general meeting of the Company to be held on 31 May 2012 ("AGM"), the proposed final dividend will be paid on 15 June 2012.

### Closure of Register of Members

For the purpose of ascertaining shareholders' rights of attending and voting at the AGM, the register of members of the Company will be closed from 28 May 2012 to 31 May 2012, both days inclusive, during which period no transfer of shares shall be effected. In order to be entitled to attend and vote at the AGM, shareholders should ensure that all transfers accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 25 May 2012.

董事謹此提呈本公司及本集團截至二零一一年十二月三十一日止年度之本董事會報告及經審核綜合財務報表。

### 主要業務及營運地區之分析

本公司之主要業務為投資控股，而本公司之附屬公司主要業務則載於綜合財務報表附註9。

本集團於本年度按業務及地區分部之業績表現分析載於綜合財務報表附註5。

### 全年業績

本集團於本年度之全年業績載於第65頁至第66頁之綜合收益表內。

### 股息

董事建議派發本年度末期股息每股4港仙(二零一零年：每股0.8港仙(按五合一股份合併前計))予於二零一二年六月七日在本公司股東名冊上已登記之本公司股東。經本公司股東於二零一二年五月三十一日舉行之股東週年大會(「股東週年大會」)上批准後，建議末期股息將於二零一二年六月十五日派發。

### 暫停辦理股份過戶登記

本公司將於二零一二年五月二十八日至二零一二年五月三十一日(包括首尾兩日)暫停辦理股份過戶登記手續，以便確定股東有權出席股東週年大會並於會上投票，期間不接受任何股份轉讓登記。為了有權出席股東週年大會並於會上投票，股東應確保所有過戶文件連同有關股票須不遲於二零一二年五月二十五日下午四時三十分交回本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。



For the purpose of determining the identity of shareholders who are entitled to the final dividend, the register of members of the Company will be closed from 6 June 2012 to 7 June 2012, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the proposed final dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 5 June 2012.

本公司將於二零一二年六月六日至二零一二年六月七日(包括首尾兩日)暫停辦理股份過戶登記手續，以便確定有權收取末期股息的股東，期間不接受任何股份轉讓登記。為符合資格收取建議末期股息，股東應確保所有過戶文件連同有關股票須不遲於二零一二年六月五日下午四時三十分，交回本公司的股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

### Reserves

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

### 儲備

本公司及本集團於本年度之儲備變動詳情載於綜合財務報表附註17。

### Property, Plant and Equipment

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

### 物業、廠房及設備

本公司及本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註7。

### Share Capital

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

### 股本

本公司於本年度之股本變動詳情載於綜合財務報表附註16(a)。

### Distributable Reserves

As at 31 December 2011, the Company had distributable reserves amounting to HK\$121,531,000 (2010: HK\$124,940,000).

### 可供分派之儲備

於二零一一年十二月三十一日，本公司可供分派之儲備為港幣121,531,000元(二零一零年：港幣124,940,000元)。

### Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, is set out on page 184. This summary does not form part of the audited consolidated financial statements.

### 五年財務摘要

本集團於過往五個財政年度經適當重列及重新歸類之業績、資產及負債摘要載於第184頁。該摘要並不構成經審核綜合財務報表之一部分。

### Purchase, Sale or Redemption of Securities

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

### 購買、出售或贖回證券

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

#### Share Option Scheme

Details of the share option scheme of the Company adopted on 27 June 2003 (the "Share Option Scheme") are disclosed in Note 16(b) to the consolidated financial statements.

#### Directors

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

##### Executive Directors

Mr. CAI Qiwu (*Chairman*)  
Mr. JIANG Deqing (*Chief Executive Officer*)  
Mr. QU Fei  
Mr. CHEN Jianhong (appointed on 15 March 2011)  
Ms. YUAN Liqun  
Mr. LI Jianwei  
Mr. ZHENG Weikang  
Mr. GAO Fazhong (resigned on 15 March 2011)

##### Independent non-executive Directors

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

In accordance with Article 91 of the Company's Articles of Association, Mr. Qu Fei, Ms. Yuan Liqun, Mr. Zheng Weikang and Mr. Lam Ming Yung will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

#### Directors' Service Contracts

On 26 May 2011, the Company entered into the letters of appointment with three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua for a term commencing on 26 May 2011 and ending on the date of the Company's next annual general meeting as their respective letters of appointment had expired on 26 May 2011.

#### 購股權計劃

本公司於二零零三年六月二十七日採納之購股權計劃(「購股權計劃」)之詳情於綜合財務報表附註16(b)披露。

#### 董事

於本年度及截至本年報日期在任之董事如下：

##### 執行董事

蔡其武先生(主席)  
姜德清先生(首席執行官)  
瞿飛先生  
陳建紅先生(於二零一一年三月十五日獲委任)  
袁利群女士  
栗建偉先生  
鄭偉康先生  
郜發忠先生(於二零一一年三月十五日辭任)

##### 獨立非執行董事

譚勁松先生  
林明勇先生  
陳春花女士

根據本公司之組織章程細則第91條，瞿飛先生、袁利群女士、鄭偉康先生及林明勇先生將於本公司應屆股東週年大會退任，並符合資格且願意於本公司應屆股東週年大會上膺選連任。

#### 董事服務合約

於二零一一年五月二十六日，本公司與三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士各自訂立委任書，任期由二零一一年五月二十六日開始至本公司下屆股東週年大會日期止，因彼等各自之委任書已於二零一一年五月二十六日屆滿。



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

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

### Independence of Independent Non-Executive Directors

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

### Remuneration Policy

The remuneration policy of the Group is set on the principles that the remuneration packages of employees should be determined based on the job duties, responsibilities, work performance, qualifications and competence of each individual employee, performance of the Group and the prevailing market and economic conditions in order to attract and retain high-calibre employees needed to run the Company successfully.

The remuneration packages of executive Directors and senior management of the Company are reviewed annually and determined by the Remuneration Committee based on the duties, responsibilities of each individual executive Director and senior management, performance of the Group and the remuneration packages paid by comparable companies in the same industry. No Director or any of his associates will be involved in deciding his own remuneration. Remuneration of independent non-executive Directors will be reviewed annually and recommended by the Remuneration Committee to the Board for final approval.

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

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

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

### 獨立非執行董事之獨立性

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

### 薪酬政策

本集團訂立之薪酬政策，是基於每位個別僱員的工作職責、責任、工作表現、資歷及能力、本集團業績表現以及當時市場及經濟狀況而釐定僱員薪酬待遇為原則，以吸引和保留本公司成功營運所需的人才。

本公司執行董事及高級管理人員之薪酬待遇由薪酬委員會每年檢討及基於每位個別執行董事及高級管理人員之職責、責任及本集團業績表現以及業界可比較公司所支付之薪酬待遇而釐定。董事或任何其聯繫人士不得參與釐定其本身之薪酬。獨立非執行董事之薪酬則由薪酬委員會每年檢討並向董事會建議以作最後批准。

本公司已採納購股權計劃，旨在向本公司董事及本集團合資格僱員提供獎勵及激勵。

#### Pension Schemes

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

#### Directors' Interests in Contracts

Save as disclosed in Note 37 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

#### Biographical Details of Directors and Senior Management

Biographical details of the Directors and senior management of the Company are set out on pages 36 to 39.

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

As at 31 December 2011, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the laws of Hong Kong), as recorded in the register required to be kept by the Company under section 352 of the SFO or which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

#### 退休金計劃

本集團管理的退休金計劃詳情載於綜合財務報表附註25(a)。

#### 董事之合約權益

除綜合財務報表附註37所披露者外，於本年度結束時或本年度任何時間內，本公司、其同系附屬公司或其控股公司概無訂立任何與本集團業務有重大關係而本公司董事直接或間接在其中擁有重大權益之合約。

#### 董事及高級管理人員之個人履歷

董事及本公司高級管理人員之個人履歷載於第36頁至39頁。

#### 董事及最高行政人員於股本證券或債務證券之權益

於二零一一年十二月三十一日，董事及本公司最高行政人員在本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有須記入本公司根據證券及期貨條例第352條所述而存置之登記冊之權益及淡倉，或根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例該董事或最高行政人員持有或被視作持有之權益及淡倉)，及根據聯交所證券上市規則(「上市規則」)中上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

**Interests in share options of the Company (long position) 於本公司之購股權權益(好倉)**

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

於本年度，根據購股權計劃授予董事之購股權變動如下：

Name	Date of grant	Options held at 1 January 2011	Adjustment made during the year	Options exercised during the year	Options lapsed during the year	Options held at 31 December 2011	Adjusted exercise price per option	Exercisable period	Closing price immediately before the date of grant	
姓名	授出日期	於二零一一年一月一日持有之購股權	於本年度內作出之調整	於本年度內行使之購股權	於本年度內失效之購股權	於二零一一年十二月三十一日持有之購股權	經調整每份購股權行使價	可行使期限	緊接授出日期前股份收市價	
			(Note b) (附註b)				HK\$ 港幣 (Note b) (附註b)		HK\$ 港幣	
<b>Directors</b>	<b>董事</b>									
Mr. Cai Qiwu	蔡其武先生	09/01/2009	68,000,000	(54,400,000)	—	—	13,600,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)	0.151
Mr. Jiang Deqing	姜德清先生	09/01/2009	36,000,000	(28,800,000)	—	—	7,200,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)	0.151
Mr. Qu Fei	瞿飛先生	09/01/2009	22,000,000	(17,600,000)	—	—	4,400,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)	0.151
Mr. Lam Ming Yung	林明勇先生	30/07/2007	2,000,000	(1,600,000)	—	—	400,000	3.900	30/07/2007–29/07/2017	0.77
		09/01/2009	5,000,000	(4,000,000)	—	—	1,000,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)	0.151
Ms. Chen Chunhua	陳春花女士	30/07/2007	2,000,000	(1,600,000)	—	—	400,000	3.900	30/07/2007–29/07/2017	0.77
		09/01/2009	5,000,000	(4,000,000)	—	—	1,000,000	0.785	01/04/2010–31/03/2017 (Note a) (附註a)	0.151
Mr. Gao Fazhong	鄒發忠先生	09/01/2009	25,000,000	(20,000,000)	(2,500,000)	(2,500,000)	—	0.785	01/04/2010–31/03/2017 (Note a) (附註a)	0.151
(Note c)	(附註c)									

Notes:

- (a) The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:
- the first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
  - the second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
  - the third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
  - the remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.
- (b) Adjustments were made to the number of outstanding share options and the exercise price upon the five-to-one share consolidation becoming effective on 27 May 2011. Details of the share consolidation and the adjustments to the share options were set out in the Company's circular dated 11 May 2011 and announcement dated 26 May 2011.
- (c) Mr. Gao Fazhong resigned as an executive Director of the Company on 15 March 2011. 2,500,000 share options of Mr. Gao were lapsed on 30 September 2011.

Details of the Share Option Scheme are disclosed in Note 16(b) to the consolidated financial statements.

附註：

- (a) 上述授出購股權之代價為港幣1元。於二零零九年一月九日授出的購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：
- 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自已終止經營業務之業績)(「二零零八年純利」)之100%；
  - 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
  - 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
  - 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。
- (b) 尚未行使購股權數目及行使價在五合一股份合併於二零一一年五月二十七日生效時作出調整。股份合併及調整購股權之詳情列載於本公司二零一一年五月十一日刊發的通函及二零一一年五月二十六日刊發的公告。
- (c) 鄧發忠先生於二零一一年三月十五日辭任本公司執行董事一職，鄧先生的2,500,000份購股權於二零一一年九月三十日失效。

購股權計劃之詳情於綜合財務報表附註16(b)披露。



Save as disclosed above, at no time during the year ended 31 December 2011 was the Company or any of its subsidiaries or associated corporations (within the meaning of the SFO), its fellow subsidiaries or its holding company, a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of the shares in, or debentures of, the Company or any of its associated corporations (within the meaning of the SFO), or had exercised any such rights during the Year.

Other than those interests disclosed above, as at 31 December 2011, none of the Directors and the chief executive of the Company and their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were recorded in the register kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### **Directors' Interest in Competing Businesses**

As at 31 December 2011, none of the Directors was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

除上文所披露者外，於截至二零一一年十二月三十一日年度內，本公司或其任何附屬公司或相聯法團（定義見證券及期貨條例）、其同系附屬公司或其控股公司概無參與任何安排，致使董事或本公司最高行政人員藉購入本公司或任何其相聯法團（定義見證券及期貨條例）之任何股份或債券而獲益，或於本年度內行使任何該等權利。

除上文所披露之權益外，於二零一一年十二月三十一日，董事及本公司最高行政人員及其各自聯繫人士並無擁有本公司或其相關法團（定義見證券及期貨條例）之股份、相關股份或債券之任何權益或淡倉而須根據證券及期貨條例第XV部第7及第8分部（包括彼根據證券及期貨條例有關條文持有或被視作持有之權益及淡倉）知會本公司及聯交所或根據證券及期貨條例第352條記入本公司存置之登記冊內，或須根據標準守則知會本公司及聯交所。

### **董事於競爭業務之權益**

於二零一一年十二月三十一日，概無董事於本集團業務以外之任何業務中擁有與本集團業務直接或間接構成或可能構成競爭之權益。



## Substantial Shareholders' Interests

As at 31 December 2011, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

## 主要股東權益

根據證券及期貨條例第336條本公司須存置之登記冊顯示，於二零一一年十二月三十一日，下列人士(董事或本公司最高行政人員除外)於本公司之股份及相關股份中擁有權益或淡倉：

Name of shareholder 股東姓名／名稱		Nature of Interest 權益性質	Number of shares held 持有股份數目	Approximate percentage of shareholding 持股概約百分比
Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") (Note 1) 美的控股(開曼群島)有限公司 (「美的(開曼群島)」)(附註1)	Long position 好倉	Beneficial interest 實益權益	1,901,204,779	67.38%
Midea Investment Holding (BVI) Limited ("Midea Holding") (Note 2) 美的控股(BVI)有限公司(「美的控股」)(附註2)	Long position 好倉	Interest in a controlled corporation 受控法團權益	1,901,204,779	67.38%
Midea Group Co., Ltd. ("Midea") (Note 3) 美的集團有限公司(「美的」)(附註3)	Long position 好倉	Interest in controlled corporations 受控法團權益	1,909,696,779	67.68%
Foshan Shunde Midea Investment Holding Co., Ltd. ("Shunde Midea") (Note 4) 佛山市順德區美的投資控股有限公司 (「順德美的」)(附註4)	Long position 好倉	Interest in controlled corporations 受控法團權益	1,909,696,779	67.68%
Mr. He Xiangjian (Note 5) 何享健先生(附註5)	Long position 好倉	Interest in controlled corporations 受控法團權益	1,909,696,779	67.68%
Ms. Liang Fengchai (Note 6) 梁鳳釵女士(附註6)	Long position 好倉	Interest of spouse 配偶權益	1,909,696,779	67.68%

Notes:

附註：

- These 1,901,204,779 shares of the Company were registered in the name of and beneficially owned by Midea (Cayman Islands).
- Midea Holding was deemed to be interested in the 1,901,204,779 shares of the Company in which Midea (Cayman Islands) was interested by virtue of its holding 100% equity interest in Midea (Cayman Islands).

- 美的(開曼群島)以其名義登記並實益擁有該等1,901,204,779股本公司股份。
- 美的控股藉持有美的(開曼群島)100%股權而被視為於美的(開曼群島)擁有權益之1,901,204,779股本公司股份中擁有權益。



3. There were 8,492,000 shares of the Company registered in the name of and beneficially owned by Midea International Corporation Company Limited ("Midea International") which is a company 100%-owned by Midea. Midea Holding is also a 100%-owned company of Midea. Accordingly, Midea was deemed to be interested in the aggregate of 1,909,696,779 shares of the Company including 8,492,000 shares in which Midea International was interested and 1,901,204,779 shares in which Midea Holding was deemed to be interested by virtue of its holding 100% equity interest in both Midea International and Midea Holding.
4. The registered capital of Midea is owned as to 65.15% by Shunde Midea. Accordingly, Shunde Midea was deemed to be interested in the aggregate number of 1,909,696,779 shares of the Company in which Midea was deemed to be interested by virtue of its holding 65.15% equity interest in Midea.
5. The registered capital of Shunde Midea is owned as to 94.55% by Mr. He Xiangjian. Accordingly, Mr. He Xiangjian was deemed to be interested in the aggregate number of 1,909,696,779 shares of the Company in which Shunde Midea was deemed to be interested by virtue of his holding 94.55% equity interest in Shunde Midea.
6. Ms. Liang Fengchai is the spouse of Mr. He Xiangjian and is therefore deemed to be interested in the aggregate number of 1,909,696,779 shares of the Company in which Mr. He Xiangjian was deemed to be interested.
3. 美的國際控股有限公司(「美的國際」)為美的的全資擁有的公司，以其名義登記並實益擁有8,492,000股本公司股份。美的控股亦為美的的全資擁有的公司。因此，美的藉持有美的國際及美的控股的100%股權而被視為於總數1,909,696,779股本公司股份(包括美的國際擁有權益的8,492,000股股份及美的控股被視為擁有權益的1,901,204,779股股份)中擁有權益。
4. 順德美的擁有美的的註冊資本之65.15%。因此，順德美的藉持有美的的65.15%股權而被視為於美的的被視為擁有權益之總數1,909,696,779股本公司股份中擁有權益。
5. 何享健先生擁有順德美的的註冊資本之94.55%。因此，何享健先生藉持有順德美的的94.55%股權而被視為於順德美的的被視為擁有權益之總數1,909,696,779股本公司股份中擁有權益。
6. 梁鳳釵女士為何享健先生之配偶，因此，被視為於何享健先生被視為擁有權益之總數1,909,696,779股本公司股份中擁有權益。

Save as disclosed above, as at 31 December 2011, the Company was not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company under section 336 of the SFO.

除上文披露者外，於二零一一年十二月三十一日，本公司並不知悉任何其他人士(本公司董事或最高行政人員除外)於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部知會本公司及記入本公司根據證券及期貨條例第336條須存置之登記冊內。

## Management Contracts

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

## 管理合約

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

## Major Customers and Suppliers

Sales to the Group's five largest customers together accounted for 38.6% of the Group's total sales during the Year. The five largest customers are set out below:

1. 16.4% from GD Midea Air-Conditioning Equipment Co., Ltd. of which is a company controlled by Midea.
2. 7.1% from Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd. of which a Director of the Company is director and it is controlled by Midea.

## 主要客戶及供應商

本集團五大客戶之銷售額共佔本集團於本年度之銷售總額38.6%。五大客戶載列如下：

1. 16.4%來自廣東美的製冷設備有限公司，該公司受美的的控制。
2. 7.1%來自廣東美的集團蕪湖製冷設備有限公司，本公司一名董事為該公司董事，該公司受美的的控制。

- |  |  |
|--|--|
| <p>3. 6.2% from Midea Group Wuhan Refrigeration Equipment Co., Ltd. of which is a company controlled by Midea.</p>   | <p>3. 6.2% 來自美的集團武漢製冷設備有限公司，該公司受美的控制。</p>  |
| <p>4. 4.9% from Wuxi Little Swan Co., Ltd. of which a Director of the Company is director and it is controlled by Midea.</p>   | <p>4. 4.9% 來自無錫小天鵝股份有限公司，本公司一名董事為該公司董事，該公司受美的控制。</p>                               |
| <p>5. The remaining largest customer accounted for 4.0% of the total sales during the Year and none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the said major customers.</p> | <p>5. 餘下最大客戶佔本年度之銷售總額4.0%，且概無董事、其聯繫人士或任何股東(根據董事所知擁有本公司已發行股本5%以上者)在該等主要客戶中擁有權益。</p> |

Purchases from the Group's five largest suppliers together accounted for less than 30% of the Group's total purchase during the Year.

本集團五大供應商之採購額共佔本集團於本年度內之採購總額低於30%。

### Connected Transactions and Continuing Connected Transactions

### 關連交易及持續關連交易

During the Year, the Group had the following connected and continuing connected transactions which were disclosed by published announcements:

於本年度，本集團進行了以下關連交易及持續關連交易(已披露於刊發的公告內)：

#### Connected Transactions

#### 關連交易

- (1) On 15 April 2011 Foshan Welling Electronic and Electric Co., Ltd. ("Welling Electronic and Electric", a wholly-owned subsidiary of the Company) entered into the assets transfer agreement ("Assets Transfer Agreement") with Guangdong Midea Microwave Electrical Appliances Manufacturing Co., Ltd. ("Midea Microwave") which is a fellow subsidiary of Midea Group Co., Ltd. ("Midea", the controlling shareholder of the Company), pursuant to which, Welling Electronic and Electric agreed to dispose of the machinery equipment and moulds, testing equipment and office equipment (collectively the "Assets") to Midea Microwave at a cash consideration of RMB22,078,100. Upon completion of the disposal of the Assets, the Group ceased the business of manufacturing transformer and shaded pole motor.

- (1) 於二零一一年四月十五日，佛山市威靈電子電器有限公司(「威靈電子電器」，本公司全資附屬公司)與美的集團有限公司(「美的」，本公司控股股東)之同系附屬公司廣東美的微波電器製造有限公司(「美的微波」)訂立資產轉讓協議(「資產轉讓協議」)，據此，威靈電子電器同意以現金代價人民幣22,078,100元向美的微波出售機器設備及模具、檢測設備及辦公室設備(統稱「資產」)。出售資產完成後，本集團終止製造變壓器和罩極電機之業務。

The Assets Transfer Agreement and the disposal of the Assets were approved by independent shareholders of the Company at an extraordinary general meeting of the Company held on 26 May 2011 ("2011 EGM").

資產轉讓協議及資產出售於二零一一年五月二十六日舉行的本公司股東特別大會(「二零一一年股東特別大會」)由本公司獨立股東批准。



(2) On 18 November 2011, Guangdong Welling Motor Manufacturing Co., Ltd. (“Guangdong Welling”, a wholly-owned subsidiary of the Company) entered into a capital increase agreement (“Capital Increase Agreement”) with Midea and GD Midea Holding Co., Ltd. (“GD Midea”, a company controlled by Midea), pursuant to which, each of Guangdong Welling, Midea and GD Midea agreed to increase its capital contribution to Midea Group Finance Co., Ltd. (“Finance Company”) in an aggregate amount of RMB1,000 million in proportion to each of their respective equity interests in the Finance Company by way of cash (“Capital Increase”). According to the 5% equity interest of Guangdong Welling in the Finance Company, RMB50 million in cash should be made by Guangdong Welling to the Finance Company. The Capital Increase in the Finance Company was approved by the China Banking Regulatory Commission (“CBRC”) on 30 December 2011 and the payment of capital contribution by each of Guangdong Welling, Midea and GD Midea was completed on the same date. Upon completion of the Capital Increase, the registered capital of the Finance Company increased from RMB500 million to RMB1,500 million while the respective equity interests of Guangdong Welling, Midea and GD Midea in the Finance Company remained at 5%, 55% and 40% respectively.

The entering into of the Capital Increase Agreement and the Capital Increase contemplated thereunder were only subject to reporting and announcement requirements and exempted from independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

### Continuing Connected Transactions

(1) On 13 April 2010, the Company entered into the renewed Midea framework agreement with Midea (“Renewed Midea Framework Agreement”) for renewal of the Midea Framework Agreement dated 22 February 2008 and set out the new annual caps in respect of (i) the sale of motors and electronic and electric components for electrical household appliances and raw materials by the Group to Midea Group; and (ii) the purchase of raw materials and processed raw materials and motor samples by the Group from Midea Group (together the “Sales and Purchases CCTs”) for three years ending 31 December 2012. The Renewed Midea Framework Agreement and the transactions contemplated thereunder were approved by independent shareholders of the Company at an extraordinary general meeting of the Company held on 18 May 2010 (“2010 EGM”).

(2) 於二零一一年十一月十八日，廣東威靈電機製造有限公司（「廣東威靈」，本公司全資附屬公司）與美的及廣東美的電器股份有限公司（「美的電器」，美的所控制的公司）訂立增資協議（「增資協議」），據此，廣東威靈、美的及美的電器同意按其各自於美的集團財務有限公司（「財務公司」）的股權比例以現金向財務公司增加注資（「增資」）總額為人民幣1,000,000,000元。根據廣東威靈於財務公司所持的5%股權，廣東威靈應向財務公司以現金注資人民幣50,000,000元。增資由中國銀行業監督管理委員會（「中國銀監會」）於二零一一年十二月三十日批准，而廣東威靈、美的及美的電器各自注資付款亦於同一天完成。增資完成後，財務公司註冊資本由人民幣500,000,000元增加至人民幣1,500,000,000元，而廣東威靈、美的及美的電器各自於財務公司的股權將分別維持於5%、55%及40%。

達成增資協議及據此進行的增資僅須遵守上市規則第14A章項下的申報及公告規定，並獲豁免遵守獨立股東批准規定。

### 持續關連交易

(1) 於二零一零年四月十三日，本公司與美的訂立重續美的框架協議（「重續美的框架協議」），重續二零零八年二月二十二日訂立的美的框架協議，及訂立就(i)本集團向美的集團銷售家電電機及電子電器產品及原材料，及(ii)本集團向美的集團採購原材料及經加工原材料及電機樣本（統稱「銷售及購買持續關連交易」）截至二零一二年十二月三十一日止三個年度的新年度上限。本公司獨立股東已於二零一零年五月十八日舉行之股東特別大會（「二零一零年股東特別大會」）上批准重續美的框架協議及其項下擬進行之交易。

In consideration that the annual caps of Sales and Purchases CCTs for 2011 and 2012 set out in the Renewed Midea Framework Agreement would not be sufficient to satisfy the business requirements of the Group, on 15 April 2011, the Company and Midea entered into a new Midea framework agreement (“New Midea Framework Agreement”) to supercede the Renewed Midea Framework Agreement and to set the revised annual caps of Sales and Purchases CCTs for 2011 and 2012 and the new annual caps of Sales and Purchases CCTs for 2013. Except for the term of the agreement being extended for one year until 31 December 2013 and the setting of annual caps for the three years ending 31 December 2013, other terms and conditions of the New Midea Framework Agreement are the same as those of the Renewed Midea Framework Agreement. The New Midea Framework Agreement and the transactions contemplated thereunder were approved by independent shareholders of the Company at the 2011 EGM.

考慮到重續美的框架協議中列載的二零一一年及二零一二年銷售及購買持續關連交易年度上限不足以滿足本集團的業務需求，本公司及美的於二零一一年四月十五日訂立新美的框架協議（「新美的框架協議」）以取代重續美的框架協議，並訂定二零一一年及二零一二年銷售及購買持續關連交易經修訂年度上限以及二零一三年銷售及購買持續關連交易新年度上限。除協議期限延長一年至二零一三年十二月三十一日以及設定截至二零一三年十二月三十一日止三個年度的上限外，新美的框架協議之其他條款及條件均與重續美的框架協議中的相同。新美的框架協議及據此擬進行的交易於二零一一年股東特別大會上經本公司獨立股東批准。

- (2) On 13 April 2010, the Company entered into the Wellkey framework agreement (“Wellkey Framework Agreement”) with Foshan City Wellkey Electrical Material Co., Ltd. (“Wellkey”, a company controlled by Mr. He Jianfeng who is the son of Mr. He Xiangjian, the controlling shareholder of Midea) which set out the basis for the purchase of raw materials by the Group from Wellkey and the annual caps of transaction amount for the three years ending 31 December 2012. The Wellkey Framework Agreement and the transactions contemplated thereunder were approved by independent shareholders of the Company at the 2010 EGM. No purchases of raw materials were made by the Group from Wellkey during the year ended 31 December 2011.
- (2) 於二零一零年四月十三日，本公司與佛山市威奇電工材料有限公司（「威奇」，一家由美的控股股東何享健先生之子何劍鋒先生控制的公司）訂立威奇框架協議（「威奇框架協議」），該協議載列本集團向威奇採購原材料的基準及訂定截至二零一二年十二月三十一日止三個年度的年度交易額上限。本公司獨立股東已於二零一零年股東特別大會上批准威奇框架協議及其項下擬進行之交易。截至二零一一年十二月三十一日止年度本集團並無向威奇購買原材料。
- (3) On 13 April 2010, the Company entered into the renewed logistic service agreement (“Renewed Logistic Service Agreement”) with Wuhu Annto Logistics Co., Ltd. (“Annto”, a subsidiary of Midea) for renewal of the logistic service agreement, which was entered into between the Company and Annto on 17 April 2009 and expired on 31 December 2010, in order to continue the provision of logistic services by Annto or its subsidiaries to the Group and set out the annual caps of logistic service fees payable for the three years ending 31 December 2012. The Renewed Logistic Service Agreement and the transactions contemplated thereunder were exempt from the requirement of independent shareholders’ approval pursuant to the Listing Rules. No logistic service fees were paid by the Group to Annto during the year ended 31 December 2011.
- (3) 於二零一零年四月十三日，本公司與蕪湖安得物流股份有限公司（「安得」，美的的附屬公司）訂立重續物流服務協議（「重續物流服務協議」），重續本公司與安得於二零零九年四月十七日訂立而已於二零一零年十二月三十一日屆滿的物流服務協議，確保安得或其附屬公司可繼續向本集團提供物流服務，並載列截至二零一二年十二月三十一日止三個年度物流服務費的年度上限。重續物流服務協議及其項下擬進行之交易根據上市規則豁免遵守獨立股東批准的規定。截至二零一一年十二月三十一日止年度本集團並無向安得支付物流服務費用。

(4) On 13 April 2010, Guangdong Welling entered into the financial services framework agreement (“Financial Services Framework Agreement”) with the Finance Company in respect of the provision of certain core financial services, including deposit, loan, bills discounting, foreign exchange and guarantee services and other financial services by the Finance Company to Guangdong Welling and its subsidiaries for a term commencing on 18 May 2010 (the date of approval on the Financial Services Framework Agreement by the independent shareholders of the Company at the 2010 EGM) and ending on 31 December 2012.

The Financial Services Framework Agreement and the transactions contemplated thereunder were approved by the independent shareholders of the Company at the 2010 EGM.

The Finance Company was granted approval to commence business by the CBRC in June 2010 and it has commenced its business since November 2010.

(4) 於二零一零年四月十三日，廣東威靈與財務公司訂立財務服務框架協議（「財務服務框架協議」），自二零一零年五月十八日（財務服務框架協議獲本公司獨立股東於二零一零年股東特別大會上批准當日）起計至二零一二年十二月三十一日止期間，財務公司將向廣東威靈及其附屬公司提供若干核心財務服務，包括存款、貸款、票據貼現、外匯、擔保服務以及其他財務服務。

本公司獨立股東已於二零一零年股東特別大會上批准財務服務框架協議及其項下擬進行之交易。

財務公司已於二零一零年六月獲得中國銀監會批准開展業務，並自二零一零年十一月起開始其業務。

The following table sets out the transaction amount of each of the aforesaid continuing connected transactions of the Group during the Year and the relevant approved annual caps for 2011:

下表載列上述本集團年內各持續關連交易的交易額及二零一一年有關獲批的年度上限：

Transactions		Transaction amount for the year ended 31 December 2011 截至二零一一年 十二月三十一日 止年度的交易額 (RMB'000) (人民幣千元)	Annual caps for 2011 二零一一年 年度上限 (RMB'000) (人民幣千元)
Sale of motors and electronic and electric components for electrical household appliances and raw materials to Midea Group	向美的集團銷售家電電機及電子電器產品及原材料	5,016,186	5,796,000
Purchase of raw materials and processed raw materials and motors samples from Midea Group	向美的集團採購原材料及經加工原材料及電機樣本	224,529	374,000
Financial services provided by the Finance Company	財務公司提供的財務服務		
— Deposit (daily maximum outstanding balance including accrued interest and handling fees)	— 存款(包括應計利息及手續費的每日最高結餘)	301,459	512,000
— Loan (daily maximum outstanding balance including accrued interest and handling fees)	— 貸款(包括應計利息及手續費的每日最高結餘)	—	911,000
— Bills discounting (face value of the bills discounted)	— 票據貼現(經貼現的票據面值)	384,831	1,939,000
— Guarantee	— 擔保	—	500,000
— Foreign exchange (US\$'000)	— 外匯(千美元)	—	200,000

Details of the significant related party transactions entered into by certain members of the Group during the year ended 31 December 2011 pursuant to the agreements mentioned above, which constituted connected transactions under Chapter 14A of the Listing Rules, are disclosed in Note 37 to the consolidated financial statements.

本集團若干成員公司根據上述協議於截至二零一一年十二月三十一日止年度訂立之重大關聯方交易(該等交易根據上市規則第14A章構成關連交易)詳情，於綜合財務報表附註37披露。



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

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board of Directors engaged PricewaterhouseCoopers, the auditor of the Company, to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions of the Group disclosed above in accordance with Rule 14A.38 of the Listing Rules. The auditor has confirmed to the Company that nothing has come to their attention that causes them to believe the continuing connected transactions of the Group for the year ended 31 December 2011 as disclosed above:

- (1) have not received the approval of the Board of Directors of the Company;
- (2) were not, in all material respects, in accordance with the pricing policy of the Company;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) have exceeded the amounts of annual caps as disclosed in the previous announcements made by the Company on 13 April 2010 and 15 April 2011 in respect of each of the disclosed continuing connected transactions.

獨立非執行董事已審閱本集團年內之持續關連交易，並確認該等持續關連交易：

- (1) 於本集團日常及正常業務過程中訂立；
- (2) 乃按一般商業條款；及
- (3) 按照規管該等交易之相關協議進行，其條款乃公平及合理，且符合本公司股東的整體利益。

董事會聘請本公司核數師羅兵咸永道會計師事務所根據香港會計師公會發出的香港鑑證業務準則第3000號「歷史財務資料審核或審閱以外的鑑證工作」，及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，以匯報本集團的持續關連交易。核數師已根據上市規則第14A.38條發出具無保留意見函件，函件載有對本集團已披露的持續關連交易的發現和總結。核數師向本公司確認其並無發現任何事實使其相信上文披露本集團截至二零一一年十二月三十一日止年度的持續關連交易：

- (1) 未獲本公司董事會批准；
- (2) 在所有重大方面並未有按照本公司的定價政策進行；
- (3) 在所有重大方面並未有按照規管該等交易的相關協定進行；及
- (4) 超出本公司於二零一零年四月十三日及二零一一年四月十五日就該等已披露的持續關連交易先前公告之年度上限總額。



A copy of the auditor's letter on continuing connected transactions of the Group for the year ended 31 December 2011 has been provided by the Company to the Stock Exchange. The Company confirmed that it has complied with the disclosure requirements with respect to the above-mentioned continuing connected transactions of the Group in accordance with Chapter 14A of the Listing Rules.

### Disclosure Pursuant to Rule 13.22 of The Listing Rules

As at 31 December 2011, the aggregate amount of guarantees given for the loan facilities granted to the associates by the Group amounted to HK\$529 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules. A pro-forma combined statement of financial position of the associates, in which the Group has a 49% equity interest, as at 31 December 2011 is presented below:

		<b>Pro-forma combined statement of financial position 備考合併財務狀況表</b>	<b>Group's attributable interest (49%) 本集團應佔權益(49%)</b>
		HK\$'000 港幣千元	HK\$'000 港幣千元
Non-current assets	非流動資產	772,765	378,655
Current assets	流動資產	814,711	399,208
Current liabilities	流動負債	(625,502)	(306,496)
Non-current liabilities	非流動負債	(442,888)	(217,015)
Net assets	資產淨額	519,086	254,352

### Consolidation of Shares of the Company

On 15 April 2011, the Company announced the proposed share consolidation on the basis that every five issued and unissued shares of HK\$0.1 each in the share capital of the Company would be consolidated into one consolidated share of HK\$0.5 each (the "Share Consolidation"). The ordinary resolution approving the Share Consolidation was duly passed by the shareholders of the Company at the extraordinary general meeting held on 26 May 2011 and the Share Consolidation became effective on 27 May 2011. Details of the Share Consolidation were set out in the Company's circular dated 11 May 2011.

本公司已將本集團截至二零一一年十二月三十一日止年度持續關連交易有關的核數師函件副本送呈聯交所。本公司確認已就上文所述之本集團持續關連交易遵守上市規則第14A章之披露規定。

### 根據上市規則第13.22條作出披露

於二零一一年十二月三十一日，本集團就聯營公司獲得貸款融資而提供之擔保合共總額為港幣529,000,000元，超過上市規則第14.07(1)條所界定資產比率之8%。於二零一一年十二月三十一日，該由本集團擁有49%股權的聯營公司之備考合併財務狀況表呈列如下：

### 本公司股份合併

於二零一一年四月十五日，本公司宣佈建議股份合併，基準為每五股本公司股本中每股面值港幣0.1元之已發行及未發行股份合併為一股每股面值港幣0.5港元之合併股份（「股份合併」）。批准股份合併的普通決議案已獲本公司股東於二零一一年五月二十六日舉行的股東特別大會上正式通過，股份合併於二零一一年五月二十七日起生效。股份合併的詳情列載於本公司二零一一年五月十一日刊發的通函。



## Non-Competition Deed

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

In compliance with the requirement of the Non-Competition Deed, Midea has submitted to the Company the annual declaration confirming that Midea and its associates (as defined in the Listing Rules) have complied with all the provisions of the Non-Competition Deed throughout the year ended 31 December 2011 (“Declaration”). The independent non-executive Directors have reviewed the Declaration and are satisfied with the compliance by Midea and its associates with the provisions of the Non-competition Deed and the enforcement of the Non-competition Deed during the year ended 31 December 2011.

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

Please refer to the Corporate Governance Report set out on pages 20 to 35 for the compliance with the Model Code for Securities Transactions by Directors and the Code on Corporate Governance Practices.

## Sufficiency of Public Float

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

## 不競爭契據

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

為符合不競爭契據之規定，美的已向本公司提呈年度聲明，確認美的及其聯繫人士（定義見上市規則）已於截至二零一一年十二月三十一日止年度內一直遵守不競爭契據之所有規定（「有關聲明」）。獨立非執行董事已審閱有關聲明，並信納美的及其聯繫人士已於截至二零一一年十二月三十一日止年度內一直遵守不競爭契據之規定，及履行不競爭契據。

## 遵守董事進行證券交易之標準守則及企業管治常規守則

有關遵守董事進行證券交易之標準守則及企業管治常規守則，請參閱載於第20頁至35頁之企業管治報告。

## 足夠公眾持股量

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

#### Auditor

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

On behalf of the Board

**Welling Holding Limited**

**CAI Qiwu**

*Chairman*

Hong Kong, 9 March 2012

#### 核數師

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

代表董事會

**威靈控股有限公司**

*主席*

**蔡其武**

香港，二零一二年三月九日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

AS AT 31 DECEMBER 2011  
於二零一一年十二月三十一日



羅兵咸永道

### Independent Auditor's Report To The Shareholders of Welling Holding Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Welling Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 61 to 183, which comprise the consolidated and company statements of financial position as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the 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, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### 獨立核數師報告 致威靈控股有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第61至183頁威靈控股有限公司(以下簡稱「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二零一一年十二月三十一日的綜合和公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

### 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》編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

### 核數師的責任

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

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

AS AT 31 DECEMBER 2011

於二零一一年十二月三十一日

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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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 Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 9 March 2012

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。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在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綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非為對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一一年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，二零一二年三月九日

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AS AT 31 DECEMBER 2011  
於二零一一年十二月三十一日

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
	Note 附註		
<b>ASSETS</b>			
		<b>1,776,447</b>	1,335,753
<b>Non-current assets</b>			
Leasehold land and land use rights	6	171,367	125,509
Property, plant and equipment	7	1,137,570	883,435
Intangible assets	8	65,017	23,188
Investments in associates	10	254,352	223,651
Deferred income tax assets	22	38,853	32,254
Available-for-sale financial assets	11	97,307	29,381
Prepayment for property, plant and equipment	13	11,981	18,335
		<b>1,776,447</b>	1,335,753
<b>Current assets</b>			
Inventories	12	613,051	1,943,750
Trade and other receivables	13	1,635,114	1,720,623
Due from related companies	37(c)	1,070,358	382,549
Derivative financial instruments	21	16,792	25,922
Pledged bank deposits with maturity period over 3 months	14	77,767	118,000
Cash and cash equivalents	15	972,923	805,079
		<b>4,386,005</b>	4,995,923
<b>Total assets</b>		<b>6,162,452</b>	6,331,676
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	16	1,410,806	1,409,056
Other reserves	17	700,121	583,999
Retained earnings/(Accumulated losses)			
— Proposed final dividend	30	112,865	112,725
— Others		272,022	(184,780)
		<b>2,495,814</b>	1,921,000
<b>Non-controlling interests</b>		<b>56,360</b>	54,304
<b>Total equity</b>		<b>2,552,174</b>	1,975,304

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AS AT 31 DECEMBER 2011

於二零一一年十二月三十一日

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
	Note 附註		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Borrowings</b>	18	<b>94,395</b>	104,364
Deferred income tax liabilities	22	<b>73,549</b>	50,773
Deferred government grant	19	<b>23,282</b>	—
		<b>191,226</b>	155,137
<b>Current liabilities</b>			
<b>Trade and other payables</b>	20	<b>3,012,053</b>	3,421,344
Due to related companies	37(c)	<b>130,376</b>	481,476
Derivative financial instruments	21	<b>240</b>	—
Current income tax liabilities		<b>37,262</b>	56,969
Borrowings	18	<b>239,121</b>	241,446
		<b>3,419,052</b>	4,201,235
<b>Total liabilities</b>		<b>3,610,278</b>	4,356,372
<b>Total equity and liabilities</b>		<b>6,162,452</b>	6,331,676
<b>Net current assets</b>		<b>966,953</b>	794,688
<b>Total assets less current liabilities</b>		<b>2,743,400</b>	2,130,441

The Notes on pages 72 to 183 are an integral part of these consolidated financial statements.

於第 72 至 183 頁之附註為此綜合財務報表之一部分。

The consolidated financial statements on pages 61 to 183 were approved by the board of Directors on 9 March 2012 and were signed on its behalf.

董事會於二零一二年三月九日批准於第 61 至 183 頁之綜合財務報表，並代表董事會簽署。

Director  
董事  
**CAI Qiwu**  
蔡其武

Director  
董事  
**CHEN Jianhong**  
陳建紅

# STATEMENT OF FINANCIAL POSITION

## 財務狀況表

AS AT 31 DECEMBER 2011  
於二零一一年十二月三十一日

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
	Note 附註		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	15	23
Investments in subsidiaries	9	5,377,520	5,106,440
Loan to a subsidiary	9	—	100,940
		<b>5,377,535</b>	5,207,403
<b>Current assets</b>			
Loan to a subsidiary	9	60,143	—
Prepayments and other receivables	13	485	1,302
Dividend receivable		145,000	120,000
Cash and cash equivalents	15	13,457	1,560
		<b>219,085</b>	122,862
<b>Total assets</b>		<b>5,596,620</b>	5,330,265
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	16	1,410,806	1,409,056
Other reserves	17	4,061,692	3,794,085
Retained profits			
Proposed final dividend	30	112,865	112,725
Others		8,666	12,215
<b>Total equity</b>		<b>5,594,029</b>	5,328,081



## STATEMENT OF FINANCIAL POSITION

### 財務狀況表

AS AT 31 DECEMBER 2011

於二零一一年十二月三十一日

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
		Note 附註	
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Accruals and other payables	預提費用及其他應付款	20	2,184
<b>Total liabilities</b>	<b>總負債</b>		2,184
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		5,330,265
<b>Net current assets</b>	<b>流動資產淨額</b>		120,678
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		5,328,081

The Notes on pages 72 to 183 are an integral part of these financial statements.

於第72至183頁之附註為此綜合財務報表之一部分。

The consolidated financial statements on pages 61 to 183 were approved by the board of Directors on 9 March 2012 and were signed on its behalf.

董事會於二零一二年三月九日批准於第61至183頁之綜合財務報表，並代表董事會簽署。

Director  
董事

**CAI Qiwu**  
蔡其武

Director  
董事

**CHEN Jianhong**  
陳建紅

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2011  
截至二零一一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
		Note 附註	
<b>Continuing operations</b>	<b>持續經營業務</b>		
Revenue	收入	5	7,235,360
Cost of goods sold	銷售貨品成本		(6,294,454)
<b>Gross profit</b>	<b>毛利</b>		<b>1,202,481</b>
Other gains — net	其他收益 — 淨額	23	27,294
Selling and marketing costs	銷售及市場推廣成本		(100,702)
Administrative expenses	行政開支		(215,782)
<b>Operating profit</b>	<b>經營利潤</b>		<b>770,476</b>
Finance costs	融資成本	26	(30,442)
Finance income	融資收入	26	4,460
Finance costs — net	融資成本 — 淨額	26	(25,982)
Share of profit of associates	佔聯營公司利潤	10	9,269
<b>Profit before income tax</b>	<b>扣除所得稅前利潤</b>		<b>738,138</b>
Income tax expense	所得稅開支	27	(146,130)
<b>Profit for the year from continuing operations</b>	<b>持續經營業務之年度利潤</b>		<b>592,008</b>
<b>Discontinued operations</b>	<b>已終止經營業務</b>		
Profit from discontinued operations	終止經營業務之利潤	36	20,692
<b>Profit for the year</b>	<b>年度利潤</b>		<b>604,591</b>
<b>Profit attributable to:</b>	<b>以下人士應佔利潤：</b>		
Owners of the Company	本公司擁有人		532,338
Non-controlling interests	非控股權益		733
			<b>604,591</b>

## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2011

截至二零一一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
	Note 附註		
<b>Profit attributable to the owners of the Company arises from:</b>	<b>本公司擁有人應佔利潤：</b>		
— Continuing operations	— 來自持續經營業務	594,980	511,646
— Discontinued operations	— 來自終止經營業務	12,583	20,692
		<b>607,563</b>	532,338
<b>Earnings per share from continuing and discontinued operations attributable to the owners of the Company, expressed in HK cents per share</b>	<b>本公司擁有人應佔持續經營業務及終止經營業務之每股盈利，以每股港仙列示</b>		
<b>Basic earnings per share</b>	<b>每股基本盈利</b>		
From continuing operations	來自持續經營業務	29	21.11
From discontinued operations	來自終止經營業務	29	0.45
			<b>21.56</b>
<b>Diluted earnings per share</b>	<b>每股攤薄盈利</b>		
From continuing operations	來自持續經營業務	29	20.95
From discontinued operations	來自終止經營業務	29	0.44
			<b>21.39</b>

Details of proposed final dividend payable to the owners of the Company are set out in Note 30.

應付本公司擁有人建議末期股息之詳情載於附註30。

The Notes on pages 72 to 183 are an integral part of these consolidated financial statements.

於第72至183頁之附註為此綜合財務報表之一部分。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2011  
截至二零一一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
<b>Profit for the year</b>	<b>年度利潤</b>	<b>604,591</b>	533,071
<b>Other comprehensive income:</b>	<b>其他全面收益：</b>		
Currency translation differences	貨幣匯兌差異	104,738	60,478
Change in value of available-for-sale financial assets	可供出售金融資產價值變動	4,694	—
Other comprehensive income for the year	年度其他全面收益	109,432	60,478
<b>Total comprehensive income for the year</b>	<b>年度全面收益總額</b>	<b>714,023</b>	593,549
<b>Total comprehensive income for the year attributable to:</b>	<b>以下人士應佔年度全面收益總額：</b>		
Owners of the Company	本公司擁有人	716,716	592,816
Non-controlling interests	非控股權益	(2,693)	733
		714,023	593,549
<b>Total comprehensive income attributable to the owners of the Company arises from:</b>	<b>本公司擁有人應佔全面收益總額：</b>		
Continuing operations	來自持續經營業務	704,133	572,124
Discontinued operations	來自終止經營業務	12,583	20,692
		716,716	592,816

The Notes on pages 72 to 183 are an integral part of these consolidated financial statements.

於第 72 至 183 頁之附註為此綜合財務報表之一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2011

截至二零一一年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔					
		Share capital	Other reserves	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
		股本	其他儲備	保留盈利/ (累計虧損)	合計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Balance at 1 January 2010, as restated</b>	<b>於二零一零年一月一日 之結餘(重列)</b>	1,347,931	278,519	(485,660)	1,140,790	58,363	1,199,153
<b>Comprehensive income:</b>	<b>全面收益:</b>						
Profit for the year	年度利潤	—	—	532,338	532,338	733	533,071
<b>Other comprehensive income:</b>	<b>其他全面收益:</b>						
Currency translation differences	貨幣匯兌差異	—	60,478	—	60,478	—	60,478
<b>Total comprehensive income</b>	<b>全面收益總額</b>	—	60,478	532,338	592,816	733	593,549
<b>Transactions with owners:</b>	<b>與擁有人進行的交易:</b>						
Transfer to statutory reserves	轉撥至法定儲備	—	48,311	(48,311)	—	—	—
Issue of ordinary shares	發行普通股						
— proceeds from shares issued	— 發行股份所得款項	60,000	192,000	—	252,000	—	252,000
— share issuance expenses	— 發行股份開支	—	(6,557)	—	(6,557)	—	(6,557)
Employee share option scheme	僱員購股權計劃						
— value of services provided	— 所提供服務之價值	—	5,841	—	5,841	—	5,841
— proceeds from shares issued	— 發行股份所得款項	1,125	641	—	1,766	—	1,766
— share issuance expenses	— 股份發行開支	—	(26)	—	(26)	—	(26)
Deemed contribution from ultimate holding company arising from its acquisition of non- controlling interests	最終控股公司 收購非控股權益 所產生的視作貢獻	—	4,792	—	4,792	(4,792)	—
Dividend relating to 2009	二零零九年度股息	—	—	(70,422)	(70,422)	—	(70,422)
<b>Total transactions with owners</b>	<b>與擁有人進行之交易總額</b>	61,125	245,002	(118,733)	187,394	(4,792)	182,602
<b>Balance at 31 December 2010, as restated</b>	<b>於二零一零年十二月三十一日 之結餘(重列)</b>	1,409,056	583,999	(72,055)	1,921,000	54,304	1,975,304

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2011  
截至二零一一年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔					
		Share capital 股本 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Retained earnings/ (accumulated losses) 保留盈利/ (累計虧損) HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元	Non-controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
<b>Balance at 1 January 2011, as restated</b>	<b>於二零一一年一月一日之結餘(重列)</b>	1,409,056	583,999	(72,055)	1,921,000	54,304	1,975,304
<b>Comprehensive income:</b>	<b>全面收益:</b>						
Profit for the year	年度利潤	—	—	607,563	607,563	(2,972)	604,591
<b>Other comprehensive income:</b>	<b>其他全面收益:</b>						
Change in value of available-for-sale financial assets	可供出售金融資產價值變動	—	4,694	—	4,694	—	4,694
Currency translation differences	貨幣匯兌差異	—	104,459	—	104,459	279	104,738
<b>Total comprehensive income</b>	<b>全面收益總額</b>	—	109,153	607,563	716,716	(2,693)	714,023
<b>Transactions with owners:</b>	<b>與擁有人進行的交易:</b>						
Transfer to statutory reserves	轉撥至法定儲備	—	37,896	(37,896)	—	—	—
Employee share option scheme	僱員購股權計劃						
— value of services provided	— 所提供服務之價值	—	2,499	—	2,499	—	2,499
— proceeds from shares issued	— 股份發行所得款項	1,750	998	—	2,748	—	2,748
— share issuance expenses	— 股份發行開支	—	(34)	—	(34)	—	(34)
Consideration paid for merger of a subsidiary under common control	合併共同控制下之附屬公司已付代價	—	(88,694)	—	(88,694)	—	(88,694)
Deemed contribution from ultimate holding company arising from its acquisition of non-controlling interests	最終控股公司收購非控股權益所產生的視作貢獻	—	54,304	—	54,304	(54,304)	—
Non-controlling interest arising on business combination	業務合併產生非控股權益	—	—	—	—	59,053	59,053
Dividend relating to 2010	二零一零年度股息	—	—	(112,725)	(112,725)	—	(112,725)
<b>Total transactions with owners</b>	<b>與擁有人進行之交易總額</b>	1,750	6,969	(150,621)	(141,902)	4,749	(137,153)
<b>Balance at 31 December 2011</b>	<b>於二零一一年十二月三十一日之結餘</b>	1,410,806	700,121	384,887	2,495,814	56,360	2,552,174

The Notes on pages 72 to 183 are an integral part of these consolidated financial statements. 於第72至183頁之附註為此綜合財務資料之一部分。

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2011

截至二零一一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
		Note 附註	
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Cash generated from operations	經營產生之現金	31(a)	674,448
Interest paid	已付利息		(30,895)
Interest received	已收利息		4,471
Income tax paid	已付所得稅		(87,559)
			<b>882,084</b>
			<b>(49,370)</b>
			<b>10,181</b>
			<b>(159,789)</b>
Net cash generated from operating activities	經營活動產生之現金淨額		560,465
			<b>683,106</b>
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Purchases of property, plant and equipment	購置物業、廠房及設備		(148,010)
Increase in construction-in-progress	在建工程增加		(122,956)
Decrease/(increase) in prepayment for property, plant and equipment	預付物業、廠房及設備款項減少/(增加)		(14,519)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	31(b)	13,796
Proceeds from disposals of property, plant and equipment for discontinued operations	出售終止經營業務之物業、廠房及設備所得款項		—
Purchases of leasehold land and land use rights	購置租賃土地及土地使用權	6	—
Development cost	開發成本	8	—
Proceed from deferred government grant	遞延政府補貼所得款項	19	—
Consideration paid for merger of a subsidiary under common control	合併共同控制下之附屬公司已付代價		—
Acquisition of a subsidiary	收購附屬公司	35	—
Increase in available-for-sale financial assets	可供出售金融資產增加	11	—
			<b>(260,976)</b>
			<b>(117,918)</b>
			<b>6,354</b>
			<b>57,720</b>
			<b>27,180</b>
			<b>(31,609)</b>
			<b>(5,608)</b>
			<b>23,757</b>
			<b>(88,694)</b>
			<b>20,564</b>
			<b>(60,394)</b>
Net cash used in investing activities	投資活動所用之現金淨額		(271,689)
			<b>(429,624)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2011  
截至二零一一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
	Note 附註		
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Proceeds from borrowings	借款所得款項	401,735	285,423
Repayments of borrowings	償還借款	(448,343)	(152,133)
Decrease/(increase) in pledged bank deposits with maturity period over 3 months	三個月以上到期之 已抵押銀行存款減少/ (增加)	40,233	(68,919)
Dividends paid	已付股息	(112,725)	(70,422)
Proceeds from issuance of ordinary shares	發行普通股所得款項	2,748	253,766
Shares issuance expenses	發行股份開支	(34)	(6,583)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之 現金淨額	(116,386)	241,132
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	<b>137,096</b>	529,908
Cash and cash equivalents at the beginning of the year	年初之現金及 現金等價物	805,079	267,607
Effect on exchange difference	匯兌差異影響	30,748	7,564
<b>Cash and cash equivalents at the end of the year</b>	<b>年終之現金及現金等價物</b>	<b>972,923</b>	805,079
	15		

The Notes on pages 72 to 183 are an integral part of these consolidated financial statements.

於第 72 至 183 頁之附註為此綜合財務報表之一部分。



## 1 General Information

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

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

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

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of Directors on 9 March 2012.

## 2 Summary of Significant Accounting Policies

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

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivatives financial instruments.

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

## 1 一般資料

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

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

本公司股份於香港聯合交易所有限公司主板上市。

除另有指明外，該等綜合財務資料以港幣呈列。該等綜合財務報表已於二零一二年三月九日獲董事會批准刊發。

## 2 主要會計政策概要

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

### 2.1 編製基準

本集團之綜合財務報表根據香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃按歷史成本法編製，並就重估可供出售金融資產及衍生金融工具作出修訂。

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

## 2 Summary of Significant Accounting Policies (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Merger accounting and discontinued operations

In December 2010, Foshan Welling Washer Motor Manufacturing Co., Ltd. (“Welling Washer”, an indirect wholly-owned subsidiary of the Company) entered into the equity transfer agreement with 無錫小天鵝股份有限公司 (“Wuxi Little Swan Co., Ltd.”), a related company, for the acquisition of 100% equity interest in 無錫小天鵝華印電器有限公司 (Wuxi Little Swan Huayin Electrical Appliances Co., Ltd.) (“Huayin”) at a cash consideration of RMB75 million (equivalent to approximately HK\$88.7 million) (the “Acquisition”). The Acquisition was completed in January 2011. Given that the Company and Wuxi Little Swan Co., Ltd. are both under common control of Midea Group Co., Ltd. (“Midea”) before and after the Acquisition, the Company applied the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“HKAG 5”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) in preparing the financial statement of the Group.

These consolidated financial statements have been prepared using the principles of merger accounting, as prescribed in HKAG 5. These consolidated financial statements include the financial position, results and cash flows of Huayin as if Huayin had been in existence throughout the year, or since its date of incorporation. Comparative figures as at 31 December 2010 and for the year ended 31 December 2010 have been presented on the same basis. Before the Group gained control of Huayin’s 100% equity interest on 17 January 2011, the non-controlling interests of Huayin from the view of Midea has been presented in the consolidated financial statements of the Group. Midea’s acquisition of the then non-controlling interests of Huayin has been regarded as Midea’s contribution to the Group.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### 2.1.1 合併會計法及終止業務

於二零一零年十二月，佛山市威靈洗滌電機製造有限公司(「威靈洗滌」，為本公司間接全資附屬公司)與關聯公司無錫小天鵝股份有限公司訂立股份轉讓協議，以現金代價人民幣75,000,000元(相等於約港幣88,700,000元)收購無錫小天鵝華印電器有限公司(「華印」)100%股權(「收購」)。該項收購於二零一一年一月完成。由於本公司及無錫小天鵝股份有限公司於收購前後均受美的集團有限公司(「美的」)共同控制，本公司於編製本集團之財務報表時已應用香港會計師公會(「香港會計師公會」)頒佈之香港會計指引第5號「共同控制合併之合併會計法」(「香港會計指引第5號」)規定之合併會計原則。

本綜合財務報表已採用香港會計指引第5號所述之合併會計法原則編製。本綜合財務報表包括華印之財務狀況、業績及現金流量，猶如華印於本年度或自其註冊成立日期開始一直存在。於二零一零年十二月三十一日及截至二零一零年十二月三十一日止年度之比較數字已按相同基準呈列。在本集團於二零一一年一月十七日取得華印的100%股權之前，從美的觀點所看之華印非控股權益已呈列在本集團之綜合財務報表。美的收購華印非控股權益被視為美的向本集團之貢獻。

**2 Summary of Significant Accounting Policies***(Continued)***2.1 Basis of preparation** *(Continued)***2.1.1 Merger accounting and discontinued operations***(Continued)*

These consolidated financial statements also include the assets, liabilities and results of operations of a disposed business. In accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” issued by HKICPA, the results and cash flow of the operations of the disposed business have been presented as discontinued operations. The comparative figures in the consolidated income statement and consolidated cash flow statement were restated to reflect the disposal of the disposed business accordingly (Note 36).

The following are reconciliations of the effects arising from the common control combination and the disposal of the disposed operations on the consolidated statement of financial positions as at 31 December 2010, consolidated income statement and consolidated cash flow statement for the year ended 31 December 2010.

**2 主要會計政策概要** *(續)***2.1 編製基準** *(續)***2.1.1 合併會計法及終止業務** *(續)*

綜合財務報表亦包括已出售業務的資產、負債及經營業績。根據香港會計師公會頒佈香港財務報告準則第5號「持作銷售非流動資產及已終止經營業務」，已出售業務的經營業績及現金流量已呈列為已終止經營業務。重列綜合收益表及綜合現金流量表的比較數字以相應反映出售有關已出售經營業務(附註36)。

以下為共同控制合併及出售已終止經營業務對於二零一零年十二月三十一日之綜合財務狀況表、截至二零一零年十二月三十一日止年度之綜合收益表及綜合現金流量表之影響之對賬。

2 Summary of Significant Accounting Policies  
(Continued)

2.1 Basis of preparation (Continued)

2.1.1 Merger accounting and discontinued operations  
(Continued)

Effect on the consolidated statement of financial position as at 31 December 2010:

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 合併會計法及終止業務(續)

對二零一零年十二月三十一日之綜合財務狀況表的影響：

		As previously reported 之前報告 HK\$'000 港幣千元 (i)	Merger of Huayin 與華印 合併 HK\$'000 港幣千元 (ii)	Elimination of the intercompany balance 公司間結餘 對銷 HK\$'000 港幣千元 (iii)	As restated 重列 HK\$'000 港幣千元
Non-current assets	非流動資產	1,326,604	9,149	—	1,335,753
Current assets	流動資產	4,929,041	70,426	(3,544)	4,995,923
Total assets	總資產	6,255,645	79,575	(3,544)	6,331,676
Non-current liabilities	非流動負債	155,137	—	—	155,137
Current liabilities	流動負債	4,192,742	12,037	(3,544)	4,201,235
Total liabilities	總負債	4,347,879	12,037	(3,544)	4,356,372
Total equity and liabilities	權益及負債總額	6,255,645	79,575	(3,544)	6,331,676
Net current assets	流動資產淨額	736,299	58,389	—	794,688
Total assets less current liabilities	總資產減流動負債	2,062,903	67,538	—	2,130,441

2 Summary of Significant Accounting Policies

(Continued)

2.1 Basis of preparation (Continued)

2.1.1 Merger accounting and discontinued operations

(Continued)

The consolidated income statement for the year ended 31 December 2010:

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 合併會計法及終止業務(續)

截至二零一零年十二月三十一日止年度之綜合收益表：

		As previously reported	Merger of Huayin 與華印 合併	Elimination of the intercompany transactions 公司間交易 對銷	Discontinued operations 終止經營 業務	As restated
		之前報告 HK\$'000 港幣千元 (i)	HK\$'000 港幣千元 (ii)	HK\$'000 港幣千元 (iii)	HK\$'000 港幣千元 (iv)	重列 HK\$'000 港幣千元
<b>Continuing operations:</b>	<b>持續經營業務：</b>					
Revenue	收入	7,798,886	133,512	(4,378)	(692,660)	7,235,360
Profit for the year from continuing operations	持續經營業務之年度利潤	532,230	841	—	(20,692)	512,379
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>					
Profit from discontinued operations	終止經營業務之利潤	—	—	—	20,692	20,692
Profit for the year	年度利潤	532,230	841	—	—	533,071

## 2 Summary of Significant Accounting Policies (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Merger accounting and discontinued operations (Continued)

The consolidated cash flow statement for the year ended 31 December 2010:

		As previously reported 之前報告 HK\$'000 港幣千元 (i)	Merger of Huayin 與華印合併 HK\$'000 港幣千元 (ii)	As restated 重列 HK\$'000 港幣千元
Net cash generated from operating activities	經營活動產生之現金淨額	523,495	36,970	560,465
Net cash used in investing activities	投資活動所用之現金淨額	(271,907)	218	(271,689)
Net cash generated from financing activities	融資活動產生之現金淨額	241,132	—	241,132

- (i) The amount previously reported by the Group are the same as those published in the Group's audited financial statements as at 31 December 2010.
- (ii) The financial information of Huayin as at 31 December 2010 and for the year ended 31 December 2010 were included by using the principles of merger accounting as prescribed in HKAG 5 as stated above.
- (iii) The intercompany transactions, receivable and payable balances between the Group and Huayin were eliminated.
- (iv) The revenue and profit related to the operating results of the discontinued operations for the year ended 31 December 2010 were presented under "profit from discontinued operations".

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### 2.1.1 合併會計法及終止業務(續)

截至二零一零年十二月三十一日止年度之綜合現金流量表：

		As previously reported 之前報告 HK\$'000 港幣千元 (i)	Merger of Huayin 與華印合併 HK\$'000 港幣千元 (ii)	As restated 重列 HK\$'000 港幣千元
Net cash generated from operating activities	經營活動產生之現金淨額	523,495	36,970	560,465
Net cash used in investing activities	投資活動所用之現金淨額	(271,907)	218	(271,689)
Net cash generated from financing activities	融資活動產生之現金淨額	241,132	—	241,132

- (i) 本集團之前報告的數額與其於二零一零年十二月三十一日之經審核財務報表所公佈之數額相同。
- (ii) 華印於二零一零年十二月三十一日及截至二零一零年十二月三十一日止年度之財務資料，乃採用上述香港會計指引第5號所規定之合併會計原則處理。
- (iii) 本集團及華印間交易、應收款及應付款之結餘已予對銷。
- (iv) 截至二零一零年十二月三十一日止年度與終止經營業務業績有關的收入及利潤已計入「已終止經營業務的利潤」。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.2 Changes in accounting policy and disclosures

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

The following new standard is mandatory for the first time for the financial year beginning 1 January 2011 that adopted by the Group:

HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government.

(b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted*

The Group's and parent entity's assessment of the impact of these new and amended standards is set out below.

HKFRS 9, 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess HKFRS 9's full impact and intends to adopt HKFRS 9 upon its effective date, which is for the accounting period beginning on or after 1 January 2013.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### 2.1.2 會計政策及披露之變動

(a) *本集團採納的新訂及經修訂準則*

以下新準則必須在二零一一年一月一日開始之財務年度首次採納：

香港會計準則第24號(經修訂)「關聯方披露」於二零一一年一月或之後開始的年度期間生效。此引入豁免香港會計準則第24號政府相關實體及政府間的交易之所有披露規定。

(b) *已頒佈但於二零一一年一月一日開始的財政年度尚未生效且並無提前採納的新訂及經修訂準則*

本集團及母公司對有關新訂及經修訂準則影響的評估如下。

香港財務報告準則第9號「金融工具」提出有關金融資產及金融負債的分類、計量及確認。香港財務報告準則第9號於二零零九年十一月及二零一零年十月頒佈。此取代香港會計準則第39號有關金融工具分類及計量之部份。香港財務報告準則第9號規定將金融資產分為兩個計量類別：按公平值計量的金融資產以及按攤銷成本計量的金融資產。何種類別於初始確認時決定。分類視乎實體管理其金融工具的業務模式以及有關工具的合約現金流特性而定。就金融負債而言，準則保留香港會計準則第39號的大部份規定。主要改動為倘若金融負債以公平值期權入賬，因實體本身信貸風險導致的公平值變動會列賬於其他全面收益表(並非收益表)，惟此構成會計配比不當則除外。本集團尚未評估香港財務報告準則第9號的全面影響，並擬於生效日期(即二零一三年一月一日或之後開始的會計期間)採納香港財務報告準則第9號。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.1 Basis of preparation (Continued)

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

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted (Continued)*

HKFRS 10 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess HKFRS 10's full impact and intends to adopt HKFRS 10 no later than the accounting period beginning on or after 1 January 2013.

HKFRS 12 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess HKFRS 12's full impact and intends to adopt HKFRS 12 no later than the accounting period beginning on or after 1 January 2013.

HKFRS 13 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group is yet to assess HKFRS 13's full impact and intends to adopt HKFRS 13 no later than the accounting period beginning on or after 1 January 2013.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### 2.1.2 會計政策及披露之變動(續)

- (b) *已頒佈但於二零一一年一月一日開始的財政年度尚未生效且並無提前採納的新訂及經修訂準則(續)*

香港財務報告準則第10號「綜合財務報表」以現有原則為基礎，確定將控制權之概念作為釐定實體是否應計入母公司之綜合財務報表之因素。該準則提供在難以評估之情況下可協助釐定控制權之額外指引。本集團尚未評估香港財務報告準則第10號的全面影響，並計劃不遲於二零一三年一月一日或之後開始的會計期間採納香港財務報告準則第10號。

香港財務報告準則第12號「於其他實體權益之披露」包含於所有於其他實體(包括共同安排、聯營公司、特殊目的機構及其他資產負債表外機構)權益形式之披露規定。本集團尚未評估香港財務報告準則第12號的全面影響，並計劃不遲於二零一三年一月一日或之後開始的會計期間採納香港財務報告準則第12號。

香港財務報告準則第13號「公平值計量」旨在通過提供公平值之精確定義及公平值計量之單一來源及於香港財務報告準則使用之披露規定而提升一致性及減少複雜性。該等規定並不擴大公平值會計之使用，惟提供於其使用已由香港財務報告準則內之其他準則規定或准許之情況下應如何運用之指引。本集團尚未評估香港財務報告準則第13號的全面影響，並計劃不遲於二零一三年一月一日或之後開始的會計期間採納香港財務報告準則第13號。



## 2 Summary of Significant Accounting Policies

(Continued)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise from circumstances such as enhanced minority rights or contractual terms between shareholders, etc.

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

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2 主要會計政策概要(續)

### 2.2 附屬公司

#### 2.2.1 合併賬目

附屬公司指本集團有權管控其財政及經營政策的所有主體(包括特殊目的主體)，一般附帶超過半數投票權的股權。在評定本集團是否控制另一主體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。如本集團不持有超過50%投票權，但有能力基於實質控制權而管控財務和經營政策，也會評估是否存在控制權。實質控制權可來自例如增加少數股東權益的數目或股東之間的合約條款等情況。

附屬公司在控制權轉移至本集團之日全面合併入賬。附屬公司在控制權終止之日起停止合併入賬。

集團內公司之間的交易、結餘及收支予以對銷。來自集團內公司間的利潤和損失(確認於資產)亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (a) Business combinations

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

## 2 主要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 合併賬目(續)

##### (a) 業務合併

本集團利用購買法將非共同控制下的業務合併入賬。購買一附屬公司所轉讓的代價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的代價包括或有代價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。就個別收購基準，本集團可按公允價值或按非控制性權益應佔被購買方淨資產的比例，計量被收購方的非控制性權益。

購買相關成本在產生時支銷。

商譽初步計量為轉讓代價與非控制性權益的公允價值總額，超過所購入可辨認資產和承擔負債淨值的差額。如此代價低過所購買附屬公司淨資產的公允價值，該差額在損益中確認。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (a) Business combinations (Continued)

For acquisition under common control, the Group has been using the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 'Merger Accounting for Common Control Combinations' issued by the HKICPA ('HKAG 5'). The net assets of the subsidiaries acquired under common control were combined using the existing book values from the controlling parties' perspective. No amount was recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustment to eliminate the share capital of entities acquired under common control and the investment cost has been recorded as merger reserve in the consolidated financial statements. The consolidated financial statements include the financial position, results and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the year, or since their respective dates of incorporation/establishment.

## 2 主要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 合併賬目(續)

##### (a) 業務合併(續)

對於共同控制下的收購，本集團使用香港會計師公會頒佈之香港會計指引第5號「共同控制合併之合併會計法」(「香港會計指引第5號」)規定的合併會計原則。購入共同控制下的附屬公司的淨資產已按控制方預期之現有賬面值綜合入賬。在控制方仍持有相關權益之情況下，並無就商譽或共同控制合併時收購方於被收購方之可識別資產、負債及或然負債公平淨值之權益超逾成本之差額確認任何金額。對銷共同控制下所購實體股本之調整及投資成本已於綜合財務報表記為合併儲備。綜合財務報表包括組成本集團的公司之財務狀況，業績及現金流量，猶如目前本集團的架構存在於整個年度，或自各自註冊成立／成立日期起已經存在。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

## 2 主要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 合併賬目(續)

(b) *不導致失去控制權的附屬公司權益變動*

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易 — 即與所有者以其作為所有者身份進行的交易。所支付任何代價的公允價值與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。向非控制性權益的處置的盈虧亦記錄在權益中。

(c) *出售附屬公司*

當本集團不再持有控制權，在主體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他全面收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他全面收益中確認的數額重新分類至損益。

#### 2.2.2 獨立財務報表

附屬公司投資按成本扣除減值列賬。成本經調整以反映或然代價修訂產生的代價變動。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.2 Separate financial statements (Continued)

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

### 2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

## 2 主要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.2 獨立財務報表(續)

如股息超過宣派股息期內附屬公司的總全面收益，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對附屬公司投資作減值測試。

### 2.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的主體，通常附帶有 20%–50% 投票權的股權。聯營公司投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司的投資包括購買時已辨認的商譽。

如聯營公司的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他全面收益中確認的數額重新分類至損益(如適當)。

本集團應佔聯營公司購買後利潤或虧損於利潤表內確認，而應佔其購買後的其他全面收益變動則於其他全面收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營公司的虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並在收益表中確認於「佔聯營公司利潤/(虧損)」旁。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.3 Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

### 2.4 Segment reporting

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

### 2.5 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is different from the Company's functional currency of Renminbi ("RMB"), in view of the shares of the Company listed on the Hong Kong Stock Exchange.

## 2 主要會計政策概要(續)

### 2.3 聯營公司(續)

本集團與其聯營公司之間的上游和下游交易的利潤和虧損，在集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營公司投資中所產生的稀釋利得和損失於利潤表確認。

### 2.4 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為作出策略性決定的指導委員會負責分配資源和評估經營分部的表現。

### 2.5 外幣折算

#### (a) 功能和列報貨幣

本集團每個主體的財務報表所列項目均以該主體經營所在的主要經濟環境的貨幣計量（「功能貨幣」）。鑒於本公司股份於香港聯交所上市，合併財務報表以港幣列報，有別於本公司的功能貨幣人民幣。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.5 Foreign currency translation (Continued)

#### (b) Transactions and balances

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

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

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

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

## 2 主要會計政策概要(續)

### 2.5 外幣折算(續)

#### (b) 交易及結餘

外幣交易採用交易或項目重新計量的估值日期的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量套期和淨投資套期外，結算此等交易產生的匯兌利得和損失以及將外幣計值的貨幣資產和負債以年終匯率折算產生的匯兌利得和損失在利潤表確認。

與借款和現金及現金等價物有關的匯兌利得和損失在利潤表內的「融資收入或成本」中列報。所有其他匯兌利得和損失在收益表內的「其他收益 — 淨額」中列報。

以外幣為單位及被分類為可供出售的貨幣性證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的折算差額進行分析。與攤銷成本變動有關的折算差額確認為利潤或虧損，賬面值的其他變動則於其他全面收益中確認。

非貨幣性金融資產及負債(例如以公允價值計量且其變動計入損益的權益)的折算差額列報為公允價值利得和損失的一部份。非貨幣性金融資產及負債(例如分類為可供出售的權益)的折算差額包括在其他全面收益中。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.5 Foreign currency translation (Continued)

#### (c) Group companies

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

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of end of the reporting period;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

## 2 主要會計政策概要(續)

### 2.5 外幣折算(續)

#### (c) 集團公司

其功能貨幣與本集團的列報貨幣不同的所有集團內的主體(當中沒有惡性通貨膨脹經濟的貨幣)的業績和財務狀況按如下方法換算為列報貨幣：

- (i) 每份列報的財務狀況表內的資產和負債按報告期末的收市匯率換算；
- (ii) 每份利潤表內的收益和費用按平均匯率換算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的匯兌差額在其他全面收益中確認。

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率換算。產生的匯兌差額在全面收益表中入賬。



## 2 Summary of Significant Accounting Policies (Continued)

### 2.6 Property, plant and equipment

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

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

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

		Estimated useful lives 估計可使用年期
Buildings	樓宇	10–30 years 年
Furniture and fixtures	家具及裝修	3–5 years 年
Plant and machinery	廠房及機器	10–20 years 年
Motor vehicles	汽車	5–10 years 年
Electronic and other equipment	電子及其他設備	3–5 years 年

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

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

## 2 主要會計政策概要(續)

### 2.6 物業、廠房及設備

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

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

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

		Estimated useful lives 估計可使用年期
Buildings	樓宇	10–30 years 年
Furniture and fixtures	家具及裝修	3–5 years 年
Plant and machinery	廠房及機器	10–20 years 年
Motor vehicles	汽車	5–10 years 年
Electronic and other equipment	電子及其他設備	3–5 years 年

資產之剩餘價值及可使用年期在每個報告期終進行檢討及在適當時進行調整。

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

## 2 Summary of Significant Accounting Policies (Continued)

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

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

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

### 2.7 Intangible assets

#### 2.7.1 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### 2.7.2 Technology

Technology acquired are initially measured at the purchase costs and amortised on a straight-line basis over their estimated useful lives.

## 2 主要會計政策概要(續)

### 2.6 物業、廠房及設備(續)

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

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

### 2.7 無形資產

#### 2.7.1 商譽

商譽產生自收購附屬公司、聯營公司和合營企業，並相當於所轉讓代價超過本集團在被收購方的可辨認資產、負債和或有負債淨公允價值權益與非控制性權益在被收購方公允價值的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組(預期可從合併中獲取協同利益)。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額(使用價值與公允價值減出售成本較高者)比較。任何減值須即時確認及不得在之後期間撥回。

#### 2.7.2 技術

收購的技術最初按購買成本計量，並按估計可使用年期以直線法攤銷。

**2 Summary of Significant Accounting Policies***(Continued)***2.7 Intangible assets** *(Continued)***2.7.3 Research and development**

- (a) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the period in which it is incurred. Expenditure on development activities (relating to the design and testing of new or improved products) is capitalised under the category of development cost if the product or process is technically and commercially feasible, the Group has sufficient resources and the intention to complete the development, and if the cost can be reliably measured. Upon the commencement of the commercial production of a product, the expenditure on development cost amortised on a straight-line basis over the period of its expected benefit. Research and development costs comprise costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities.
- (b) Subsequent expenditure on development activities after its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

**2 主要會計政策概要** *(續)***2.7 無形資產** *(續)***2.7.3 研究及開發**

- (a) 從事研究活動以期獲取新的科學或技術知識及認知之有關開支，乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，本集團有充裕之資源及意向完成開發，且成本能可靠計量，有關開發活動（與嶄新或改良產品的設計及測試有關）之開支則撥作資本。為產品展開商業生產後，開發成本的費用按其預期獲益的期間以直線法攤銷。研究及開發成本包括直接歸屬研發活動的成本或可合理分配至各活動的成本。
- (b) 開發活動完成後的後續費用於其產生時確認為開支，除非開支有可能使資產產生的未來經濟利益超出其原本評定表現的標準，以及開支能可靠計量且歸屬特定資產。在符合上述條件下，後續費用會計入無形資產的成本。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.8 Impairment of non-financial assets

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

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

## 2 主要會計政策概要(續)

### 2.8 非金融資產投資的減值

使用壽命不限定的資產 — 例如商譽無需攤銷，但每年須就減值進行測試。當有事件出現或情況改變顯示資產賬面值可能無法收回時，該資產會進行減值檢討。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開辨認現金流量(現金產出單元)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以轉回進行檢討。

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

## 2 Summary of Significant Accounting Policies (Continued)

### 2.9 Financial assets

#### 2.9.1 Classification

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

##### (b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (Notes 2.14 and 2.15).

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

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

## 2 主要會計政策概要(續)

### 2.9 金融資產

#### 2.9.1 分類

本集團將其金融資產分類為以下類別：以公允價值計量且其變動計入損益、貸款及應收款項，以及可供出售。分類視乎購入金融資產之目的。管理層應在初始確認時釐定金融資產的分類。

##### (a) *以公允價值計量且其變動計入損益的金融資產*

以公允價值計量且其變動計入損益的金融資產指交易性金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為套期，否則亦分類為持作交易性。在此類別的資產假若預期在12個月內結算，分類為流動資產；否則分類為非流動資產。

##### (b) *貸款及應收款項*

貸款及應收款項為有固定或可確定付款額且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但預期將於報告期末起計超過12個月結算的數額，則分類為非流動資產。本集團的貸款及應收款項由財務狀況表「貿易及其他應收款」與「現金及現金等價物」組成(附註2.14及2.15)。

##### (c) *可供出售金融資產*

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列在非流動資產內。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.9 Financial assets (Continued)

#### 2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains — net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

## 2 主要會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.2 確認和計量

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。對於非以公允價值計量且其變動並非計入損益的所有金融資產，其投資初始按其公允價值加交易成本確認。以公允價值計量且其變動計入損益的金融資產，初始按公允價值確認，而交易成本則在收益表支銷。當從投資收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。可供出售金融資產及以公允價值計量且其變動計入損益的金融資產其後按公允價值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

來自「以公允價值計量且其變動計入損益的金融資產」類別的公允價值變動所產生的利得和損失，列入產生期間收益表內的「其他(虧損)/收益 — 淨額」中。來自以公允價值計量且其變動計入損益的金融資產的股息收益，當本集團收取有關款項的權利確定時，在收益表內確認為部份其他收益。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益中確認。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.9 Financial assets (Continued)

#### 2.9.2 Recognition and measurement (Continued)

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

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

#### 2.10 Offsetting financial instruments

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

#### 2.11 Impairment of financial assets

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

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

## 2 主要會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.2 確認和計量(續)

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入利潤表內作為「投資證券的利得和損失」。

可供出售證券利用實際利率法計算的利息在利潤表內確認為部份其他收益。至於可供出售權益工具的股息，當本集團收取有關款項的權利確定時，在利潤表內確認為部份其他收益。

#### 2.10 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。

#### 2.11 金融資產減值

##### (a) 以攤銷成本列賬的資產

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.11 Impairment of financial assets (Continued)

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

## 2 主要會計政策概要(續)

### 2.11 金融資產減值(續)

#### (a) 以攤銷成本列賬的資產(續)

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

對於貸款及應收款類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在綜合收益表轉回。



**2 Summary of Significant Accounting Policies***(Continued)***2.11 Impairment of financial assets** *(Continued)**(b) Assets classified as available for sale*

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

**2.12 Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of these derivative instruments are recognised immediately in the consolidated income statement within 'other gains — net'.

**2 主要會計政策概要** *(續)***2.11 金融資產減值** *(續)**(b) 可供出售資產*

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。對於債券，本集團利用上文(a)的標準。至於分類為可供出售的權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若可供出售金融資產存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益中剔除並在損益中記賬。在綜合收益表確認的權益工具的減值虧損不會透過綜合收益表轉回。如在較後期間，被分類為債務工具的公允價值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在綜合收益表轉回。

**2.12 衍生金融工具**

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

## 2 Summary of Significant Accounting Policies (Continued)

### 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.14 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### 2.15 Cash and cash equivalents

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

### 2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2 主要會計政策概要(續)

### 2.13 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本利用加權平均法釐定。製成品及在產品的成本包括設計成本、原材料、直接勞工、其他直接費用和相關的間接生產費用(依據正常經營能力)。這不包括借款費用。可變現淨值為在日常經營活動中的估計銷售價，減適用的變動銷售費用。

### 2.14 應收賬款及其他應收款

應收賬款為在日常經營活動中就商品銷售而應收客戶的款項。如應收賬款及其他應收款的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

應收賬款及其他應收款以公允價值為初始確認，其後利用實際利率法按攤銷成本扣除減值準備計量。

### 2.15 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期為三個月或以下的其他短期高流動性投資。

### 2.16 股本

普通股被分類為權益。

直接歸屬於發行新股或期權的新增成本在權益中列為所得款的減少(扣除稅項)。

**2 Summary of Significant Accounting Policies***(Continued)***2.17 Trade payables**

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

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

**2.18 Borrowings**

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**2 主要會計政策概要(續)****2.17 應付賬款**

應付賬款為在日常經營活動中購買商品或服務而應支付的債務。如應付款的支付日期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動負債；否則分類為非流動負債。

應付賬款以公允價值為初始確認，其後利用實際利率法按攤銷成本計量。

**2.18 借款**

借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在利潤表確認。

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.19 Current and deferred income tax

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

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

##### Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2 主要會計政策概要(續)

### 2.19 當期及遞延所得稅

本年度的稅項支出包括當期和遞延稅項。稅項在利潤表中確認，但與其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

#### (a) 當期所得稅

當期所得稅支出根據本公司的附屬公司及聯營公司經營及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。

#### (b) 遞延所得稅

##### 內在差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在綜合財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.19 Current and deferred income tax (Continued)

#### (b) Deferred income tax (Continued)

##### Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### (c) Offsetting

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

### 2.20 Employee benefits

#### (a) Retirement benefits obligation

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee.

The Group's subsidiaries incorporated in the PRC make contributions to a state-sponsored defined contribution scheme for the Group's local staff on a monthly basis pursuant to laws of the PRC and relevant regulations issued by local social security authorities.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

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

## 2 主要會計政策概要(續)

### 2.19 當期及遞延所得稅(續)

#### (b) 遞延所得稅(續)

##### 外在差異

遞延所得稅就附屬公司和聯營公司投資產生的暫時性差異而準備，但假若本集團可以控制暫時性差異的轉回時間，而暫時性差異在可預見將來很可能不會轉回則除外。

#### (c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

### 2.20 僱員福利

#### (a) 退休金責任

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理之既定供款計劃。

按照中國法律及當地社會保障機構頒佈之有關法規，本集團於中國註冊成立之附屬公司須為本集團當地員工向國家資助之既定供款計劃按月供款。

本集團向既定供款退休計劃之供款於供款產生時支銷。

本集團一經繳付供款後再無進一步付款責任。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.20 Employee benefits (Continued)

#### (b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

#### (c) Employee leave entitlements

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

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

## 2 主要會計政策概要(續)

### 2.20 僱員福利(續)

#### (b) 辭退福利

辭退福利在本集團於正常退休日期前終止僱用職工，或當職工接受自願遣散以換取此等福利時支付。本集團在能證明以下承諾時確認辭退福利：根據一項詳細的正式計劃終止現有職工的僱用而沒有撤回的可能；或因為提出鼓勵自願遣散而提供的辭退福利。在報告期末後超過12個月支付的福利應折現為現值。

#### (c) 職工假期權益

職工的年假權益在假期累計至職工時確認。因職工提供服務而產生的年假估計負債，就截至結算日止作出準備。

職工的病假權益和產假在休假前不作確認。

**2 Summary of Significant Accounting Policies***(Continued)***2.21 Share-based payments***(a) Equity-settled share-based payment transactions*

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

**2 主要會計政策概要(續)****2.21 以股份為基礎的支付***(a) 以權益結算以股份為基礎的交易*

本集團設有多項以權益結算、以股份為基礎的報酬計劃，根據該等計劃，主體收取職工的服務以作為本集團權益工具（期權）的代價。職工為換取獲授期權而提供服務的公允價值確認為費用。將作為費用的總金額參考授予期權的公允價值釐定：

- 包括任何市場業績條件（例如主體的股價）；
- 不包括任何服務和非市場業績可行權條件（例如盈利能力、銷售增長目標和職工在某特定時期內留任實體）的影響；及
- 包括任何非可行權條件（例如規定職工儲蓄）的影響。

非市場表現和服務條件包括在有關預期可行權的期權數目的假設中。費用的總金額在等待期間內確認，等待期間指將符合所有特定可行權條件的期間。此外，在某些情況下，職工可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之期間內的開支作出估計。在每個報告期末，本集團依據非市場表現和服務條件修訂其對預期可行權的期權數目的估計。主體在利潤表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.21 Share-based payments (Continued)

#### (a) Equity-settled share-based payment transactions (Continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

#### (b) Share-based payment transactions among group entities

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

### 2.22 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2 主要會計政策概要(續)

### 2.21 以股份為基礎的支付(續)

#### (a) 以權益結算以股份為基礎的交易 (續)

在期權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(面值)和股本溢價。

#### (b) 集團內以股份為基礎的交易

本公司向集團附屬公司的職工授予其權益工具的期權，被視為資本投入。收取職工服務的公允價值，參考授出日的公允價值計量，並在行權期內確認，作為對附屬公司投資的增加，並相應對母公司賬目的權益貸記。

### 2.22 撥備

倘本集團因過往事件而有負上法定或推定責任，並且可能須動用資源履行有關責任，而相關金額能可靠估計，則會確認撥備。未來經營虧損不會確認撥備。

倘有多項類似責任時，解除該等責任導致損失之可能性按責任之類別作整體釐定。即使在同一類別責任內任何一項目導致損失之可能性可能會很小，亦需就此確認撥備。

撥備乃按預期需用作清償責任開支以稅前比率計算之現值計量，其反映當時市場對金錢之時間值及該責任之特定風險之評估。因時間之流逝而增加之撥備確認為利息開支。



## 2 Summary of Significant Accounting Policies (Continued)

### 2.23 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in the consolidated income statement within other operating expenses.

Where guarantees in relation to loans of the associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

## 2 主要會計政策概要(續)

### 2.23 融資擔保合同

融資擔保合約為發行人支付特定款項以補償持有人因一名特定債務人於到期時未能根據債務工具之條款支付款項而引起之損失之合約。該等融資擔保是代表附屬公司或聯營公司向銀行、金融機構及其他組織發出，以取得貸款、透支及其他銀行融資。

融資擔保初步按發出擔保當日之公平值在財務報表確認。由於所有擔保均在公平磋商原則下協定，而所協定之溢價價值與所擔保之責任的價值亦相符，因此融資擔保於簽訂時之公平值為零。概不會確認未來溢價之應收款項。經初步確認後，本公司在該等擔保下之負債，乃按初始金額減去根據香港會計準則第18號確認之費用之攤銷與清償有關擔保所需之金額之最佳估計兩者中之較高者計量。該等估計乃根據同類交易經驗及過往虧損歷史，輔以管理層作出的判斷而釐定。所得之費用收入於擔保期內以直線法確認。任何有關擔保之負債增加，一概在綜合收益表內呈列為其他經營開支。

若按無償代價就聯營公司之貸款而作出擔保，有關公平值則作為注資，並在本公司的財務報表內確認為投資成本的一部分。

## 2 Summary of Significant Accounting Policies (Continued)

### 2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### (a) Sales of finished goods and raw materials

Sales of finished goods and raw materials are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

#### (b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

#### (c) Dividend income

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

## 2 主要會計政策概要(續)

### 2.24 收入確認

收入按已收或應收代價的公允價值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列帳。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。本集團會根據退貨往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

#### (a) 製成品及原材料銷售

製成品及原材料銷售於集團實體向客戶交付產品，客戶接收產品且可合理確保可收回相關應收款時確認。

#### (b) 利息收入

利息收入採用實際利息法確認。倘應收款出現減值，本集團會將賬面值減至其可收回金額(即按工具之原定實際利率貼現之估計未來現金流量)，並繼續解除貼現作為利息收入。減值貸款及應收款之利息收入使用原定實際利率確認。

#### (c) 股息收入

股息收入於收取股息之權利確定時確認。

**2 Summary of Significant Accounting Policies***(Continued)***2.25 Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

**2.26 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

**2.27 Dividend distribution**

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

**2 主要會計政策概要(續)****2.25 經營租賃**

凡擁有權之絕大部分風險及回報由出租人保留之租賃，均列作經營租賃。根據經營租賃（扣除出租人給予之任何優惠）作出之付款按租期以直線法於收益表支銷。

**2.26 政府補貼**

當能夠合理保證將可獲取政府補貼，而本集團符合所有附帶條件時，則會按公平值確認政府提供之補貼。

與成本有關之政府補貼遞延入賬，並於與擬補償之成本配合之所需期間在收益表中確認。

**2.27 股息分派**

分派予本公司股東之股息在股息獲得本公司股東或董事（如適合）批准之期間內，在本集團及本公司之財務報表中確認為負債。

### 3 Financial Risk Management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group exposes to foreign exchange risks as certain portion of its business activities are denominated in foreign currencies, primarily with respect to HK\$, United States dollar ("USD") and Euro ("EUR").

To manage their foreign exchange risks arising from future commercial transactions, entities in the Group enter into forward contracts, transacted with the commercial banks. The Directors are of the view that the Group's exposure to foreign exchange risk is manageable.

At 31 December 2011, if HK\$ has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$1,435,000 (2010: HK\$5,890,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of HK\$-denominated cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

At 31 December 2011, if USD has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$13,762,000 (2010: HK\$7,422,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of USD-denominated cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

### 3 財務風險管理

#### 3.1 財務風險因素

本集團之業務承受多種財務風險：市場風險（包括外匯風險、現金流量及公平值利率風險，以及價格風險）、信貸風險及流動資金風險。本集團之整體風險管理政策集中關注難以預測之金融市場，並致力將對本集團財務表現造成之潛在不利影響減至最低。本集團使用衍生金融工具對沖若干風險。

##### (a) 市場風險

###### (i) 外匯風險

由於本集團部分業務活動以外幣（主要是港幣、美元（「美元」）及歐元（「歐元」））列值，故本集團面對外匯風險。

為管理來自未來商業交易之外匯風險，本集團之實體與商業銀行訂立遠期合約。董事認為，本集團面對之外匯風險屬在可控制範圍以內。

於二零一一年十二月三十一日，如港幣兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會增加／減少港幣1,435,000元（二零一零年：港幣5,890,000元），主要由於換算以港幣列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款以及借款款項所產生之外匯收益／虧損。

於二零一一年十二月三十一日，如美元兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣13,762,000元（二零一零年：港幣7,422,000元），主要由於換算以美元列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款以及借款款項所產生之外匯虧損／收益。

**3 Financial Risk Management (Continued)****3.1 Financial risk factors (Continued)****(a) Market risk (Continued)***(i) Foreign exchange risk (Continued)*

At 31 December 2011, if EUR has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$9,194,000 (2010: HK\$8,439,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of EUR-denominated cash and cash equivalents, trade and other receivables and trade and other payables.

*(ii) Cash flow and fair value interest rate risk*

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. All the borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2011 and 2010, the Group's long-term borrowings at variable rate were denominated in HK\$ and USD.

The Company's loan to a subsidiary and amounts due from/(to) subsidiaries were issued at fixed rates and interest free respectively, and expose the Company to fair value interest rate risk.

The Directors are of the view that the interest rate risk is not material as at 31 December 2011.

At 31 December 2011, if interest rates on long-term borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been HK\$31,000 (2010: HK\$199,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

**3 財務風險管理(續)****3.1 財務風險因素(續)****(a) 市場風險(續)***(i) 外匯風險(續)*

於二零一一年十二月三十一日，如歐元兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣9,194,000元(二零一零年：港幣8,439,000元)，主要由於換算以歐元列值之現金及現金等價物、貿易及其他應收款以及貿易及其他應付款所產生之外匯虧損／收益。

*(ii) 現金流量及公平值利率風險*

由於本集團並無重大計息資產，故本集團之收入及經營現金流量基本上不受市場利率變動影響。

本集團利率風險因長期借款而產生。由於所有借款按浮動利率計息，故此本集團面對現金流量利率風險。於二零一一年及二零一零年期間，本集團浮動利率長期借款以港幣及美元計值。

由於本公司借予附屬公司貸款及應收／(付)附屬公司款項分別以固定利率及免利息計量，故本公司面對公平值利率風險。

董事認為，於二零一一年十二月三十一日，利率風險並不重大。

於二零一一年十二月三十一日，倘長期借款之利率上升／下跌50個基點，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣31,000元(二零一零年：港幣199,000元)，主要由於浮息借款之利息開支增加／減少。

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (iii) Price risk

The Group exposes to commodity price risk, mainly due to the fluctuations in prices of copper and aluminium, which are key raw materials to the Group's products. The price risk due to copper and aluminium is reduced through the derivatives market, and through certain clause in contracts with our customers to enable the Group to have the flexibility to pass the increases in raw material costs to the customers.

At 31 December 2011, if the copper and aluminium price had been 5% higher/lower with other variables held constant, the pre-tax profit for the year would have been of HK\$8,807,000 (2010: HK\$5,196,000) higher/lower, representing the change in fair value of copper and aluminium derivatives at the end of the reporting period.

The Group is not exposed to equity securities price risk.

##### (b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, pledged bank deposits with maturity period over 3 months, derivative financial instruments, due from related parties and trade and other receivables.

For cash and cash equivalent, pledged bank deposits with maturity period over 3 months and derivative financial instruments, management manages the credit risk by transacting with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions. The maximum exposure to the credit risk before collateral held or other credit enhancements relating to cash and cash equivalent, pledged bank deposits with maturity period over 3 months and derivative financial instruments were their carrying value as disclosed in Note 15, Note 14 and Note 21 respectively as at 31 December 2011 and 2010.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (iii) 價格風險

本集團承受商品價格風險，主要由於銅及鋁價格波動。銅及鋁為本集團業務產品之主要原材料。透過衍生市場及與客戶訂立之合約所載之若干條款，可減低銅及鋁所帶來之價格風險，並使本集團具有將原材料成本漲價轉嫁給客戶之靈活性。

於二零一一年十二月三十一日，倘銅及鋁價格上升／下跌5%，而所有其他變數均不變，本年度之業務稅前利潤將增加／減少港幣8,807,000元(二零一零年：港幣5,196,000元)，即銅及鋁衍生產品於報告期間完結時之公平值變動。

本集團並無面臨股本證券價格風險。

##### (b) 信貸風險

本集團並無高度集中之信貸風險。信貸風險來自現金及現金等價物、三個月以上到期之已抵押銀行存款、衍生金融工具、應收關聯方款項及貿易及其他應收款。

在現金及現金等價物、三個月以上到期之已抵押銀行存款及衍生金融工具方面，管理層透過與國有金融機構及信譽良好之商業銀行(全部均為獲高信貸評級之金融機構)進行交易來管理信貸風險。信貸風險於持有抵押品前，或與現金及現金等價物、三個月以上到期之已抵押銀行存款及衍生金融工具相關的信貸條件改善前，其最高風險乃於二零一一年及二零一零年十二月三十一日分別披露於附註15、附註14及附註21的賬面值。

**3 Financial Risk Management (Continued)****3.1 Financial risk factors (Continued)****(b) Credit risk (Continued)**

For trade and other receivables and due from related parties, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the directors are of the view that the risk of default by these counterparties is low.

For financial guarantees contracts provided for the associates, the Group monitors the credit quality of the associates by taking into account their financial position and business development plan. As at 31 December 2011, the directors are of the view that the risk of default by the associates is low. The maximum exposure to the credit risk before collateral held or other credit enhancements relating to financial guarantee was the face value as disclosed in Note 34 as at 31 December 2011 and 2010.

**(c) Liquidity risk**

Liquidity risk management includes maintaining sufficient cash balance, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

**3 財務風險管理(續)****3.1 財務風險因素(續)****(b) 信貸風險(續)**

在貿易及其他應收款以及應收關聯方款項方面，對方之信貸質素經計及其財務狀況、信貸記錄及其他因素後作出評估。個別信貸限額乃根據信貸質素之評估而設立。鑒於定期還款記錄，董事認為該等對方拖欠還款之風險甚微。

有關本集團向聯營公司提供的融資擔保合約，本集團評核彼等的財務狀況及業務發展計劃，以此監管其信貸質素。於二零一一年十二月三十一日，董事認為聯營公司拖欠的風險為低。信貸風險於持有抵押品前，或與融資擔保相關的信貸條件改善前，其最高風險乃於二零一一年及二零一零年十二月三十一日披露於附註34的面值。

**(c) 流動資金風險**

流動資金風險管理包括維持充足現金結餘、從可靠之信貸融資獲取足夠資金及規避市場風險之能力。

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities and net-settled financial derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group	本集團	Less than 1 year 一年以下 HK\$'000 港幣千元	Between 1 and 2 years 一年至兩年 HK\$'000 港幣千元	Over 2 years 兩年以上 HK\$'000 港幣千元
At 31 December 2011	於二零一一年十二月三十一日			
Borrowings	借款	247,538	95,821	—
Trade and other payables	貿易及其他應付款	3,012,053	—	—
Due to related companies	應付關聯公司款項	130,376	—	—
Derivative financial instruments	衍生金融工具	240	—	—
At 31 December 2010 (restated)	於二零一零年十二月三十一日 (重列)			
Borrowings	借款	246,035	98,812	7,037
Trade and other payables	貿易及其他應付款	3,421,344	—	—
Due to related companies	應付關聯公司款項	481,476	—	—
The Company	本公司	Less than 1 year 一年以下 HK\$'000 港幣千元	Between 1 and 2 years 一年至兩年 HK\$'000 港幣千元	Over 2 years 兩年以上 HK\$'000 港幣千元
At 31 December 2011	於二零一一年十二月三十一日			
Accruals and other payables	預提費用及其他應付款	2,591	—	—
At 31 December 2010	於二零一零年十二月三十一日			
Accruals and other payables	預提費用及其他應付款	2,184	—	—

For the drawn down component of the bank loans guaranteed by the Group, the contractual maturity dates of the maximum amount that can be called is that HK\$143,703,000 being less than 1 year and HK\$326,878,000 being between 1 and 5 years (2010: HK\$58,761,000 being less than 1 year, HK\$75,802,000 being between 1 and 5 years and HK\$170,408,000 being over 5 years.)

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險(續)

下表分析本集團於報告期間完結至合約到期日的餘下期間按有關到期組別之非衍生金融負債及淨結算金融衍生財務負債淨額。表中所披露之金額乃合約未貼現現金流量。

本集團擔保銀行貸款於合約到期日可獲提取最大金額為港幣143,703,000元(一年以下)、港幣326,878,000元(一年至五年)(二零一零年：港幣58,761,000元(一年以下)、港幣75,802,000元(一年至五年)及港幣170,408,000元(五年以上))。



### 3 Financial Risk Management (Continued)

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The Group's strategy for the year ended 31 December 2011 was to maintain a gearing ratio under 75% or had a net cash position. This ratio was calculated as net debt divided by total equity. Net debt is calculated as total borrowings less pledged bank deposits and cash and cash equivalents. As the Group was in a net cash position as at 31 December 2011 and 2010, gearing ratio was not applicable.

### 3 財務風險管理(續)

#### 3.2 資本管理

本集團之資本管理政策，乃保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他股權持有人之利益，並維持最佳之資本結構以減低資本成本。

為維持或調整資本結構，本集團可能發行新股份或出售資產以減低債務。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。本集團截至二零一一年十二月三十一日止年度的策略為保持資本負債比率低於75%或達至淨現金狀況。此比率按照債項淨額除以權益總額計算。債項淨額為借款總額減去已抵押銀行存款和現金及現金等價物。由於本集團於二零一一年及二零一零年十二月三十一日處於淨現金狀況，資本負債比率並不適用。

		As at 31 December 2011 於二零一一年 十二月三十一日	As at 31 December 2010 於二零一零年 十二月三十一日 (Restated) (重列)
		HK\$'000 港幣千元	HK\$'000 港幣千元
Total borrowings (Note 18)	借款總額(附註18)	333,516	345,810
Less: Pledged bank deposits with maturity period over 3 months (Note 14)	減：三個月以上到期之已抵押銀行存款(附註14)	(77,767)	(118,000)
Cash and cash equivalents (Note 15)	現金及現金等價物(附註15)	(972,923)	(805,079)
Net cash	現金淨額	(717,174)	(577,269)
Total equity	權益總額	2,552,174	1,975,304
Gearing ratio (%)	資本負債比率(%)	N/A	N/A

### 3 Financial Risk Management (Continued)

#### 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the Group's assets that are measured at fair value as at 31 December 2011.

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具				
— Commodity futures contracts	— 期貨商品合約	1,682	—	—	1,682
— Foreign exchange forward contracts	— 遠期外匯合約	—	15,110	—	15,110
Available-for-sale financial assets	可供出售金融資產				
— Equity investment	— 股權投資	—	—	97,307	97,307

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具				
— Commodity futures contracts	— 期貨商品合約	240	—	—	240

### 3 財務風險管理(續)

#### 3.3 公平值估計

下表是根據估值方法，分析金融工具之公平價值。不同分級定義如下：

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

下表呈列本集團於二零一一年十二月三十一日按公平值計量之資產。

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具				
— Commodity futures contracts	— 期貨商品合約	1,682	—	—	1,682
— Foreign exchange forward contracts	— 遠期外匯合約	—	15,110	—	15,110
Available-for-sale financial assets	可供出售金融資產				
— Equity investment	— 股權投資	—	—	97,307	97,307

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具				
— Commodity futures contracts	— 期貨商品合約	240	—	—	240

### 3 Financial Risk Management (Continued)

#### 3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2010.

		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<b>Assets</b>	<b>資產</b>				
Derivatives financial instruments	衍生金融工具				
— Commodity futures contracts	— 期貨商品合約	9,808	—	—	9,808
— Foreign exchange forward contracts	— 遠期外匯合約	—	16,114	—	16,114
Available-for-sale financial assets	可供出售金融資產				
— Equity investment	— 股權投資	—	—	29,381	29,381

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

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

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

There were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

### 3 財務風險管理(續)

#### 3.3 公平值估計(續)

下表呈列本集團於二零一零年十二月三十一日按公平值計量之資產及負債。

	Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<b>Assets</b>				
Derivatives financial instruments				
— Commodity futures contracts	9,808	—	—	9,808
— Foreign exchange forward contracts	—	16,114	—	16,114
Available-for-sale financial assets				
— Equity investment	—	—	29,381	29,381

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

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

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

概無任何金融資產於第一級與第二級公平值架構類別間進行重大轉移。

### 3 Financial Risk Management (Continued)

#### 3.3 Fair value estimation (Continued)

The financial assets of level 3 fair value hierarchy classification as at 31 December 2011 and 2010 were the available-for-sale financial asset, of which the changes for the year ended 31 December 2011 and 2010 are presented in Note 11.

The available-for-sale financial asset represents the capital contribution made by the Group into a private finance company as detailed in Note 11. The Directors assessed the fair value of the equity investment and are in the opinion that the fair value approximates its carrying value as at 31 December 2011 and 2010.

### 4 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7.1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of certain key assumptions (Note 8). Changing such key assumptions selected by management, including the discount rates or the growth rate assumptions, could materially affect the net present value used in the impairment test.

### 3 財務風險管理(續)

#### 3.3 公平值估計(續)

於二零一一年及二零一零年十二月三十一日，第三類公平值架構類別之金融資產為可供出售金融資產，其截至二零一一年及二零一零年十二月三十一日止年度之變動呈列於附註11。

可供出售金融資產乃本集團向一家私人財務公司作出之注資，詳情載於附註11。董事評核股權投資的公平值，並認為於二零一一年及二零一零年十二月三十一日其公平值相當於其賬面值。

### 4 重要會計估計及判斷

估計及判斷之評估會不斷進行，並且依據過往經驗及其他因素作為基礎，其中包括按現況對未來事件之合理預期。

#### 4.1 重要會計估計及假設

本集團對未來作出估計及假設。所得之會計估計根據涵義甚少等同於相關的實際結果。具有重大風險可導致資產及負債之賬面值於下一個財政年度中出現重大調整之估計及假設闡述如下。

##### (a) 商譽減值

本集團每年按照附註2.7.1所述之會計政策測試商譽是否有任何減值。現金產生單位之可收回金額按使用價值計算而釐定，該等計算須採用若干主要假設(附註8)。改變管理層挑選之主要假設(包括貼現率或增長率假設)，足以對減值測試中使用之淨現值構成重大影響。

## 4 Critical Accounting Estimates and Judgments (Continued)

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

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

If the estimated pre-tax discount rate applied to the discounted cash flows for the CGUs of the micro motors business had been 1% higher than management's estimates, the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

If the estimated gross margin of the CGUs had been 1% lower than management's estimates, the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

If the growth rate of the CGUs had been 1% lower than management's estimates, the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

#### (b) Income Tax

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate 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 difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Current income tax liability of the Group as at 31 December 2011 and 31 December 2010 are HK\$37,262,000 and HK\$56,969,000 respectively.

#### (c) Useful lives adopted for the calculation of depreciation of property, plant and equipment

The estimate of useful lives of property, plant and equipment was made by the management with reference to the established industry practices, technical assessments made on the durability of the assets, as well as the historical magnitude and trend of repair and maintenance expenses incurred by the Group. It could change significantly as a result of technical innovations and competitor actions in responses to severe industry cycles.

## 4 重要會計估計及判斷(續)

### 4.1 重要會計估計及假設(續)

#### (a) 商譽減值(續)

倘適用於微電機業務現金產生單位貼現現金流量之估計稅前貼現率較管理層所估計者增加1%。商譽可收回值仍高於賬面值，並無商譽減值確認。

倘現金產生單位之估計毛利率較管理層所估計者減少1%。商譽可收回值仍高於賬面值，並無商譽減值確認。

倘現金產生單位之增長率較管理層所估計者減少1%。商譽可收回值仍高於賬面值，並無商譽減值確認。

#### (b) 所得稅

釐定所得稅撥備時需要作出重大判斷。在日常業務過程中有多項交易及計算方式，均會影響最終所得稅項的確認。倘若該等事項最終所得稅項的確認與最初計提之所得稅撥備有所差異，有關差額將影響有關判斷期間之所得稅及遞延稅項撥備。

本集團於二零一一年十二月三十一日及二零一零年十二月三十一日的即期所得稅負債分別為港幣37,262,000元及港幣56,969,000元。

#### (c) 計算物業、廠房及設備折舊採納的可使用年期

物業、廠房及設備的可使用年期由管理層參照既定行業慣例、有關資產耐用性的技術評估、本集團過往發生的維修及保養開支的幅度及走勢進行估計。該估計可能會由於技術創新及競爭對手因嚴峻的行業週期採取行動而發生重大變動。

#### 4 Critical Accounting Estimates and Judgments (Continued)

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

##### (c) Useful lives adopted for the calculation of depreciation of property, plant and equipment (Continued)

If the estimated useful lives of property, plant and equipment higher/lower by 10% from management's estimates, the depreciation charge would decrease/increase by HK\$9,635,000 and HK\$11,777,000 respectively.

##### (d) Impairment of inventories

Impairment of inventories is based on the net realisable value which is the selling price in the ordinary course of business, less applicable variable selling expenses. The calculation of the net realisable value is determined based on management's estimates of the selling price and variable selling expenses according to prevailing market conditions.

Provision for impairment of inventories of the Group as at 31 December 2011 and 31 December 2010 are HK\$20,723,000 and HK\$16,816,000 respectively.

##### (e) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered as objective evidence that a receivable is impaired. In determining this, management makes judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect on the market and economic environment in which the debtor operates in. Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recorded as an expense.

Provision for impairment of trade receivables of the Group as at 31 December 2011 and 31 December 2010 are HK\$35,162,000 and HK\$17,189,000 respectively.

#### 4 重要會計估計及判斷(續)

##### 4.1 重要會計估計及假設(續)

##### (c) 計算物業、廠房及設備折舊採納的可使用年期(續)

倘若管理層估計物業、廠房及設備估計可使用年期增加/減少10%，折舊開支將分別減少/增加港幣9,635,000元及港幣11,777,000元。

##### (d) 存貨減值

存貨減值按可變現淨值計算，而可變現淨值為日常業務過程中的售價減適用可變銷售開支。計算可變現淨值時是按當時市場狀況以管理層估計的售價及可變銷售開支為基準予以釐訂。

本集團於二零一一年十二月三十一日及二零一零年十二月三十一日的存貨減值撥備分別為港幣20,723,000元及港幣16,816,000元。

##### (e) 貿易應收款減值

管理層審閱其貿易應收款有否客觀減值憑證。債務人陷入嚴重的財困、債務人可能破產以及違責或長期拖欠還款均被視為應收款有客觀減值憑證。在釐定減值時，管理層需判斷有否可觀察資料顯示債務人的還款能力有重大變動，或有否對債務人業務所在的市場及經濟環境構成不利影響的重大變動。如有減值客觀憑證，管理層判斷有否減值虧損應記錄為開支。

本集團於二零一一年十二月三十一日及二零一零年十二月三十一日的貿易應收款減值撥備分別為港幣35,162,000元及港幣17,189,000元。

## 5 Segment Information

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

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

Micro motors business	—	manufacture and distribution of motors for air-conditioner and refrigerator compressor
Washing motors business	—	manufacture and distribution of motors for washing machine, dish washer and food processing machines
Raw material business	—	trading of raw materials
Others	—	manufacture and distribution of reactors and other businesses; subsequent to the disposal of the assets as disclosed in Note 36, the remaining assets and liabilities of this business have been grouped under the segment of the micro motors business in the year ended 31 December 2011.
Discontinued operations	—	manufacture and distribution of transformers and shaded pole motors

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

## 5 分部資料

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

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

微電機業務	—	製造及分銷空調及冰箱壓縮機之電機
洗滌電機業務	—	製造及分銷洗衣機、洗碗碟機及食品加工之電機
原材料業務	—	買賣原材料
其他	—	截至二零一一年十二月三十一日止年度，製造及分銷電抗器及其他業務，經出售附註36所披露之資產後，此項業務餘下的資產及負債已列入微電機業務分部
終止經營業務	—	製造及分銷變壓器及罩極電機

主要經營決策者根據年內扣除所得稅前利潤評估營運分部之表現。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5 Segment Information (Continued)

#### 5.1 Primary reporting format – business segments

The segment information for the year ended 31 December 2011 are as follows:

### 5 分部資料(續)

#### 5.1 主要報告形式 – 業務分部

截至二零一一年十二月三十一日止年度之分部資料如下：

		Micro motors business 微電機 業務 HK\$'000 港幣千元	Washing motors business 洗滌電機 業務 HK\$'000 港幣千元	Raw material business 原材料 業務 HK\$'000 港幣千元	Segment Total 分部 總額 HK\$'000 港幣千元	Corporate function 總部職能 HK\$'000 港幣千元	Continuing operation Total 持續經營業務 總額 HK\$'000 港幣千元	Discontinued operations 終止經營 業務 HK\$'000 港幣千元	Group Total 本集團 合計 HK\$'000 港幣千元
Gross segment revenue	總分部收入	7,060,608	3,365,503	3,867,034	14,293,145	—	14,293,145	432,050	14,725,195
Inter-segment revenue	分部間收入	(11,312)	(16,121)	(3,775,339)	(3,802,772)	—	(3,802,772)	(113)	(3,802,885)
Revenue (from external customers)	收入(來自外來客戶)	7,049,296	3,349,382	91,695	10,490,373	—	10,490,373	431,937	10,922,310
Operating profit/(loss)	經營利潤/(虧損)	497,763	228,843	53,487	780,093	(9,617)	770,476	17,579	788,055
Finance income/(cost) – net	融資收入/(成本)–淨額	13,537	(16,648)	(39,612)	(42,723)	(8,819)	(51,542)	134	(51,408)
Share of profit of associates	佔聯營公司利潤	—	—	—	—	19,204	19,204	—	19,204
Profit before income tax	扣除所得稅前利潤	511,300	212,195	13,875	737,370	768	738,138	17,713	755,851
Income tax expense	所得稅開支	(80,766)	(34,471)	336	(114,901)	(31,229)	(146,130)	(5,130)	(151,260)
Profit/(loss) for the year	年度利潤/(虧損)	430,534	177,724	14,211	622,469	(30,461)	592,008	12,583	604,591
Segment assets	分部資產	3,585,801	1,949,028	305,503	5,840,332	28,915	5,869,247	—	5,869,247
Deferred income tax assets	遞延所得稅資產	—	—	—	—	—	38,853	—	38,853
Investments in associates	聯營公司投資	—	—	—	—	—	254,352	—	254,352
Total assets	總資產	—	—	—	—	—	6,162,452	—	6,162,452
Segment liabilities	分部負債	2,138,728	1,070,552	182,631	3,391,911	144,818	3,536,729	—	3,536,729
Deferred income tax liabilities	遞延所得稅負債	—	—	—	—	—	73,549	—	73,549
Total liabilities	總負債	—	—	—	—	—	3,610,278	—	3,610,278
Addition of property, plant and equipment	添置物業、廠房及設備	241,104	137,077	—	378,181	21	378,202	692	378,894
<b>Material non-cash expenses/(income)</b>	<b>重大非現金開支/(收入)</b>								
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	1,842	1,818	—	3,660	—	3,660	—	3,660
Depreciation of property, plant and equipment	物業、廠房及設備折舊	66,199	39,770	—	105,969	20	105,989	1,139	107,128
Provision/(reversal) for inventory obsolescence	存貨跌價及殘次準備撥備/(撥回)	3,765	(8,700)	—	(4,935)	—	(4,935)	—	(4,935)
Reversal for impairment of trade and other receivables	貿易及其他應收款減值撥回	6,865	9,529	—	16,394	—	16,394	—	16,394
Fair value gain on derivative financial instruments – not settled	衍生金融工具公平值收益 – 未結算	(2,578)	(13,974)	—	(16,552)	—	(16,552)	—	(16,552)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5 Segment Information (Continued)

#### 5.1 Primary reporting format – business segments (Continued)

The restated segment information for the year ended 31 December 2010 are as follows:

		Washing motors business 洗滌電機業務											
		Micro motors business 微電機 業務	Original 原價	Merger of Huayin 與華印 合併	Sub-total 小計	Raw material business 原材料 業務	Others 其他	Segment Total 分部 總額	Corporate function 總部職能	Continuing operations Total 持續經營業務 總額	Discontinued operations 終止經營 業務	Group Total 本集團 合計	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
Gross segment revenue	總分部收入	4,399,496	2,584,810	129,134	2,713,944	3,835,557	122,767	11,071,764	—	11,071,764	694,332	11,766,096	
Inter-segment revenue	分部間收入	(4,457)	(2,378)	—	(2,378)	(3,829,569)	—	(3,836,404)	—	(3,836,404)	(1,672)	(3,838,076)	
Revenue (from external customers)	收入(來自外來客戶)	4,395,039	2,582,432	129,134	2,711,566	5,988	122,767	7,235,360	—	7,235,360	692,660	7,928,020	
Operating profit/(loss)	經營利潤/(虧損)	389,518	216,432	1,730	218,162	42,443	9,733	659,856	(8,140)	651,716	27,405	679,121	
Finance income/(cost) – net	融資收入/(成本) – 淨額	11,956	5,448	159	5,607	(34,257)	(17)	(16,711)	(9,271)	(25,982)	(98)	(26,080)	
Share of profit of associates	佔聯營公司利潤	—	—	—	—	—	—	—	9,269	9,269	—	9,269	
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	401,474	221,880	1,889	223,769	8,186	9,716	643,145	(8,142)	635,003	27,307	662,310	
Income tax expense	所得稅開支	(58,919)	(35,186)	(1,048)	(36,234)	(2,493)	(1,162)	(98,808)	(23,816)	(122,624)	(6,615)	(129,239)	
Profit/(loss) for the year	年度利潤/(虧損)	342,555	186,694	841	187,535	5,693	8,554	544,337	(31,958)	512,379	20,692	533,071	
Segment assets (restated)	分部資產(重列)	3,455,536	1,731,582	76,031	1,807,613	461,129	320,749	6,045,027	3,011	6,048,038	27,733	6,075,771	
Deferred income tax assets	遞延所得稅資產	—	—	—	—	—	—	—	—	32,254	—	32,254	
Investments in associates	聯營公司投資	—	—	—	—	—	—	—	—	223,651	—	223,651	
Total assets (restated)	總資產(重列)	—	—	—	—	—	—	—	—	6,303,943	27,733	6,331,676	
Segment liabilities (restated)	分部負債(重列)	2,588,400	1,090,675	8,493	1,099,168	430,099	185,747	4,303,414	2,185	4,305,599	—	4,305,599	
Deferred income tax liabilities	遞延所得稅負債	—	—	—	—	—	—	—	—	50,773	—	50,773	
Total liabilities (restated)	總負債(重列)	—	—	—	—	—	—	—	—	4,356,372	—	4,356,372	
Addition of property, plant and equipment	添置物業、廠房及設備	127,514	127,837	91	127,928	—	1,626	257,068	26	257,094	13,872	270,966	
<b>Material non-cash expenses/(income)</b>	<b>重大非現金開支/(收入)</b>												
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	1,689	1,328	—	1,328	—	225	3,242	—	3,242	—	3,242	
Depreciation of property, plant and equipment	物業、廠房及設備折舊	51,601	32,460	1,447	33,907	—	3,794	89,302	47	89,349	3,258	92,607	
Provision for inventory obsolescence	存貨跌價及殘次準備撥備	3,467	2,397	2,350	4,747	—	114	8,328	—	8,328	562	8,890	
(Reversal)/provision for impairment of trade and other receivables	貿易及其他應收款減值(撥回)/撥備	(1,268)	(4,434)	191	(4,243)	—	(149)	(5,660)	—	(5,660)	(845)	(6,505)	
Fair value gain on derivative financial instruments – not settled	衍生金融工具公平值收益 – 未結算	(6,164)	(19,758)	—	(19,758)	—	—	(25,922)	—	(25,922)	—	(25,922)	

### 5 分部資料(續)

#### 5.1 主要報告形式 – 業務分部(續)

截至二零一零年十二月三十一日止年度之重列分部資料如下：

## 5 Segment Information (Continued)

### 5.2 Secondary reporting format – geographical segments

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

		Micro motors business	Washing motors business	Raw material business	Others	Continuing operations Total	Discontinued operations	Group Total
		微電機 業務	洗滌電 機業務	原材料 業務	其他	持續經營 業務 總額	終止經營 業務	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Year ended 31 December 2010, as restated	截至二零一零年 十二月三十一日 止年度(重列)							
Revenue from customers in the PRC	來自中國境內 客戶之收入	3,745,254	1,627,569	5,988	110,121	5,488,932	648,778	6,137,710
Revenue from customers outside the PRC	來自中國境外 客戶之收入	649,785	1,083,997	—	12,646	1,746,428	43,882	1,790,310
		4,395,039	2,711,566	5,988	122,767	7,235,360	692,660	7,928,020

		Micro motors business	Washing motors business	Raw material business	Others	Continuing operations Total	Discontinued operations	Group Total
		微電機 業務	洗滌電機 業務	原材料 業務	其他	持續經營 業務 總額	終止經營 業務	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Year ended 31 December 2011	截至二零一一年 十二月三十一日 止年度							
Revenue from customers in the PRC	來自中國境內 客戶之收入	6,208,822	1,795,238	91,695	—	8,095,755	409,736	8,505,491
Revenue from customers outside the PRC	來自中國境外 客戶之收入	840,473	1,554,145	—	—	2,394,618	22,201	2,416,819
		7,049,295	3,349,383	91,695	—	10,490,373	431,937	10,922,310

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

Turnover represented revenue from external customers and is the same as revenue in the consolidated income statement.

## 5 分部資料(續)

### 5.2 從屬報告形式 — 地區分部

本集團駐於中國。本集團來自中國境內及境外客戶之收入，呈列如下：

		Micro motors business	Washing motors business	Raw material business	Others	Continuing operations Total	Discontinued operations	Group Total
		微電機 業務	洗滌電 機業務	原材料 業務	其他	持續經營 業務 總額	終止經營 業務	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Year ended 31 December 2010, as restated	截至二零一零年 十二月三十一日 止年度(重列)							
Revenue from customers in the PRC	來自中國境內 客戶之收入	3,745,254	1,627,569	5,988	110,121	5,488,932	648,778	6,137,710
Revenue from customers outside the PRC	來自中國境外 客戶之收入	649,785	1,083,997	—	12,646	1,746,428	43,882	1,790,310
		4,395,039	2,711,566	5,988	122,767	7,235,360	692,660	7,928,020

		Micro motors business	Washing motors business	Raw material business	Others	Continuing operations Total	Discontinued operations	Group Total
		微電機 業務	洗滌電機 業務	原材料 業務	其他	持續經營 業務 總額	終止經營 業務	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Year ended 31 December 2011	截至二零一一年 十二月三十一日 止年度							
Revenue from customers in the PRC	來自中國境內 客戶之收入	6,208,822	1,795,238	91,695	—	8,095,755	409,736	8,505,491
Revenue from customers outside the PRC	來自中國境外 客戶之收入	840,473	1,554,145	—	—	2,394,618	22,201	2,416,819
		7,049,295	3,349,383	91,695	—	10,490,373	431,937	10,922,310

由於惟金融工具及遞延所得稅資產外，本集團絕大部份資產皆位於中國，故並無編製非流動資產之地區分部分析。

營業額指來自外來客戶的收入，與綜合收益表的「收入」相同。

## 5 Segment Information (Continued)

### 5.2 Secondary reporting format – geographical segments (Continued)

Revenue of approximately HK\$1,791,443,000 (2010: HK\$816,323,000) was derived from a single customer, which is a related party, contributed to the revenue of operating segment of micro motor business.

## 6 Leasehold Land and Land Use Rights

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

## 5 分部資料(續)

### 5.2 從屬報告形式 – 地區分部(續)

收入中約港幣 1,791,443,000 元(二零一零年：港幣 816,323,000 元)來自一名客戶(為關聯方)，列入微電機業務的營運分部的收入。

## 6 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益為預付經營租賃款項，其賬面淨值分析如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Outside Hong Kong, held on leases of 10 to 50 years	香港以外，以10至50年之 租賃持有	171,367	125,509

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Opening net book amount	年初賬面淨值	125,509	124,496
Additions	添置	31,609	—
Acquisition of a subsidiary (Note 35)	收購附屬公司(附註35)	11,029	—
Amortisation of prepaid operating lease payments	預付經營租賃款項攤銷 payments	(3,660)	(3,242)
Exchange differences	匯兌差異	6,880	4,255
Closing net book amount	年終賬面淨值	171,367	125,509

At 31 December 2011, leasehold land and land use rights with net book value of approximately HK\$46,102,000 (2010: HK\$60,429,000) have been pledged as security for the Group's short-term bank borrowings (Note 18).

於二零一一年十二月三十一日，賬面淨值約港幣 46,102,000 元(二零一零年：港幣 60,429,000 元)之租賃土地及土地使用權已作為本集團短期銀行借款之抵押(附註18)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7 Property, Plant and Equipment

#### (a) Group

		Construction- in-progress	Buildings	Furniture and fixtures 傢俬及 裝修	Plant and machinery 廠房及 機器	Motor vehicles 汽車	Electronic and other equipment 電子及 其他設備	Total
		在建工程 HK\$'000 港幣千元	樓宇 HK\$'000 港幣千元	傢俬及 裝修 HK\$'000 港幣千元	廠房及 機器 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	電子及 其他設備 HK\$'000 港幣千元	合計 HK\$'000 港幣千元
At 1 January 2010, as restated	於二零一零年一月一日 (重列)							
Cost	成本	63,697	272,611	62,153	687,740	10,769	54,970	1,151,940
Accumulated depreciation	累計折舊	—	(36,706)	(48,287)	(318,946)	(4,737)	(33,218)	(441,894)
Net book amount	賬面淨值	63,697	235,905	13,866	368,794	6,032	21,752	710,046
Year ended 31 December 2010, as restated	截至二零一零年十二月 三十一日止年度 (重列)							
Opening net book amount	年初賬面淨值	63,697	235,905	13,866	368,794	6,032	21,752	710,046
Additions	添置	122,956	2,236	16,000	110,372	4,075	15,327	270,966
Exchange differences	匯兌差異	2,216	7,855	269	11,556	162	477	22,535
Disposals	出售	(5,957)	(264)	(129)	(18,896)	(126)	(2,133)	(27,505)
Transfers	轉撥	(60,047)	12,033	473	47,184	—	357	—
Depreciation	折舊	—	(14,996)	(9,128)	(54,357)	(2,006)	(12,120)	(92,607)
Closing net book amount	年終賬面淨值	122,865	242,769	21,351	464,653	8,137	23,660	883,435
At 31 December 2010, as restated	於二零一零年十二月 三十一日(重列)							
Cost	成本	122,865	323,875	52,662	785,103	13,952	65,396	1,363,853
Accumulated depreciation	累計折舊	—	(81,106)	(31,311)	(320,450)	(5,815)	(41,736)	(480,418)
Net book amount	賬面淨值	122,865	242,769	21,351	464,653	8,137	23,660	883,435
Year ended 31 December 2011	截至二零一一年十二月 三十一日止年度							
Opening net book amount	年初賬面淨值	122,865	242,769	21,351	464,653	8,137	23,660	883,435
Additions	添置	117,918	30,417	14,163	180,552	9,500	26,344	378,894
Acquisition of a subsidiary (Note 35)	收購附屬公司(附註35)	3,948	12,651	—	9,320	209	1,532	27,660
Exchange differences	匯兌差異	6,116	11,775	863	21,720	338	875	41,687
Disposals	出售	(1,509)	—	(41)	(50,263)	(3,346)	(7,130)	(62,289)
Disposal — discontinued operations	出售 — 終止經營業務	—	—	—	(22,750)	—	(1,939)	(24,689)
Transfers	轉撥	(112,400)	43,359	—	69,041	—	—	—
Depreciation	折舊	—	(15,966)	(9,158)	(64,732)	(3,093)	(14,179)	(107,128)
Closing net book amount	年終賬面淨值	136,938	325,005	27,178	607,541	11,745	29,163	1,137,570
At 31 December 2011	於二零一一年十二月 三十一日							
Cost	成本	136,938	426,437	68,853	954,973	19,836	69,003	1,676,040
Accumulated depreciation	累計折舊	—	(101,432)	(41,675)	(347,432)	(8,091)	(39,840)	(538,470)
Net book amount	賬面淨值	136,938	325,005	27,178	607,541	11,745	29,163	1,137,570

Depreciation expense of HK\$88,475,000 (2010: HK\$76,746,000) has been charged in cost of sales, HK\$121,000 (2010: HK\$95,000) in selling and marketing costs and HK\$18,532,000 (2010: HK\$15,766,000) in administrative expenses.

折舊開支港幣88,475,000元(二零一零年:港幣76,746,000元)已計入銷售貨品成本,港幣121,000元(二零一零年:港幣95,000元)已計入銷售及市場推廣成本,而港幣18,532,000元(二零一零年:港幣15,766,000元)則已計入行政開支。

7 Property, Plant and Equipment (Continued)

(a) Group (Continued)

At 31 December 2011, property, plant and equipment with net book value of HK\$43,253,000 (2010: HK\$97,891,000) were pledged as security for the Group's short-term bank borrowings (Note 18).

(b) Company

7 物業、廠房及設備(續)

(a) 本集團(續)

於二零一一年十二月三十一日，賬面淨值港幣43,253,000元(二零一零年：港幣97,891,000元)之物業、廠房及設備已作為本集團短期銀行借款之抵押(附註18)。

(b) 本公司

		Electronic and other equipment 電子及其他設備 HK\$'000 港幣千元
At 1 January 2010	於二零一零年一月一日	
Cost	成本	284
Accumulated depreciation	累計折舊	(240)
Net book amount	賬面淨值	44
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	44
Additions	添置	14
Depreciation	折舊	(35)
Closing net book amount	年終賬面淨值	23
At 31 December 2010	於二零一零年十二月三十一日	
Cost	成本	298
Accumulated depreciation	累計折舊	(275)
Net book amount	賬面淨值	23
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	23
Additions	添置	6
Disposals	出售	(4)
Depreciation	折舊	(10)
Closing net book amount	年終賬面淨值	15
At 31 December 2011	於二零一一年十二月三十一日	
Cost	成本	275
Accumulated depreciation	累計折舊	(260)
Net book amount	賬面淨值	15

8 Intangible Assets

8 無形資產

		Goodwill	Technology	Development cost	Group Total
		商譽	技術	開發成本	本集團合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2010	於二零一零年 一月一日				
Cost and net book amount	成本及賬面淨值	22,408	—	—	22,408
Year ended 31 December 2010	截至二零一零年 十二月三十一日 止年度				
Opening net book amount	年初賬面淨值	22,408	—	—	22,408
Exchange differences	匯兌差異	780	—	—	780
Closing net book amount	年終賬面淨值	23,188	—	—	23,188
At 1 January 2011	於二零一一年 一月一日				
Cost and net book amount	成本及賬面淨值	23,188	—	—	23,188
Year ended 31 December 2011	截至二零一一年 十二月三十一日 止年度				
Opening net book amount	年初賬面淨值	23,188	—	—	23,188
Additions	添置	—	—	5,608	5,608
Acquisition of a subsidiary (Note 35)	收購附屬公司 (附註35)	4,757	30,879	—	35,636
Amortisation charge	攤銷開支	—	(757)	—	(757)
Exchange differences	匯兌差異	1,177	46	119	1,342
Closing net book amount	年終賬面淨值	29,122	30,168	5,727	65,017
At 31 December 2011	於二零一一年 十二月三十一日				
Cost	成本	29,122	30,925	5,727	65,774
Accumulated amortisation	累計攤銷	—	(757)	—	(757)
Net book amount	賬面淨值	29,122	30,168	5,727	65,017

### 8 Intangible Assets (Continued)

The goodwill is attributable to the synergies expected to arise upon the Group's acquisition of the non-controlling interests of the cash-generating units ("CGU") in micro motor business segments located in the PRC. A summary of the goodwill allocation is presented below:

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Guangdong Welling Motor Manufacturing Co., Ltd. ("Guangdong Welling")	廣東威靈電機製造有限公司 (「廣東威靈」)	24,338	23,188
Changzhou Welling Motor Manufacturing Co., Ltd. ("Changzhou Welling")	常州威靈電機製造有限公司 (「常州威靈」)	4,784	—
		<b>29,122</b>	23,188

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

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

### 8 無形資產(續)

商譽來自預期於本集團收購位於中國之微電機業務分部之現金產生單位(「現金產生單位」)非控股權益後產生之協同效益。商譽分配概要呈列如下：

現金產生單位之可收回金額乃按使用價值計算予以釐定。有關計算使用稅前現金流量預測(根據管理層批准之五年期財政預算)作出。五年期以外之現金流量乃按下文所述之估計增長率推斷。

使用價值計算之主要假設如下：

		Guangdong Welling 廣東威靈	Changzhou Welling 常州威靈
As at 31 December 2011	於二零一一年十二月三十一日		
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	10%	24%
Growth rate	增長率	1%	25%
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	15%	15%
As at 31 December 2010	於二零一零年十二月三十一日		
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	10%	N/A
Growth rate	增長率	1%	N/A
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	15%	N/A

## 8 Intangible Assets (Continued)

Management determined the budgeted gross margin based on past performance and its expectations for the market development. The growth rates do not exceed the long-term average growth rate for the respective markets of micro motors business and the commercial air-conditioning motor. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

## 9 Investments in Subsidiaries and Loan to a Subsidiary

The details of the investments in subsidiaries and loan to a subsidiary of the Company are as follows:

### (a) Investments in subsidiaries

		Company 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Investments in equity interests	股權投資		
— at cost, unlisted, exchanged at date of investment	— 按成本價，非上市，於投資當日匯兌	4,500,000	4,500,000
— subsequent exchange differences due to translation into presentation currency (Note 2.5(c))	— 其後因換算為呈列貨幣之匯兌差異(附註2.5(c))	471,736	236,538
Investments arising from share-based payments (i)	以股份支付支出產生之投資(i)	7,846	6,553
Amounts due from subsidiaries (ii)	應收附屬公司款項(ii)	397,938	363,349
		<b>5,377,520</b>	5,106,440

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

(ii) The amounts due from subsidiaries are unsecured, denominated in HK\$, interest-free and with no fixed term of repayment, non-trade related and not past due.

## 8 無形資產(續)

管理層根據過往表現及其對市場發展之預期釐定預算毛利率。增長率並未超越微電機業務及商用空調電機各市場之長期平均增長率。所採用之貼現率為稅前比率並反映相關分部之特定風險。

## 9 附屬公司投資及貸款予一家附屬公司

下列為本公司附屬公司投資及貸款予一家附屬公司之詳情：

### (a) 附屬公司投資

		Company 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Investments in equity interests	股權投資		
— at cost, unlisted, exchanged at date of investment	— 按成本價，非上市，於投資當日匯兌	4,500,000	4,500,000
— subsequent exchange differences due to translation into presentation currency (Note 2.5(c))	— 其後因換算為呈列貨幣之匯兌差異(附註2.5(c))	471,736	236,538
Investments arising from share-based payments (i)	以股份支付支出產生之投資(i)	7,846	6,553
Amounts due from subsidiaries (ii)	應收附屬公司款項(ii)	397,938	363,349
		<b>5,377,520</b>	5,106,440

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

(ii) 應收附屬公司款項為無抵押、以港幣列值、免息及無固定還款期、非貿易相關且無逾期。



9 Investments in Subsidiaries and Loan to a Subsidiary (Continued)

(b) Loan to a subsidiary

		Company 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Non-current	非即期	—	100,940
Current	即期	60,143	—
		60,143	100,940

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

9 附屬公司投資及貸款予一家附屬公司(續)

(b) 貸款予一家附屬公司

貸款予一家附屬公司為無抵押、計息、以港幣列值，並須於二零一二年十二月二十八日償還。貸款予一家附屬公司之公平值與其賬面值相若，乃根據借款利率3%，按現金流量貼現計算。貼現率與香港銀行同業拆息率另加適當之信貸評級釐定的市場借貸率並無重大差異。

## 9 Investments in Subsidiaries and Loan to a Subsidiary (Continued)

The particulars of the subsidiaries as at 31 December 2011 are:

Name	Place of incorporation and operation/establishment and kind of legal entity 註冊成立及營業/ 成立地點及法定實體類別	Principal activities	Particulars of issued share capital/registered capital 已發行股本/ 註冊資本之詳情	Interest held
名稱		主要業務		所持權益
<b>Directly held:</b>				
<b>直接持有：</b>				
Welling Holding (BVI) Ltd.	British Virgin Islands, limited liability company	Investment holding	10,000 ordinary shares of USD1 each	100%
威靈控股(BVI)有限公司	英屬處女群島·有限責任公司	投資控股	10,000股每股面值1美元之普通股	100%
<b>Indirectly held:</b>				
<b>間接持有：</b>				
Foshan Welling Electronic & Electric Co., Ltd. ("Welling Electronic and Electric") <sup>△</sup>	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD15,000,000	100%
佛山市威靈電子電器有限公司(「威靈電子電器」)	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本15,000,000美元	100%
Foshan Welling Material Supply Co., Ltd. <sup>△</sup>	PRC, limited liability company	Trading of raw materials	Registered capital RMB20,000,000	100%
佛山市威靈材料供應有限公司	中國·有限責任公司	買賣原材料	註冊資本 人民幣20,000,000元	100%
Foshan Welling Washer Motor Manufacturing Co., Ltd. ("Welling Washer") <sup>△</sup>	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD6,400,000	100%
佛山市威靈洗滌電機製造有限公司(「威靈洗滌」)	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本6,400,000美元	100%
Guandong Welling Motor Manufacturing Co., Ltd. ("Guandong Welling") <sup>△</sup>	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD48,810,000	100%
廣東威靈電機製造有限公司(「廣東威靈」)	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本48,810,000美元	100%
Hefei Welling Motor Manufacturing Co., Ltd. <sup>△</sup>	PRC, limited liability company	Manufacture and trading of motors	Registered capital RMB50,000,000	100%
合肥威靈電機製造有限公司	中國·有限責任公司	製造及買賣電機	註冊資本 人民幣50,000,000元	100%
Huaian Welling Motor Manufacturing Co., Ltd. ("Huaian Welling") <sup>△</sup>	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD5,000,000	100%
淮安威靈電機製造有限公司(「淮安威靈」)	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本5,000,000美元	100%
Welling International Hong Kong Ltd. ("Welling HK")	Hong Kong, limited liability company	Investment holding	10,000,000 ordinary shares of HK\$1 each	100%
威靈國際香港有限公司(「威靈香港」)	香港·有限責任公司	投資控股	10,000,000股每股面值港幣1元之普通股	100%
Welling Macao Commercial Offshore Limited	Macao Special Administrative Region, limited liability company	Offshore trading	Registered Capital Macao Pataca 100,000	100%
威靈澳門離岸商業服務有限公司	澳門特別行政區·有限責任公司	離岸交易	註冊資本澳門幣100,000元	100%

## 9 附屬公司投資及貸款予一家附屬公司(續)

附屬公司於二零一一年十二月三十一日之詳情如下：

9 Investments in Subsidiaries and Loan to a Subsidiary (Continued)

9 附屬公司投資及貸款予一家附屬公司(續)

Name	Place of incorporation and operation/establishment and kind of legal entity	Principal activities	Particulars of issued share capital/registered capital	Interest held
名稱	註冊成立及營業／成立地點及法定實體類別	主要業務	已發行股本／註冊資本之詳情	所持權益
Welling (Wuhu) Motor Manufacturing Co., Ltd. ("Wuhu Welling") <sup>△</sup>	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD17,680,000	100%
威靈(蕪湖)電機製造有限公司(「蕪湖威靈」)	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本17,680,000美元	100%
Midea Welling Motor Technology (Shanghai) Co., Ltd. <sup>△*</sup>	PRC, limited liability company	Providing technical consultancy services	Registered capital RMB10,000,000	100%
美的威靈電機技術(上海)有限公司*	中國·有限責任公司	提供技術顧問服務	註冊資本 人民幣10,000,000元	100%
Changzhou Welling Motor Manufacturing Co., Ltd. ("Changzhou Welling") <sup>△*</sup>	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD25,650,000	70%
常州威靈電機製造有限公司(「常州威靈」)*	中國·有限責任公司(外資企業)	製造及買賣電機	註冊資本25,650,000美元	70%
Wuxi Little Swan Huayin Electrical Appliances Co., Ltd. <sup>△**</sup>	PRC, limited liability company	Manufacture and trading of motors	Registered capital RMB49,673,470	100%
無錫小天鵝華印電器有限公司**	中國·有限責任公司	製造及買賣電機	註冊資本 人民幣49,673,470元	100%
Changzhou Honglu Huate Electric Co., Ltd. <sup>△**</sup>	PRC, limited liability company	Manufacture and trading of motors	Registered capital RMB40,622,545	70%
常州弘祿華特電機有限公司**	中國·有限責任公司	製造及買賣電機	註冊資本 人民幣40,622,545元	70%
Wuhu Welling Motor Sales Co., Ltd. <sup>△*</sup>	PRC, limited liability company	Trading of motors	Registered capital RMB50,000,000	100%
蕪湖威靈電機銷售有限公司*	中國·有限責任公司	買賣電機	註冊資本 人民幣50,000,000元	100%

<sup>△</sup> Company name in English is for identification purpose only.

<sup>△</sup> 公司的英文名稱僅供識別。

\* This subsidiary was incorporated during the year ended 31 December 2011.

\* 此附屬公司於截至二零一一年十二月三十一日止年度內註冊成立。

\*\* This subsidiary was acquired during the year ended 31 December 2011.

\*\* 此附屬公司於截至二零一一年十二月三十一日止年度內收購。

10 Investments in Associates

10 聯營公司投資

		Group 本集團 HK\$'000 港幣千元
At 1 January 2010	於二零一零年一月一日	206,966
Share of associates' profit after tax	佔聯營公司扣除稅後利潤	9,269
Exchange differences	匯兌差異	7,416
At 31 December 2010	於二零一零年十二月三十一日	223,651
At 1 January 2011	於二零一一年一月一日	<b>223,651</b>
Share of associates' profit after tax	佔聯營公司扣除稅後利潤	<b>19,204</b>
Exchange differences	匯兌差異	<b>11,497</b>
At 31 December 2011	於二零一一年十二月三十一日	<b>254,352</b>

The summarised financial information of the Group's principal associates as at 31 December 2011, all of which are unlisted, including the aggregated gross amounts of assets, liabilities, revenues and profit, is as follows:

於二零一一年十二月三十一日，本集團主要聯營公司(全部均為非上市)之財務資料(包括資產、負債、收入及利潤總額)概述如下：

Name 名稱	Place of incorporation/ establishment 註冊成立/成立地點	Assets	Liabilities	Revenue	Profit	Effective interest held 所持有有效 權益
		資產 HK\$'000 港幣千元	負債 HK\$'000 港幣千元	收入 HK\$'000 港幣千元	利潤 HK\$'000 港幣千元	
Shanxi Huaxiang Group Co., Ltd. (formerly known as Shanxi Huaxiang Investment Co., Ltd.) 山西華翔集團有限公司 (前稱為山西華翔投資有限公司)	PRC 中國	1,603,712	1,068,467	1,328,124	43,045	49%
Linkgo-HK Limited 香港林柯有限公司	Hong Kong 香港	33,097	119	—	10,763	49%

11 Available-for-sale Financial Assets

11 可供出售金融資產

		Group 本集團 HK\$'000 港幣千元
At 1 January 2010	於二零一零年一月一日	28,393
Exchange differences	匯兌差異	988
At 31 December 2010	於二零一零年十二月三十一日	29,381
At 1 January 2011	於二零一一年一月一日	<b>29,381</b>
Addition (b)	添置(b)	<b>60,394</b>
Net gains transfer to equity (Note 17(a))	淨收益轉撥至權益(附註17(a))	<b>4,694</b>
Exchange differences	匯兌差異	<b>2,838</b>
At 31 December 2011	於二零一一年十二月三十一日	<b>97,307</b>

(a) In April 2009, the wholly-owned subsidiary of the Company, Guangdong Welling entered into an investment agreement with Midea and GD Midea Holding Co., Ltd. ("GD Midea", a company of which 41.17% interest is held by Midea) for the purpose of incorporation of Midea Group Finance Co., Ltd. (the "Finance Company"). The initial registered capital of the Finance Company is RMB500 million. The Finance Company shall provide a range of financial services as approved by the China Banking Regulatory Commission ("CBRC"). The Finance Company was mainly engaged in taking of deposits from and borrowing of loans to Midea and its subsidiaries and placement of short-term deposits with domestic recognised banks.

(a) 於二零零九年四月，本公司之全資附屬公司廣東威靈與美的及廣東美的電器股份有限公司(「美的電器」，美的擁有當中41.17%權益)訂立投資協議，以註冊成立美的集團財務有限公司(「財務公司」)。財務公司之初步註冊資本為人民幣500,000,000元。財務公司可提供一系列經中國銀行業監督管理委員會(「中國銀監會」)批准之財務服務。財務公司主要從事吸納美的及其附屬公司的存款、向彼等進行借貸及存放短期存款於國內認可銀行。

## 11 Available-for-sale Financial Assets

(Continued)

(b) On 18 November 2011, Guangdong Welling entered into a capital increase agreement with Midea and GD Midea, pursuant to which each of Guangdong Welling, Midea and GD Midea agreed to increase its capital contribution to the Finance Company in an aggregate amount of RMB1,000 million in proportion to each of their respective equity interests in the Finance Company by way of cash. According to the 5% equity interest of Guangdong Welling in the Finance Company, RMB50 million (equivalent to approximately HK\$60,394,000) cash should be made by Guangdong Welling to the Finance Company. The capital increase in the Finance Company was approved by the CBRC on 30 December 2011 and the payment of capital contribution was completed on the same date. Upon completion of the capital increase, the registered capital of the Finance Company was increased from RMB500 million to RMB1,500 million while the respective equity interests of Guangdong Welling, Midea and GD Midea in the Finance Company remained at 5%, 55% and 40% respectively.

## 12 Inventories

Raw materials	原材料
Work-in-progress	在製品
Finished goods (Note)	製成品(附註)

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$7,254,782,000 (2010: HK\$5,301,245,000).

## 11 可供出售金融資產(續)

(b) 於二零一一年十一月十八日，廣東威靈與美的及美的電器訂立增資協議。據此，廣東威靈、美的及美的電器各自同意向財務公司按彼等各自於財務公司所佔股權比例以現金增資總額為人民幣1,000,000,000元。廣東威靈於財務公司擁有5%股權，應向財務公司增資人民幣50,000,000元(約相等於港幣60,394,000元)現金。於二零一一年十二月三十日，中國銀監會批准向財務公司增資，並於同日完成注資付款。完成增資後，財務公司的註冊資本由人民幣500,000,000元增至人民幣1,500,000,000元，而廣東威靈、美的及美的電器各自分別於財務公司維持擁有5%、55%及40%股權。

## 12 存貨

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Raw materials	原材料	187,835	313,150
Work-in-progress	在製品	40,862	72,697
Finished goods (Note)	製成品(附註)	384,354	1,557,903
		<b>613,051</b>	1,943,750

存貨成本港幣7,254,782,000元(二零一零年：港幣5,301,245,000元)已確認為開支並計入銷售貨品成本內。

## 12 Inventories (Continued)

During the year, the Group reversed a provision for inventory of HK\$4,935,000 (2010: charge of HK\$8,328,000). The charge/reversal has been included as an increase/reduction of cost of goods sold in the consolidated income statement.

Note: As at 31 December 2011, the Group had finished goods which were delivered and kept in stores at customers' location amounted to approximately HK\$230,359,000 (2010: HK\$1,147,063,000). No sales have been recognised for these finished goods as the risks and rewards have not been passed to the customers until the customers have confirmed the receipt of those goods.

## 12 存貨(續)

於年內，本集團撥回存貨撥備港幣4,935,000元(二零一零年：支出港幣8,328,000元)。支出／撥回已增加／減少綜合收益表之銷售貨品成本。

附註：於二零一一年十二月三十一日，本集團交付及存放在客戶地點的製成品約港幣230,359,000元(二零一零年：港幣1,147,063,000元)。由於風險及回報未轉嫁予客戶，故該等製成品的銷售並未獲確認，直至客戶確認收到該等製成品為止。

## 13 Trade and Other Receivables

## 13 貿易及其他應收款

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Trade receivables (Note (a))	貿易應收款(附註(a))	1,022,211	886,118	—	—
Less: provision for impairment (Note (c))	減：減值撥備(附註(c))	(35,162)	(17,189)	—	—
Trade receivables — net	貿易應收款 — 淨額	987,049	868,929	—	—
Notes receivable (Notes (a), (d))	應收票據(附註(a)、(d))	345,442	385,601	—	—
Prepayments	預付款	133,875	173,305	—	—
Other receivables	其他應收款	146,712	195,229	485	1,302
Less: provision for impairment of other receivables (Note (c))	減：其他應收款減值撥備(附註(c))	(104)	(461)	—	—
Prepaid value-added tax-net (Note (e))	預付增值稅 — 淨額(附註(e))	34,121	116,355	—	—
		1,647,095	1,738,958	485	1,302
Less: non-current portion	減：非即期部分				
— Prepayment for property, plant and equipment	— 預付物業、廠房及設備款項	(11,981)	(18,335)	—	—
		1,635,114	1,720,623	485	1,302

### 13 Trade and Other Receivables (Continued)

As at 31 December 2011 and 2010, the fair values of trade and other receivables of the Group and the Company approximate their carrying amounts.

As at 31 December 2011 and 2010, other receivables of the Company are denominated in HK\$. Trade and other receivables other than prepayment of the Group are denominated in the following currencies:

### 13. 貿易及其他應收款(續)

於二零一一年及二零一零年十二月三十一日，本集團及本公司之貿易及其他應收款之公平值與其賬面值相若。

於二零一一年及二零一零年十二月三十一日，本公司之其他應收款以港幣列值。本集團之貿易及其他應收款除預付款外以下列貨幣列值：

		<b>Group</b> <b>本集團</b>	
		<b>2011</b> <b>二零一一年</b> <b>HK\$'000</b> <b>港幣千元</b>	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
RMB	人民幣	<b>978,025</b>	1,131,261
USD	美元	<b>395,934</b>	301,545
EUR	歐元	<b>138,929</b>	131,529
Others	其他	<b>332</b>	1,318
		<b>1,513,220</b>	1,565,653



13 Trade and Other Receivables (Continued)

- (a) The majority of the Group's export sales are on letter of credit or documents against payment, or covered by customers' standby letters of credit or bank guarantees. The remaining amounts are with credit terms of 90 days. As at 31 December 2011 and 2010, the ageing analysis of the gross trade receivables and notes receivable respectively are as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
<b>Gross trade receivables:</b>	<b>貿易應收款總額：</b>		
Within 3 months	三個月以內	872,258	790,596
3 to 6 months	三至六個月	140,659	88,974
Over 6 months	六個月以上	9,294	6,548
		<b>1,022,211</b>	886,118

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
<b>Notes receivable:</b>	<b>應收票據：</b>		
Within 3 months	三個月以內	98,157	230,007
3 to 6 months	三至六個月	247,285	155,594
		<b>345,442</b>	385,601

As at 31 December 2011 and 2010, the trade and other receivables that are neither past due nor impaired are fully performing.

13 貿易及其他應收款(續)

- (a) 本集團之出口銷售大部分以信用證或付款交單方式進行，或以客戶之備用信用證或銀行擔保作保證。其餘金額之信貸期為90日。於二零一一年及二零一零年十二月三十一日，貿易應收款及應收票據總額之賬齡分析如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
<b>Gross trade receivables:</b>	<b>貿易應收款總額：</b>		
Within 3 months	三個月以內	872,258	790,596
3 to 6 months	三至六個月	140,659	88,974
Over 6 months	六個月以上	9,294	6,548
		<b>1,022,211</b>	886,118

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
<b>Notes receivable:</b>	<b>應收票據：</b>		
Within 3 months	三個月以內	98,157	230,007
3 to 6 months	三至六個月	247,285	155,594
		<b>345,442</b>	385,601

於二零一一年及二零一零年十二月三十一日，尚未逾期亦無減值的貿易及其他應收款悉數獲得履行。

### 13 Trade and Other Receivables (Continued)

- (b) As at 31 December 2011 and 2010, the ageing analysis of the past due but not impaired trade receivables were as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
3 to 6 months	三至六個月	80,401	68,753
Over 6 months	六個月以上	2,707	447
		<b>83,108</b>	<b>69,200</b>

- (c) As at 31 December 2011, trade and other receivables of approximately HK\$69,091,000 (2010: HK\$26,322,000) were potentially impaired. The provision in relation thereto was approximately HK\$35,266,000 (2010: HK\$17,650,000) at 31 December 2011. The individual impaired receivables mainly relate to past due receivables from customers. There is no recent history of default for most of the customers, it was assessed that a large portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

### 13 貿易及其他應收款(續)

- (b) 於二零一一年及二零一零年十二月三十一日，貿易應收款逾期但無減值之賬齡分析如下：

- (c) 於二零一一年十二月三十一日，貿易及其他應收款約港幣69,091,000元(二零一零年：港幣26,322,000元)潛在減值。於二零一一年十二月三十一日之有關撥備約港幣35,266,000元(二零一零年：港幣17,650,000元)。個別減值應收款主要與客戶過期應收款項有關。大部分客戶近期並無拖欠記錄，且評估大部分應收款預期將可收回。此等應收款之賬齡如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Within 3 months	三個月以內	2,246	—
3 to 6 months	三至六個月	60,258	20,221
Over 6 months	六個月以上	6,587	6,101
		<b>69,091</b>	<b>26,322</b>

13 Trade and Other Receivables (Continued)

(c) (Continued)

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

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Beginning of the year	年初	17,650	23,798
Provision for impairment	減值撥備	18,205	10,259
Bad debts written off	壞賬撇銷	—	(1,913)
Provisions written back	撥回撥備	(1,811)	(16,764)
Exchange differences	匯兌差異	1,222	2,270
End of the year	年終	35,266	17,650

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated income statement (Note 24). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The provision written back represented the subsequent collection of previously provided impaired amounts.

The other classes within trade and other receivables do not contain impaired assets.

(d) The balance represents bank acceptance notes with maturity periods within six months. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(e) The Group has paid input value-added taxes ("VAT") to the State Tax Bureau for the goods purchased from its suppliers. In accordance with the relevant PRC tax regulations, these VAT can be offset with the output VAT arising from the sales in the future but are not refundable. The balances at 31 December 2011 and 2010 represented net input VAT after offsetting the output VAT payable by the Group for the domestic sales made during the year.

13 貿易及其他應收款(續)

(c) (續)

貿易應收款及其他應收款之減值撥備變動如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Beginning of the year	年初	17,650	23,798
Provision for impairment	減值撥備	18,205	10,259
Bad debts written off	壞賬撇銷	—	(1,913)
Provisions written back	撥回撥備	(1,811)	(16,764)
Exchange differences	匯兌差異	1,222	2,270
End of the year	年終	35,266	17,650

新增及解除之應收款減值撥備已計入綜合收益表之行政開支內(附註24)。倘預期不能收回額外現金，則計入撥備賬之金額一般會撇銷。

撥回撥備為之後收回之過往撥備減值金額。

貿易及其他應收款之其他類別不包括已減值資產。

(d) 有關結餘為六個月內到期之銀行承兌票據。於報告日期之最大信貸風險為上述各類應收款之公平值。本集團並無持有任何抵押品作抵押。

(e) 本集團已就購自供應商的貨品向國家稅務局支付進項增值稅(「增值稅」)。根據有關中國稅務法規，該等增值稅可抵銷未來銷售產生的銷項增值稅，惟不可退還。於二零一一年及二零一零年十二月三十一日結餘指抵銷本集團年內就國內銷售應付的銷項增值稅後進項增值稅淨額。

## 14 Pledged Bank Deposits with Maturity Period Over 3 Months

Certain bank balances were pledged against bank acceptance notes issued by the Group and these deposits will be released upon the maturity of the bank acceptance notes issued. These pledged bank deposits bear interest at bank saving rates of 3.07% per annum (2010: 1.91% per annum). All pledged bank deposits are denominated in RMB.

## 14 三個月以上到期之已抵押銀行存款

若干銀行結餘乃作為本集團所發出之銀行承兌票據之抵押，而該等存款將於發出之銀行承兌票據到期日解除。該等已抵押銀行存款按銀行存款年利率3.07%（二零一零年：年利率1.91%）計息。所有已抵押銀行存款以人民幣計值。

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Total pledged bank deposits	已抵押銀行存款總額	192,887	232,555
Less: Maturity period within 3 months (Note 15)	減：三個月以內到期(附註15)	(115,120)	(114,555)
Maturity period over 3 months	三個月以上	77,767	118,000

## 15 Cash and Cash Equivalents

## 15 現金及現金等價物

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Bank deposits and cash on hand	銀行存款及手頭現金	857,803	690,524	13,457	1,560
Pledged bank deposits with maturity period within 3 months (Note 14)	三個月以內到期之已抵押銀行存款(附註14)	115,120	114,555	—	—
		972,923	805,079	13,457	1,560

At 31 December 2011, cash at banks and pledged bank deposits with maturity period within 3 months of the Group in the total amount of HK\$911,200,000 (2010: HK\$765,978,000) were kept in bank accounts of PRC banks of which the remittance of funds were subject to foreign exchange control.

The effective interest rate on bank deposits was 1.24 % per annum (2010: 0.88% per annum).

於二零一一年十二月三十一日，本集團之銀行存款及三個月內到期之已抵押銀行存款總額港幣911,200,000元（二零一零年：港幣765,978,000元），乃存放於在中國之銀行之銀行賬戶中，該等資金之匯出須受外匯管制規限。

銀行存款之實際年利率為1.24%（二零一零年：年利率0.88%）。

16 Share Capital and Share Options

16 股本及購股權

(a) Share capital

(a) 股本

		<b>Authorised Ordinary shares 法定股本之普通股</b>	
		Number of shares ( <sup>'000</sup> ) 股份數目 (千股)	HK\$'000 港幣千元
At 1 January 2010, 31 December 2010, at HK\$0.1 each	於二零一零年一月一日、 二零一零年十二月三十一日 每股面值港幣0.1元	20,000,000	2,000,000
Share consolidation (iii)	股份合併(iii)	(16,000,000)	—
At 31 December 2011, at HK\$0.5 each	於二零一一年十二月三十一日 每股面值港幣0.5元	4,000,000	2,000,000
		<b>Issued and fully paid Ordinary shares 已發行及繳足股本之普通股</b>	
		Number of shares ( <sup>'000</sup> ) 股份數目 (千股)	HK\$'000 港幣千元
At 1 January 2010, at HK\$0.1 each	於二零一零年一月一日 每股面值港幣0.1元	13,479,314	1,347,931
Issue of ordinary shares (i)	發行普通股(i)	600,000	60,000
Shares issued under the employee share option scheme (ii)	僱員購股權計劃下之 股份發行(ii)	11,250	1,125
At 31 December 2010 and 1 January 2011, at HK\$0.1 each	於二零一零年十二月三十一日 及二零一一年一月一日 每股面值港幣0.1元	<b>14,090,564</b>	<b>1,409,056</b>
Share consolidation (iii)	股份合併(iii)	<b>(11,272,451)</b>	—
Shares issued under the employee share option scheme (iv)	僱員購股權計劃下之 股份發行(iv)	<b>3,500</b>	<b>1,750</b>
At 31 December 2011, at HK\$0.5 each	於二零一一年十二月三十一日 每股面值港幣0.5元	<b>2,821,613</b>	<b>1,410,806</b>

## 16 Share Capital and Share Options (Continued)

### (a) Share capital (Continued)

- (i) On 29 March 2010, Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)"), the parent company of the Company) entered into a placing agreement with a placing agent and the Company, pursuant to which, Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 existing shares of the Company to not less than six independent investors at a price of HK\$0.42 per share. On the same date, Midea (Cayman Islands) entered into a subscription agreement with the Company, pursuant to which, Midea (Cayman Islands) conditionally agreed to subscribe for 600,000,000 new shares of the Company at a price of HK\$0.42 per share. Such 600,000,000 new shares were issued for the subscription on 9 April 2010 raising net proceeds of approximately HK\$245 million which were intended to be used for the development of motor business of the Group and for general working capital of the Company. The net price raised per share was approximately HK\$0.41. These shares rank pari passu with the then existing issued shares of the Company.
- (ii) The share options exercised by a Director of the Company and certain employees of the Group for the year ended 31 December 2010, resulted in 11,250,000 shares being issued at HK\$0.157, yielding proceeds after transaction costs of approximately HK\$1,740,000. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$0.39.

## 16 股本及購股權(續)

### (a) 股本(續)

- (i) 於二零一零年三月二十九日，本公司母公司美的控股(開曼群島)有限公司(「美的(開曼群島)」)與配售代理及本公司訂立配售協議，據此，美的(開曼群島)同意通過配售代理按每股股份港幣0.42元，向不少於六名獨立投資者配售1,200,000,000股本公司現有股份。同日，美的(開曼群島)與本公司訂立認購協議，據此，美的(開曼群島)有條件同意按每股股份港幣0.42元認購600,000,000股本公司新股份。600,000,000股新股份已於二零一零年四月九日發行，以供認購，籌集約港幣245,000,000元的所得款項淨額擬訂用作發展本集團的電機業務及本公司一般營運資金。每股淨集資額約為港幣0.41元。此等股份與本公司當時已發行股份的權益相同。
- (ii) 截至二零一零年十二月三十一日止年度，本公司一名董事及本集團部分僱員行使購股權，導致11,250,000股股份按每股港幣0.157元的價格發行，扣除交易費後的所得款項約為港幣1,740,000元。購股權獲行使時，本公司股份的加權平均收市價為港幣0.39元。

**16 Share Capital and Share Options (Continued)****(a) Share capital (Continued)**

- (iii) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 26 May 2011, every five issued and unissued shares of HK\$0.1 each in the capital of the Company were consolidated into one share of HK\$0.5 each ("Share Consolidation") and the share consolidation became effective on 27 May 2011. The weighted average of ordinary shares for the purposes of calculating basic and diluted earnings per share for the years ended 31 December 2011 and 2010 have been retrospectively adjusted for the effect of share consolidation completed on 27 May 2011.
- (iv) The share options exercised by a Director of the Company and an employee of the Group for the year ended 31 December 2011, resulted in 3,500,000 shares being issued at HK\$0.785 per share, yielding proceeds after transaction costs of approximately HK\$2,714,000. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$1.23.

**(b) Share options**

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

**16 股本及購股權(續)****(a) 股本(續)**

- (iii) 根據二零一一年五月二十六日通過的本公司股東特別大會普通決議案，每五股每股面值港幣0.1元的本公司股本中已發行及未發行股份合併為一股每股面值港幣0.5元的本公司股份(「股份合併」)，股份合併於二零一一年五月二十七日生效。用作計算截至二零一一年及二零一零年十二月三十一日止年度每股基本及攤薄盈利之普通股加權平均數已追溯調整，以反映於二零一一年五月二十七日完成股份合併的影響。
- (iv) 截至二零一一年十二月三十一日止年度，本公司一名董事及本集團一名僱員行使購股權，導致3,500,000股股份按每股港幣0.785元的價格發行，扣除交易費後的所得款項約為港幣2,714,000元。購股權獲行使時，本公司股份的加權平均收市價為港幣1.23元。

**(b) 購股權**

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

## 16 Share Capital and Share Options (Continued)

### (b) Share options (Continued)

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the Share Option Scheme include the Directors (including executive Directors and non-executive Directors) of the Company or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of Directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or directors of the Group, as to be determined by the Board at its absolute discretion within the above categories.

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under the Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of such limit is subject to the approval of shareholders in general meeting of the Company.

## 16 股本及購股權(續)

### (b) 購股權(續)

購股權計劃之目的，是讓本公司吸引、挽留及激勵有才幹之參與者為本集團之未來發展及擴展積極努力，並使本公司能以更靈活之方式向參與者提供獎勵、獎賞、酬勞、報酬及／或福利。購股權計劃之合資格參與者包括本公司董事（包括執行董事及非執行董事）或本集團之僱員、本集團之顧問或專業諮詢人士、本公司之主要股東或其僱員、本公司之董事、最高行政人員或主要股東之任何聯繫人、本集團供應商或客戶之僱員或董事、本集團僱員或董事所設立之全權信託之任何全權受益人（由董事會在上述人士中全權酌情決定）。

購股權計劃及本公司採納之任何其他購股權計劃項下所有授出但尚未行使之購股權獲行使時，可予發行之最高股份數目合共不得超過本公司不時已發行股份之30%。購股權計劃及本公司任何其他購股權計劃項下所有將予授出之購股權獲行使時，可予發行之股份總數合共不得超過本公司於購股權採納日期已發行股份之10%，惟本公司可於股東大會上尋求股東批准，以更新購股權計劃下之10%限額。

於截至授出日期止任何十二個月期間，根據購股權計劃及本公司之任何其他購股權計劃授出之購股權獲行使時，已發行及將發行予每名參與者之股份總數不得超過本公司於授出日期已發行股份之1%。進一步授出超過此限額之購股權須經股東於本公司股東大會上批准。



**16 Share Capital and Share Options (Continued)****(b) Share options (Continued)**

Share options granted under the Share Option Scheme to Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than 10 years from the date of the offer of the share options.

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the Company's share.

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

**16 股本及購股權(續)****(b) 購股權(續)**

根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出之購股權，須獲本公司獨立非執行董事(不包括身為購股權承授人之任何獨立非執行董事)批准。此外，於截至授出日期(包括該日)止任何十二個月期間，向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出之任何購股權，倘若超過本公司於任何時間已發行股份之0.1%，或總值(根據本公司於各授出日期之股份收市價計算)超過港幣5,000,000元，則須經股東於本公司股東大會上批准。

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

購股權之行使價將不低於下列之最高者(i)於授出購股權日期(該日必須為營業日)，本公司股份在香港聯合交易所有限公司(「聯交所」)每日報價表中所列之收市價；(ii)緊接授出購股權日期(該日必須為營業日)前五個營業日，本公司股份於聯交所每日報價表中所列之平均收市價；及(iii)本公司股份之面值。

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

## 16 Share Capital and Share Options (Continued)

### (b) Share options (Continued)

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

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

On 27 May 2011, the Company implemented a share consolidation on the basis that every five issued and unissued shares of HK\$0.1 each in the share capital of the Company were consolidated into one share of HK\$0.5 each. As a result, the exercise price and the number of outstanding share options granted under the Share Option Scheme were adjusted to reflect the effect of the Share Consolidation on 27 May 2011.

For the year ended 31 December 2011, 3,500,000 share options were exercised by a Director of the Company and an employee of the Group and 3,500,000 share options were lapsed upon termination of employment of a Director and an employee. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was approximately HK\$1.24. As at 31 December 2011, a total of 56,000,000 share options granted to certain Directors of the Company and employees of the Group were outstanding (2010: 315,000,000 share options).

## 16 股本及購股權(續)

### (b) 購股權(續)

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

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

於二零一一年五月二十七日，本公司實施股份合併，基準為每五股本公司股份中每股面值港幣0.1元之已發行及未發行股份合併為一股每股面值港幣0.5元之合併股份。因此，根據購股權計劃授出而尚未行使之購股權之行使價及數目已予以調整，以反映於二零一一年五月二十七日生效之股份合併之影響。

截至二零一一年十二月三十一日止年度，本公司一名董事及本集團一名僱員已行使3,500,000份購股權，而3,500,000份購股權於董事及僱員僱傭終止時失效。緊接行使該等購股權日期前本公司股份之加權平均收市價為港幣1.24元。於二零一一年十二月三十一日，本公司若干董事及本集團僱員獲授合共56,000,000份購股權(二零一零年：315,000,000份購股權)尚未行使。

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

No share options were granted during the year ended 31 December 2011.

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2011 were as follows:

Name	Date of Grant	Options held at 1 January 2011	Adjustment made during the year (Note ii)	Options exercised during the year	Options lapsed during the year	Options held at 31 December 2011	Adjusted exercise price per option		Exercisable period
							HK\$ (Note ii)	經調整每份購股權行使價 (附註ii)	
名稱	授出日期	於二零一一年一月一日持有之購股權	於二零一一年內所作調整 (附註ii)	於本年度內行使之購股權	於本年度內失效之購股權	於二零一一年十二月三十一日持有之購股權	港幣	行使價	可行使期限
<b>Directors</b>		<b>董事</b>							
Mr. Cai Qiwu	蔡其武先生	09/01/2009	68,000,000	(54,400,000)	—	—	13,600,000	0.785	01/04/2010-31/03/2017
Mr. Jiang Deqing	姜德清先生	09/01/2009	36,000,000	(28,800,000)	—	—	7,200,000	0.785	01/04/2010-31/03/2017
Mr. Qu Fei	瞿飛先生	09/01/2009	22,000,000	(17,600,000)	—	—	4,400,000	0.785	01/04/2010-31/03/2017
Mr. Lam Ming Yung	林明勇先生	30/07/2007	2,000,000	(1,600,000)	—	—	400,000	3.900	30/07/2007-29/07/2017
		09/01/2009	5,000,000	(4,000,000)	—	—	1,000,000	0.785	01/04/2010-31/03/2017
Ms. Chen Chunhua	陳春花女士	30/07/2007	2,000,000	(1,600,000)	—	—	400,000	3.900	30/07/2007-29/07/2017
		09/01/2009	5,000,000	(4,000,000)	—	—	1,000,000	0.785	01/04/2010-31/03/2017
Mr. Gao Fazhong (resigned on 15 March 2011)	鄧發忠先生 (於二零一一年 三月十五日 辭任)	09/01/2009	25,000,000	(20,000,000)	(2,500,000)	(2,500,000)	—	0.785	01/04/2010-31/03/2017
<b>Employees</b>		<b>僱員</b>							
In aggregate	合共	30/07/2007	3,500,000	(2,800,000)	—	—	700,000	3.900	30/07/2007-29/07/2017
		09/01/2009	146,500,000	(117,200,000)	(1,000,000)	(1,000,000)	27,300,000	0.785	01/04/2010-31/03/2017
<b>Total</b>	<b>合計</b>		315,000,000	(252,000,000)	(3,500,000)	(3,500,000)	56,000,000		

16 股本及購股權 (續)

(b) 購股權 (續)

截至二零一一年十二月三十一日止年度並無授出購股權。

於截至二零一一年十二月三十一日止年度內，根據購股權計劃授出之購股權變動如下：

## 16 Share Capital and Share Options (Continued)

### (b) Share options (Continued)

Notes:

- (i) The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:
1. The first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
  2. The second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
  3. The third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
  4. The remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

The performance target for the financial years ended 31 December 2009, 2010 and 2011 had been achieved. The first and second 25% of the options had been granted to the Directors and employees respectively.

## 16 股本及購股權(續)

### (b) 購股權(續)

附註：

- (i) 上述授出購股權之代價為港幣1元。於二零零九年一月九日授出之購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：
1. 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自自己終止經營業務之業績)(「二零零八年純利」)之100%；
  2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
  3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
  4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

截至二零零九年、二零一零年及二零一一年十二月三十一日止財政年度之表現目標已達到。首及次25%購股權已分別授予董事及僱員。

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

Notes: (Continued)

- (ii) Adjustments were made to the number of outstanding share options and the exercise price upon the Share Consolidation becoming effective on 27 May 2011. Details of the Share Consolidation and the adjustments to the share options were set out in the Company's circular dated 11 May 2011 and announcement dated 26 May 2011.

The fair value of the options granted on 9 January 2009 are determined using the "Binomial Valuation model" (the "Model"). Key assumptions of the Model are set out below:

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

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

16 股本及購股權(續)

(b) 購股權(續)

附註：(續)

- (ii) 尚未行使購股權數目及行使價在股份合併於二零一一年五月二十七日開始生效時作出調整。股份合併及調整購股權的詳情載於本公司於二零一一年五月十一日之通函及於二零一一年五月二十六日之公告。

於二零零九年一月九日授出之購股權之公平值採用「二項式估值模型」(「該模型」)釐定。該模型所採用之主要假設載列如下：

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

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

17 Other Reserves

(a) Group

	Share premium	Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Available-for-sale revaluation reserve	Exchange reserve	Merger reserve	Total	
	股份溢價	法定儲備基金	一般儲備基金	企業發展基金	購股權儲備	可供出售重估儲備	匯兌儲備	合併儲備	合計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
		Note (c)	Note (c)	Note (c)				Note (d)		
		附註(c)	附註(c)	附註(c)				附註(d)		
<b>Balance at 1 January 2010, as restated</b>	<b>於二零一零年一月一日結餘(重列)</b>	3,336,373	2,140	80,464	71,441	17,847	—	(1,331)	(3,228,415)	278,519
Issue of ordinary shares	發行普通股									
— proceeds from shares issued	— 股份發行所得款項	192,000	—	—	—	—	—	—	—	192,000
— share issuance expenses	— 股份發行開支	(6,557)	—	—	—	—	—	—	—	(6,557)
Employee share option scheme	僱員購股權計劃									
— value of services provided (Note 25(a))	— 所提供服務之價值(附註25(a))	—	—	—	—	5,841	—	—	—	5,841
— proceeds from shares issued	— 股份發行所得款項	641	—	—	—	—	—	—	—	641
— share issuance expenses	— 股份發行開支	(26)	—	—	—	—	—	—	—	(26)
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	60,478	—	—	60,478
Deemed contribution from ultimate holding company arising from its acquisition of non-controlling interests	最終控股公司收購非控股權益所產生的視作貢獻	—	—	—	—	—	—	—	4,792	4,792
Transfer to statutory reserve	轉撥至法定儲備	—	711	23,865	23,735	—	—	—	—	48,311
<b>Balance at 31 December 2010, as restated</b>	<b>於二零一零年十二月三十一日結餘(重列)</b>	<b>3,522,431</b>	<b>2,851</b>	<b>104,329</b>	<b>95,176</b>	<b>23,688</b>	<b>—</b>	<b>59,147</b>	<b>(3,223,623)</b>	<b>583,999</b>

17 其他儲備

(a) 本集團

	Share premium	Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Available-for-sale revaluation reserve	Exchange reserve	Merger reserve	Total	
	股份溢價	法定儲備基金	一般儲備基金	企業發展基金	購股權儲備	可供出售重估儲備	匯兌儲備	合併儲備	合計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
		Note (c)	Note (c)	Note (c)				Note (d)		
		附註(c)	附註(c)	附註(c)				附註(d)		
<b>Balance at 1 January 2010, as restated</b>	<b>於二零一零年一月一日結餘(重列)</b>	3,336,373	2,140	80,464	71,441	17,847	—	(1,331)	(3,228,415)	278,519
Issue of ordinary shares	發行普通股									
— proceeds from shares issued	— 股份發行所得款項	192,000	—	—	—	—	—	—	—	192,000
— share issuance expenses	— 股份發行開支	(6,557)	—	—	—	—	—	—	—	(6,557)
Employee share option scheme	僱員購股權計劃									
— value of services provided (Note 25(a))	— 所提供服務之價值(附註25(a))	—	—	—	—	5,841	—	—	—	5,841
— proceeds from shares issued	— 股份發行所得款項	641	—	—	—	—	—	—	—	641
— share issuance expenses	— 股份發行開支	(26)	—	—	—	—	—	—	—	(26)
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	60,478	—	—	60,478
Deemed contribution from ultimate holding company arising from its acquisition of non-controlling interests	最終控股公司收購非控股權益所產生的視作貢獻	—	—	—	—	—	—	—	4,792	4,792
Transfer to statutory reserve	轉撥至法定儲備	—	711	23,865	23,735	—	—	—	—	48,311
<b>Balance at 31 December 2010, as restated</b>	<b>於二零一零年十二月三十一日結餘(重列)</b>	<b>3,522,431</b>	<b>2,851</b>	<b>104,329</b>	<b>95,176</b>	<b>23,688</b>	<b>—</b>	<b>59,147</b>	<b>(3,223,623)</b>	<b>583,999</b>

17 Other Reserves (Continued)

(a) Group (Continued)

		Share premium	Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Available-for-sale revaluation reserve	Exchange reserve	Merger reserve	Total
		股份溢價	法定儲備基金	一般儲備基金	企業發展基金	購股權儲備	可供出售重估儲備	匯兌儲備	合併儲備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			Note (c)	Note (c)	Note (c)				Note (d)	
			附註(c)	附註(c)	附註(c)				附註(d)	
<b>Balance at 1 January 2011, as restated</b>	<b>於二零一一年一月一日結餘(重列)</b>	<b>3,522,431</b>	<b>2,851</b>	<b>104,329</b>	<b>95,176</b>	<b>23,688</b>	<b>—</b>	<b>59,147</b>	<b>(3,223,623)</b>	<b>583,999</b>
Employee share option scheme	僱員購股權計劃									
— value of services provided (Note 25(a))	— 所提供服務之價值 (附註25(a))	—	—	—	—	2,499	—	—	—	2,499
— proceeds from shares issued	— 股份發行所得款項	998	—	—	—	—	—	—	—	998
— share issuance expenses	— 股份發行開支	(34)	—	—	—	—	—	—	—	(34)
Change in value of available-for-sale financial assets	可供出售金融資產價值變動	—	—	—	—	—	4,694	—	—	4,694
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	—	104,459	—	104,459
Consideration paid for merger of a subsidiary under common control	合併共同控制下之附屬公司已付代價	—	—	—	—	—	—	—	(88,694)	(88,694)
Deemed contribution from ultimate holding company arising from its acquisition of non-controlling interests	最終控股公司收購非控股權益所產生的視作貢獻	—	—	—	—	—	—	—	54,304	54,304
Transfer to statutory reserve	轉撥至法定儲備	—	302	18,797	18,797	—	—	—	—	37,896
<b>Balance at 31 December 2011</b>	<b>於二零一一年十二月三十一日結餘</b>	<b>3,523,395</b>	<b>3,153</b>	<b>123,126</b>	<b>113,973</b>	<b>26,187</b>	<b>4,694</b>	<b>163,606</b>	<b>(3,258,013)</b>	<b>700,121</b>

17 其他儲備(續)

(a) 本集團(續)

17 Other Reserves (Continued)

(b) Company

		Share premium	Share option reserve	Exchange reserve	Other reserve Total	Retained earnings	Total
		股份溢價	購股權儲備	匯兌儲備	其他儲備總額	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Balance at 1 January 2010</b>	<b>於二零一零年一月一日結餘</b>	3,336,373	17,847	69,674	3,423,894	104,785	3,528,679
Profit for the year	年度利潤	—	—	—	—	90,577	90,577
Issue of ordinary shares	發行普通股						
— proceeds from shares issued	— 發行股份所得款項	192,000	—	—	192,000	—	192,000
— share issuance expenses	— 股份發行開支	(6,557)	—	—	(6,557)	—	(6,557)
Employee share option scheme	僱員購股權計劃						
— value of services provided (Note 25(a))	— 所提供服務之價值 (附註25(a))	—	5,841	—	5,841	—	5,841
— proceeds from shares issued	— 發行股份所得款項	641	—	—	641	—	641
— share issuance expenses	— 股份發行開支	(26)	—	—	(26)	—	(26)
Dividend relating to 2009	二零零九年度股息	—	—	—	—	(70,422)	(70,422)
Currency translation differences	貨幣匯兌差異	—	—	178,292	178,292	—	178,292
<b>Balance at 31 December 2010</b>	<b>於二零一零年十二月三十一日結餘</b>	3,522,431	23,688	247,966	3,794,085	124,940	3,919,025
<b>Balance at 1 January 2011</b>	<b>於二零一一年一月一日結餘</b>	<b>3,522,431</b>	<b>23,688</b>	<b>247,966</b>	<b>3,794,085</b>	<b>124,940</b>	<b>3,919,025</b>
Profit for the year	年度利潤	—	—	—	—	109,316	109,316
Employee share option scheme	僱員購股權計劃						
— value of services provided (Note 25(a))	— 所提供服務之價值 (附註25(a))	—	2,499	—	2,499	—	2,499
— proceeds from shares issued	— 股份發行所得款項	998	—	—	998	—	998
— share issuance expenses	— 股份發行開支	(34)	—	—	(34)	—	(34)
Dividend relating to 2010	二零一零年度股息	—	—	—	—	(112,725)	(112,725)
Currency translation differences	貨幣匯兌差異	—	—	264,144	264,144	—	264,144
<b>Balance at 31 December 2011</b>	<b>於二零一一年十二月三十一日結餘</b>	<b>3,523,395</b>	<b>26,187</b>	<b>512,110</b>	<b>4,061,692</b>	<b>121,531</b>	<b>4,183,223</b>

17 其他儲備(續)

(b) 本公司

		Share premium	Share option reserve	Exchange reserve	Other reserve Total	Retained earnings	Total
		股份溢價	購股權儲備	匯兌儲備	其他儲備總額	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Balance at 1 January 2010</b>	<b>於二零一零年一月一日結餘</b>	3,336,373	17,847	69,674	3,423,894	104,785	3,528,679
Profit for the year	年度利潤	—	—	—	—	90,577	90,577
Issue of ordinary shares	發行普通股						
— proceeds from shares issued	— 發行股份所得款項	192,000	—	—	192,000	—	192,000
— share issuance expenses	— 股份發行開支	(6,557)	—	—	(6,557)	—	(6,557)
Employee share option scheme	僱員購股權計劃						
— value of services provided (Note 25(a))	— 所提供服務之價值 (附註25(a))	—	5,841	—	5,841	—	5,841
— proceeds from shares issued	— 發行股份所得款項	641	—	—	641	—	641
— share issuance expenses	— 股份發行開支	(26)	—	—	(26)	—	(26)
Dividend relating to 2009	二零零九年度股息	—	—	—	—	(70,422)	(70,422)
Currency translation differences	貨幣匯兌差異	—	—	178,292	178,292	—	178,292
<b>Balance at 31 December 2010</b>	<b>於二零一零年十二月三十一日結餘</b>	3,522,431	23,688	247,966	3,794,085	124,940	3,919,025
<b>Balance at 1 January 2011</b>	<b>於二零一一年一月一日結餘</b>	<b>3,522,431</b>	<b>23,688</b>	<b>247,966</b>	<b>3,794,085</b>	<b>124,940</b>	<b>3,919,025</b>
Profit for the year	年度利潤	—	—	—	—	109,316	109,316
Employee share option scheme	僱員購股權計劃						
— value of services provided (Note 25(a))	— 所提供服務之價值 (附註25(a))	—	2,499	—	2,499	—	2,499
— proceeds from shares issued	— 股份發行所得款項	998	—	—	998	—	998
— share issuance expenses	— 股份發行開支	(34)	—	—	(34)	—	(34)
Dividend relating to 2010	二零一零年度股息	—	—	—	—	(112,725)	(112,725)
Currency translation differences	貨幣匯兌差異	—	—	264,144	264,144	—	264,144
<b>Balance at 31 December 2011</b>	<b>於二零一一年十二月三十一日結餘</b>	<b>3,523,395</b>	<b>26,187</b>	<b>512,110</b>	<b>4,061,692</b>	<b>121,531</b>	<b>4,183,223</b>



### 17 Other Reserves (Continued)

- (c) The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.
- (d) Merger reserve represents the difference between the consideration paid for the acquisition under common control, and the aggregate nominal value of share capital/paid-up capital of the subsidiaries comprising the Group contributed by the owners of the Company.

### 17 其他儲備(續)

- (c) 本公司在中國之附屬公司須遵守中國法律及法規，以及彼等之組織章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自扣除稅後但未計股息分派之純利中提取。該純利根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算。此等中國附屬公司須將其純利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事酌情釐定。一般儲備基金僅在有關當局批准後始可用作抵銷累計虧損或增加資本。
- (d) 合併儲備指在共同控制下收購所付之代價與本公司擁有人注入本集團成員附屬公司之股本／繳足股本之面值總額之差額。

### 18 Borrowings

### 18 借款

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
<b>Non-current</b>	<b>非即期</b>		
Long-term bank borrowings, unsecured	長期銀行借款 — 無抵押	94,395	104,364
<b>Current</b>	<b>即期</b>		
Short-term bank borrowings, unsecured	短期銀行借款 — 無抵押	239,121	190,346
Short-term bank borrowings, secured	短期銀行借款 — 有抵押	—	51,100
		<b>239,121</b>	241,446
		<b>333,516</b>	345,810

### 18 Borrowings (Continued)

At 31 December 2011, the Group's bank borrowings were repayable as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Within one year	一年內	239,121	241,446
1 to 2 years	一至兩年	94,395	97,359
2 to 3 years	兩至三年	—	7,005
		<b>333,516</b>	345,810

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

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Borrowings with fixed rate subject to repricing date as:	定息借款之重新定價日期：		
6 months or less	六個月或以下	12,335	—
6 months to 1 year	六個月至一年	49,340	—
Over 1 year	一年以上	74,010	—
		<b>135,685</b>	—
Borrowings with floating rate as:	浮息借款：		
6 months or less	六個月或以下	97,627	345,810
6 months to 1 year	六個月至一年	79,819	—
Over 1 year	一年以上	20,385	—
		<b>197,831</b>	345,810
		<b>333,516</b>	345,810

### 18 借款(續)

於二零一一年十二月三十一日，本集團銀行借款之還款情況如下：

本集團之借款面臨之利率變動風險及合約重新定價日期如下：

**18 Borrowings (Continued)**

The effective interest rates of the above floating rate borrowings at the end of the reporting period were 2.39% per annum (2010: 1.90% per annum).

Leasehold land and land use rights with net book value of HK\$46,102,000 (2010: HK\$60,429,000) and property, plant and equipment with net book value of HK\$43,253,000 (2010: HK\$97,891,000) have been pledged as security for the Group's short-term bank borrowings (Notes 6 and 7).

The carrying amounts of short-term bank borrowings and the long-term borrowings approximate their fair values. The fair value of long-term borrowings is based on cash flows discounted using a rate based on the borrowings rate of 3.01% (2010: 1.52%). The carrying amounts of the borrowings are denominated in the following currencies.

**18 借款(續)**

於報告期間完結時，上述浮息借款之實際年利率為2.39% (二零一零年：年利率1.90%)。

賬面淨值港幣46,102,000元(二零一零年：港幣60,429,000元)之租賃土地及土地使用權，以及賬面淨值港幣43,253,000元(二零一零年：港幣97,891,000元)之物業、廠房及設備已作為本集團短期銀行借款之抵押(附註6及7)。

短期銀行借款及長期借款之賬面值與其公平值相若。長期借款之公平值乃根據借款利率3.01% (二零一零年：1.52%)，按現金流量貼現計算。借款之賬面值以下列貨幣列值。

		<b>Group 本集團</b>	
		<b>2011 二零一一年 HK\$'000 港幣千元</b>	2010 二零一零年 HK\$'000 港幣千元
RMB	人民幣	<b>140,619</b>	—
HK\$	港幣	<b>60,000</b>	160,000
USD	美元	<b>132,897</b>	185,810
		<b>333,516</b>	345,810

## 19 Deferred Government Grant

## 19 遞延政府補貼

		Group 本集團
		2011 二零一一年 HK\$'000 港幣千元
At 1 January 2011	於二零一一年一月一日	—
Government grant relating to purchase of leasehold land and land use rights	購買租賃土地及土地使用權之政府補貼	23,757
Credit to income statement	計入收益表	(475)
At 31 December 2011	於二零一一年十二月三十一日	23,282

The amount represented subsidy granted by local government authority in the PRC relating to acquisition of leasehold land and land use rights amounted to RMB19,260,000 (HK\$23,757,000) (2010: Nil).

有關金額指中國當地政府機關為收購租賃土地及土地使用權提供之補貼，金額為人民幣19,260,000元(港幣23,757,000元)(二零一零年：無)。

## 20 Trade and Other Payables

## 20 貿易及其他應付款

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Trade payables (Note (a))	貿易應付款(附註(a))	1,201,394	1,724,081	—	—
Notes payable (Notes (a), (b))	應付票據(附註(a)、(b))	1,407,935	1,356,659	—	—
		2,609,329	3,080,740	—	—
Provision for staff welfare and bonus	員工福利及花紅撥備	145,087	136,571	—	—
Accruals	預提費用	41,682	26,002	2,591	2,184
Advances from customers	預收客戶賬款	12,584	10,348	—	—
Other payables	其他應付款	202,821	167,510	—	—
Others	其他	550	173	—	—
		3,012,053	3,421,344	2,591	2,184

## 20 Trade and Other Payables (Continued)

- (a) The ageing analysis of the trade payables and notes payable of the Group was as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Within 3 months	三個月以內	1,540,416	2,313,040
3 to 6 months	三至六個月	1,051,116	756,607
Over 6 months	六個月以上	17,797	11,093
		<b>2,609,329</b>	<b>3,080,740</b>

- (b) The balance represents non-interest bearing bank acceptance notes issued by the Group with maturity periods of less than six months. As at 31 December 2011, certain notes payable were pledged by bank deposits of approximately HK\$192,887,000 (2010: HK\$232,555,000) (Note 14).

## 20 貿易及其他應付款(續)

- (a) 本集團之貿易應付款及應付票據之賬齡分析如下：

- (b) 有關結餘為本集團發出不計息銀行承兌票據，到期期限少於六個月。於二零一一年十二月三十一日，若干應付票據以銀行存款約港幣192,887,000元(二零一零年：港幣232,555,000元)作為抵押(附註14)。

## 21 Derivative Financial Instruments

		Group 本集團			
		2011 二零一一年		2010 二零一零年	
		Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元
Commodity futures contracts (a)	商品期貨合約(a)	1,682	240	9,808	—
Foreign exchange forward contracts (b)	外匯遠期合約(b)	15,110	—	16,114	—
		<b>16,792</b>	<b>240</b>	<b>25,922</b>	<b>—</b>

## 21 衍生金融工具

## 21 Derivative Financial Instruments (Continued)

- (a) The Group has entered into various copper and aluminum futures contracts to manage the fluctuation of copper and aluminum price which did not meet the criteria for hedge accounting. Changes in the fair value of the non-hedging copper and aluminum futures contracts amounted to approximately HK\$3,181,000 (Note 23) were credited to the consolidated income statement during the year (2010: HK\$6,637,000).

The notional principal amounts of outstanding commodity futures contract as at 31 December 2011 were HK\$174,706,000 (2010: HK\$96,543,000).

- (b) The Group has entered into various foreign exchange forward contracts to manage the fluctuation of foreign currencies which did not meet the criteria for hedge accounting. Changes in the fair value of non-hedging foreign exchange forward contracts amounted to approximately HK\$22,391,000 (Note 23), were credited to the consolidated income statement during the year (2010: HK\$35,865,000).

The notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2011 were HK\$1,095,902,000 (2010: HK\$831,803,000).

The carrying amounts of the commodity futures contracts and foreign exchange forward contracts are the same as their fair values. The above transactions involving derivative financial instruments are with credit worthy banks with no recent history of default.

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

## 21 衍生金融工具(續)

- (a) 本集團已訂立多項銅及鋁期貨合約，藉以管理銅及鋁價格波動，但不符合資格作對沖會計處理。非作對沖之銅及鋁期貨合約之公平值變動約港幣3,181,000元(附註23)，於年內計入綜合收益表(二零一零年：港幣6,637,000元)。

於二零一一年十二月三十一日並未結算商品期貨合約之名義本金金額為港幣174,706,000元(二零一零年：港幣96,543,000元)。

- (b) 本集團已訂立多項外匯遠期合約，藉以管理外匯波動，但不符合資格作對沖會計處理。非作對沖之外匯遠期合約之公平值變動約港幣22,391,000元(附註23)，於年內計入綜合收益表(二零一零年：港幣35,865,000元)。

於二零一一年十二月三十一日並未結算外匯遠期合約之名義本金金額為港幣1,095,902,000元(二零一零年：港幣831,803,000元)。

商品期貨合約及外匯遠期合約之賬面值與其公平值相若。以上有關衍生金融工具之交易是與可信且近期無拖欠紀錄的銀行進行。

於報告日期之最大信貸風險為衍生資產於綜合財務狀況表之公平值。

## 22 Deferred Income Tax – Group

Deferred income tax is calculated in full on temporary differences under the liability method using taxation rates applicable to the companies comprising the Group.

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

## 22 遞延所得稅 — 本集團

遞延所得稅採用負債法就暫時差異按本集團旗下公司適用之稅率悉數計算。

遞延所得稅資產及遞延所得稅負債之分析如下：

		<b>Group</b> <b>本集團</b>	
		<b>2011</b> <b>二零一一年</b> <b>HK\$'000</b> <b>港幣千元</b>	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Deferred income tax liabilities:	遞延所得稅負債：		
— Deferred income tax liabilities to be released after more than 12 months	— 於十二個月以上解除之遞延所得稅負債	<b>47,823</b>	26,555
— Deferred income tax liabilities to be released within 12 months	— 於十二個月內解除之遞延所得稅負債	<b>25,726</b>	24,218
		<b>73,549</b>	50,773
Deferred income tax assets:	遞延所得稅資產：		
— Deferred income tax assets to be recovered within 12 months	— 於十二個月內收回之遞延所得稅資產	<b>38,853</b>	32,254

## 22 Deferred Income Tax – Group (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

### Deferred income tax liabilities:

		Undistributed profits of PRC subsidiaries 中國附屬公司 之未分派利潤 HK\$'000 港幣千元	Fair value gain 公平值收益 HK\$'000 港幣千元	Revaluation of assets 重估資產 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2010, as restated	於二零一零年 一月一日(重列)	21,882	3,353	—	25,235
Charged to consolidated income statement	於綜合收益表內 扣除	23,817	401	—	24,218
Exchange differences	匯兌差異	1,194	126	—	1,320
At 31 December 2010, as restated	於二零一零年 十二月三十一日 (重列)	<b>46,893</b>	<b>3,880</b>	—	<b>50,773</b>
Payment of withholding tax	繳付預扣稅	<b>(13,613)</b>	—	—	<b>(13,613)</b>
Acquisition of a subsidiary (Note 35)	收購附屬公司 (附註35)	—	—	<b>7,714</b>	<b>7,714</b>
Charged/(credited) to consolidated income statement	於綜合收益表內扣 除/(計入)	<b>27,436</b>	<b>(1,521)</b>	<b>(189)</b>	<b>25,726</b>
Exchange differences	匯兌差異	<b>2,749</b>	<b>160</b>	<b>40</b>	<b>2,949</b>
At 31 December 2011	於二零一一年 十二月三十一日	<b>63,465</b>	<b>2,519</b>	<b>7,565</b>	<b>73,549</b>

## 22 遞延所得稅 — 本集團(續)

未經考慮在相同稅務司法權區內抵銷結餘前，遞延所得稅資產及負債於年內之變動如下：

### 遞延所得稅負債：

		Undistributed profits of PRC subsidiaries 中國附屬公司 之未分派利潤 HK\$'000 港幣千元	Fair value gain 公平值收益 HK\$'000 港幣千元	Revaluation of assets 重估資產 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2010, as restated	於二零一零年 一月一日(重列)	21,882	3,353	—	25,235
Charged to consolidated income statement	於綜合收益表內 扣除	23,817	401	—	24,218
Exchange differences	匯兌差異	1,194	126	—	1,320
At 31 December 2010, as restated	於二零一零年 十二月三十一日 (重列)	<b>46,893</b>	<b>3,880</b>	—	<b>50,773</b>
Payment of withholding tax	繳付預扣稅	<b>(13,613)</b>	—	—	<b>(13,613)</b>
Acquisition of a subsidiary (Note 35)	收購附屬公司 (附註35)	—	—	<b>7,714</b>	<b>7,714</b>
Charged/(credited) to consolidated income statement	於綜合收益表內扣 除/(計入)	<b>27,436</b>	<b>(1,521)</b>	<b>(189)</b>	<b>25,726</b>
Exchange differences	匯兌差異	<b>2,749</b>	<b>160</b>	<b>40</b>	<b>2,949</b>
At 31 December 2011	於二零一一年 十二月三十一日	<b>63,465</b>	<b>2,519</b>	<b>7,565</b>	<b>73,549</b>



22 Deferred Income Tax – Group (Continued)

22 遞延所得稅 — 本集團(續)

Deferred income tax assets:

遞延所得稅資產：

		Impairment losses	Fair value losses	Unpaid accruals	Deferred government grant	Total
		減值虧損	公平值虧損	未付預提費用	遞延政府補貼	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2010, as restated	於二零一零年 一月一日 (重列)	5,738	136	17,194	—	23,068
Credited/(charged) to consolidated income statement	於綜合收益 表計入/ (扣除)	496	(137)	7,833	—	8,192
Exchange differences	匯兌差異	212	1	781	—	994
At 31 December 2010, as restated	於二零一零年 十二月三十 一日(重列)	<b>6,446</b>	<b>—</b>	<b>25,808</b>	<b>—</b>	<b>32,254</b>
Credited/(charged) to consolidated income statement	於綜合收益 表計入/ (扣除)	<b>2,976</b>	<b>35</b>	<b>(3,815)</b>	<b>5,700</b>	<b>4,896</b>
Exchange differences	匯兌差異	<b>382</b>	<b>1</b>	<b>1,199</b>	<b>121</b>	<b>1,703</b>
At 31 December 2011	於二零一一年 十二月三十 一日	<b>9,804</b>	<b>36</b>	<b>23,192</b>	<b>5,821</b>	<b>38,853</b>

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$648,000 (2010: HK\$852,000) in respect of losses amounting to HK\$2,590,000 (2010: HK\$3,410,000) that can be carried forward against future taxable income. Such losses will expire in 2016.

Deferred income tax liabilities have been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of all subsidiaries.

倘日後可透過應課稅利潤變現有有關稅項得益，方會確認遞延所得稅資產為結轉稅項虧損。本集團就其港幣2,590,000元(二零一零年：港幣3,410,000元)虧損可結轉抵銷應課稅收入，而沒有確認港幣648,000元(二零一零年：港幣852,000元)為遞延所得稅資產。該等虧損的期限為二零一六年。

對於所有附屬公司未匯出盈利應繳納的預扣稅及其他稅項已確認遞延所得稅負債。

23 Other Gains — Net

23 其他收益 — 淨額

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Government grants (i)	政府補貼(i)	9,802	7,487
Derivative financial instruments:	衍生金融工具：		
— fair value gain on commodity futures contracts not qualified for hedge accounting: not settled (Note 21(a))	— 不符合資格作對沖會計處理之商品期貨合約公平值收益：未結算(附註21(a))	1,442	9,808
— fair value gain/(loss) on commodity futures contracts not qualified for hedge accounting: settled (Note 21(a))	— 不符合資格作對沖會計處理之商品期貨合約公平值收益/(虧損)：已結算(附註21(a))	1,739	(3,171)
— fair value gain on foreign exchange forward contracts not qualified for hedge accounting: not settled (Note 21(b))	— 不符合資格作對沖會計處理之遠期外匯合約公平值收益：未結算(附註21(b))	15,110	16,114
— fair value gain on foreign exchange forward contracts not qualified for hedge accounting: settled (Note 21(b))	— 不符合資格作對沖會計處理之遠期外匯合約公平值收益：已結算(附註21(b))	7,281	19,751
Exchange loss	匯兌虧損	(24,309)	(14,127)
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	(4,569)	(13,709)
Penalty income	罰款收入	6,534	4,881
Others	其他	1,779	260
		<b>14,809</b>	<b>27,294</b>

(i) The amount represents the subsidy granted by and received from local government authorities in the PRC for encouragement of export.

(i) 有關金額指收到中國當地政府機關為鼓勵出口提供之補貼。

## 24 Expenses by Nature

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

## 24 按性質分類之開支

包括在銷售貨品成本、銷售及市場推廣成本及行政開支的開支分析如下：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Cost of inventories recognised as expense (Note 12)	確認為開支之存貨成本(附註12)	7,254,782	5,301,245
Employee benefit expenses (Note 25(a))	僱員福利開支(附註25(a))	796,209	603,209
Depreciation	折舊	105,989	89,349
Amortisation of leasehold land and land use rights (Note 6)	租賃土地及土地使用權攤銷(附註6)	3,660	3,242
Amortisation of intangible assets (Note 8)	無形資產攤銷(附註8)	757	—
Provision/(reversal of provision) for impairment of trade and other receivables — net	貿易及其他應收款減值撥備/(撥回) — 淨額	16,394	(5,660)
(Reversal)/provision for inventory obsolescence (Note 12)	存貨跌價及殘次準備(撥回)/撥備(附註12)	(4,935)	8,328
Operating leases rental for land and buildings	土地及樓宇經營租賃租金	16,323	5,152
Auditors' remuneration	核數師酬金	3,800	2,992
Research and development costs	研究及開發成本	14,140	16,649

25 Employee Benefit Expenses

(a)

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Wages and salaries	工資及薪金	656,095	498,013
Pension costs (i)	退休金成本(i)	33,964	23,862
Medical benefits	醫療福利	17,653	12,562
Share options granted to directors and employees	授予董事及僱員之購股權	2,499	5,841
Other allowances and benefits	其他津貼及福利	85,998	62,931
		<b>796,209</b>	603,209

(i) The Group has arranged for its Hong Kong employees to join the MPF Scheme. Under the MPF Scheme, each of the Group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

The Company's subsidiaries established in the PRC participate in the local retirement schemes of the PRC. Pursuant to the relevant regulations, the Group is currently required to make a monthly contribution equivalent to 15% to 28% of the monthly salaries in respect of its full-time and temporary employees.

25 僱員福利開支

(a)

(i) 本集團已安排其香港僱員參加強積金計劃。根據強積金計劃，集團旗下每間公司(僱主)及其僱員須按強制性公積金法例規定，每月將僱員入息之5%作為計劃供款。僱主及僱員各自之供款上限為每月港幣1,000元，其後均為自願供款。

本公司於中國成立之附屬公司均參與中國本地退休金計劃。根據有關規例，本集團現須每月支付相當於全職及臨時僱員月薪15%至28%之供款。

25 Employee Benefit Expenses (Continued)

25 僱員福利開支(續)

(b) Directors' and senior managements' emoluments

The remuneration of the Directors for the year ended 31 December 2011 is set out below:

(b) 董事及高級管理人員酬金

董事於截至二零一一年十二月三十一日止年度之酬金載列如下：

Name of Director 董事姓名	Fees 袍金 HK\$'000 港幣千元	Salary 薪金 HK\$'000 港幣千元	Discretionary bonuses 酌情花紅 HK\$'000 港幣千元	Other benefits (i) 其他福利(i) HK\$'000 港幣千元	Employer's contribution to pension scheme 退休金計劃 之僱主供款 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<b>Executive Directors</b> <b>執行董事</b>						
Mr. Cai Qiwu 蔡其武先生	—	1,272	2,416	1,150	6	4,844
Mr. Jiang Deqing 姜德清先生	—	495	1,209	609	6	2,319
Mr. Qu Fei 瞿飛先生	—	404	869	372	6	1,651
Mr. Chen Jiahong (ii) 陳建紅先生(ii)	—	435	841	—	6	1,282
Ms. Yuan Liqun 袁利群女士	—	—	—	—	—	—
Mr. Li Jianwei 栗建偉先生	—	—	—	—	—	—
Mr. Zheng Weikang 鄭偉康先生	—	60	—	—	—	60
Mr. Gao Fazhong (iii) 郜發忠先生(iii)	—	7	—	423	1	431
<b>Independent non-executive Directors</b> <b>獨立非執行 董事</b>						
Mr. Tan Jinsong 譚勁松先生	180	—	—	—	—	180
Mr. Lam Ming Yung 林明勇先生	180	—	—	85	—	265
Ms. Chen Chunhua 陳春花女士	180	—	—	85	—	265
	540	2,673	5,335	2,724	25	11,297

25 Employee Benefit Expenses (Continued)

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

The remuneration of the Directors for the year ended 31 December 2010 is set out below:

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	之僱主供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Executive Directors 執行董事</b>						
Mr. Cai Qiwu	—	1,020	2,297	1,140	8	4,465
Mr. Jiang Deqing	—	427	1,478	604	8	2,517
Mr. Qu Fei	—	353	504	369	8	1,234
Mr. Gao Fazhong (iii)	—	352	563	419	8	1,342
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Jianwei	—	—	—	—	—	—
Mr. Zheng Weikang	—	—	—	—	—	—
<b>Non-executive Directors 非執行董事</b>						
Ms. Tan Xuemei (iv)	—	—	—	84	—	84
<b>Independent non-executive Directors 獨立非執行董事</b>						
Mr. Tan Jinsong	180	—	—	—	—	180
Mr. Lam Ming Yung	180	—	—	84	—	264
Ms. Chen Chunhua	180	—	—	84	—	264
	540	2,152	4,842	2,784	32	10,350

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

(ii) Mr. Chen Jiahong was appointed on 15 March 2011.

(iii) Mr. Gao Fazhong resigned on 15 March 2011.

(iv) Ms. Tan Xuemei resigned on 18 April 2010.

25 僱員福利開支(續)

(b) 董事及高級管理人員酬金(續)

董事於截至二零一零年十二月三十一日止年度之酬金載列如下：

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	之僱主供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Executive Directors 執行董事</b>						
Mr. Cai Qiwu	—	1,020	2,297	1,140	8	4,465
Mr. Jiang Deqing	—	427	1,478	604	8	2,517
Mr. Qu Fei	—	353	504	369	8	1,234
Mr. Gao Fazhong (iii)	—	352	563	419	8	1,342
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Jianwei	—	—	—	—	—	—
Mr. Zheng Weikang	—	—	—	—	—	—
<b>Non-executive Directors 非執行董事</b>						
Ms. Tan Xuemei (iv)	—	—	—	84	—	84
<b>Independent non-executive Directors 獨立非執行董事</b>						
Mr. Tan Jinsong	180	—	—	—	—	180
Mr. Lam Ming Yung	180	—	—	84	—	264
Ms. Chen Chunhua	180	—	—	84	—	264
	540	2,152	4,842	2,784	32	10,350

(i) 其他福利包括有薪假期及以股份支付支出。

(ii) 陳建紅先生於二零一一年三月十五日獲委任。

(iii) 鄒發忠先生於二零一一年三月十五日辭任。

(iv) 譚雪梅女士於二零一零年四月十八日辭任。

25 Employee Benefit Expenses (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three Directors (2010: three) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2010: two) individuals during the year are as follows:

	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	5,314	4,444
Contribution to pension schemes	61	55
	<b>5,375</b>	4,499

The emoluments fell within the following bands:

Emolument bands 酬金組別	Number of individuals 人數	
	2011 二零一一年	2010 二零一零年
HK\$1,000,000– HK\$2,000,000	1	1
HK\$2,000,001– HK\$4,000,000	1	1

25 僱員福利開支(續)

(c) 五名最高薪酬人士

本年度集團內五名最高薪酬人士包括三名(二零一零年：三名)董事，其酬金已載於上文分析。本年度應付餘下兩名(二零一零年：兩名)人士之酬金如下：

酬金屬以下組別之人數如下：

## 26 Finance Costs — Net

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Interest expense	利息開支	(49,370)	(30,895)
Exchange (loss)/gain — net	匯兌(虧損)/收益 — 淨額	(12,219)	453
Finance cost	融資成本	(61,589)	(30,442)
Finance income — interest income on bank deposit	融資收入 — 銀行存款之 利息收入	10,047	4,460
Net finance costs	融資成本淨額	(51,542)	(25,982)

## 26 融資成本 — 淨額

## 27 Income Tax Expense

### (i) Macao and British Virgin Islands profits tax

The Group has not been subject to any taxation in these jurisdictions for the year ended 31 December 2011 (2010: Nil).

### (ii) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not have any assessable profit in Hong Kong for the year ended 31 December 2011 (2010: Nil).

### (iii) PRC Corporate Income Tax

Group companies registered in the PRC are subject to PRC Corporate Income Tax ("CIT"). According to the new CIT effective from 1 January 2008, all PRC enterprises are subject to a standard enterprise income tax rate of 25%, except for enterprises under specific preferential policies and provisions are discussed as follows.

## 27 所得稅開支

### (i) 澳門及英屬處女群島利得稅

本集團於截至二零一一年十二月三十一日止年度毋須支付此等司法管轄區的任何稅項(二零一零年：無)。

### (ii) 香港利得稅

由於本集團於截至二零一一年十二月三十一日止年度並無在香港賺取應課稅盈利(二零一零年：無)，因此並無作出香港利得稅撥備。

### (iii) 中國企業所得稅

本集團在中國註冊的公司須繳納中國企業所得稅(「企業所得稅」)。根據由二零零八年一月一日起生效的新中國企業所得稅，除企業受惠於以下所述的特定優惠稅率及規定外，所有中國公司須繳納25%標準企業所得稅率。



27 Income Tax Expense (Continued)

(iii) PRC Corporate Income Tax (Continued)

Welling Washer has been eligible to high technology enterprises CIT incentive starting from year 2011 to year 2013. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2011. Welling Washer has been eligible to the “2-year-exemption and 3-year-50%-deduction” CIT incentive starting from year 2006 to year 2010. The applicable preferential tax rate after reduction is 12.5% for the year ended 31 December 2010.

Guangdong Welling and Wuhu Welling have been eligible to high technology enterprises CIT incentive starting from year 2008 to year 2013. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2011 (2010:15%).

Huaian Welling has been eligible to high technology enterprises CIT incentive starting from year 2011 to year 2013. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2011.

27 所得稅開支(續)

(iii) 中國企業所得稅(續)

威靈洗滌由二零一一年至二零一三年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至二零一一年十二月三十一日止年度，高新科技企業之可用優惠稅率為15%。威靈洗滌由二零零六年至二零一零年間符合企業所得稅獎勵措施中「兩年豁免及三年扣減百分之五十稅款」之資格。截至二零一零年十二月三十一日止年度，扣減稅款後之可用優惠稅率為12.5%。

廣東威靈與蕪湖威靈由二零零八年至二零一三年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至二零一一年十二月三十一日止年度，高新科技企業之可用優惠稅率為15%(二零一零年：15%)。

淮安威靈由二零一一年至二零一三年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至二零一一年十二月三十一日止年度，高新科技企業之可用優惠稅率為15%。

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Current tax	即期稅項		
— PRC corporate income tax	— 中國企業所得稅	123,301	107,597
— Adjustments in respect of prior years	— 過往年度調整	(1,000)	(1,311)
— Tax paid for transfer of share	— 已付股權轉讓稅項	3,335	—
		<b>125,636</b>	106,286
Deferred income tax	遞延所得稅項		
— Deferred income tax assets recognised	— 已確認遞延所得稅項資產	(5,232)	(7,880)
— Deferred income tax liabilities recognised	— 已確認遞延所得稅項負債	25,726	24,218
		<b>20,494</b>	16,338
Income tax expense	所得稅開支	<b>146,130</b>	122,624

27 Income Tax Expense (Continued)

(iii) PRC Corporate Income Tax (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entities as follows:

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Profit before income tax	扣除稅前利潤	755,851	662,310
Calculated at the PRC statutory tax rate of 25% (2010: 25%)	按中國法定稅率25%計算 (二零一零年：25%)	188,963	165,577
Effect of difference in applicable tax rates	適用稅率差異之影響	(28,596)	(41,144)
Income not subject to tax	毋須課稅之收入	(14,131)	(3,364)
Expenses not deductible for taxation purposes	不可扣稅之開支	5,376	7,318
Tax losses not recognised as deferred income tax assets	未確認為遞延所得稅項資產 之稅項虧損	648	852
Utilisation of previously unrecognised tax losses	使用過往未確認稅項虧損	(1,000)	—
Income tax expense	所得稅開支	151,260	129,239
Representing	相當於		
Income tax expenses from continuing operations	持續經營業務之所得稅開支	146,130	122,624
Income tax expenses from discontinued operations	已終止經營業務之 所得稅開支	5,130	6,615
		151,260	129,239

27 所得稅開支(續)

(iii) 中國企業所得稅(續)

本集團扣除稅前利潤之稅項與採用實體利潤適用之加權平均稅率所計算之理論稅額之差異如下：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Profit before income tax	扣除稅前利潤	755,851	662,310
Calculated at the PRC statutory tax rate of 25% (2010: 25%)	按中國法定稅率25%計算 (二零一零年：25%)	188,963	165,577
Effect of difference in applicable tax rates	適用稅率差異之影響	(28,596)	(41,144)
Income not subject to tax	毋須課稅之收入	(14,131)	(3,364)
Expenses not deductible for taxation purposes	不可扣稅之開支	5,376	7,318
Tax losses not recognised as deferred income tax assets	未確認為遞延所得稅項資產 之稅項虧損	648	852
Utilisation of previously unrecognised tax losses	使用過往未確認稅項虧損	(1,000)	—
Income tax expense	所得稅開支	151,260	129,239
Representing	相當於		
Income tax expenses from continuing operations	持續經營業務之所得稅開支	146,130	122,624
Income tax expenses from discontinued operations	已終止經營業務之 所得稅開支	5,130	6,615
		151,260	129,239

**27 Income Tax Expense (Continued)****(iii) PRC Corporate Income Tax (Continued)**

PRC corporate income tax is provided for at 25% (2010: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

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

**28 Profit Attributable to the Owners of the Company**

The profit attributable to the owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$109,316,000 (2010: HK\$90,577,000).

**29 Earnings Per Share**

The weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the year ended 31 December 2011 and 2010 have been retrospectively adjusted for the effect of Share Consolidation completed on 27 May 2011 (Note 16(a)(iii)).

**(a) Basic**

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

**27 所得稅開支(續)****(iii) 中國企業所得稅(續)**

中國企業所得稅乃按中國法定財務呈報利潤之25%(二零一零年:25%)計算,並在對不可就中國企業所得稅目的課稅或扣減之該等項目作出調整後予以撥備。

由於本集團於其他地點並無任何應課稅利潤,故此並無計提該等地點之利得稅撥備。

**28 本公司擁有人應佔利潤**

計入本公司財務報表之本公司擁有人應佔利潤約為港幣109,316,000元(二零一零年:港幣90,577,000元)。

**29 每股盈利**

用作計算截至二零一一年及二零一零年十二月三十一日止年度每股基本及攤薄盈利之普通股加權平均數已追溯調整,以反映於二零一一年五月二十七日完成股份合併的影響。(附註16(a)(iii))。

**(a) 基本**

每股基本盈利乃按年度利潤除以年內已發行普通股之加權平均數計算。

29 Earnings Per Share (Continued)

(a) Basic (Continued)

		2011 二零一一年	2010 二零一零年 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>		
Profit for the year from continuing operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔持續經營業務年度利潤(港幣千元)	594,980	511,646
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,891	2,784,521
Basic earnings per share (HK cents)	每股基本盈利(港仙)	21.11	18.38
<b>Discontinued operations</b>	<b>終止經營業務</b>		
Profit for the year from discontinued operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔終止經營業務年度利潤(港幣千元)	12,583	20,692
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,891	2,784,521
Basic earnings per share (HK cents)	每股基本盈利(港仙)	0.45	0.74
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	607,563	532,338
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,891	2,784,521
Basic earnings per share (HK cents)	每股基本盈利(港仙)	21.56	19.12

29 Earnings Per Share (Continued)

(b) Diluted

For the year ended 31 December 2011 and 2010, diluted earnings per share were calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are performance-based share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

29 每股盈利(續)

(b) 攤薄

截至二零一一年及二零一零年十二月三十一日止年度，每股攤薄盈利乃透過對已發行普通股之加權平均數作出調整而計算，並假設轉換所有潛在攤薄普通股。本公司之潛在攤薄普通股為以表現掛鈎之購股權。就購股權而言，已作出按附設於尚未行使購股權之認購權利貨幣值以釐定應可按公平值(以本公司股份平均年度市場股價釐定)收購之股份數目之計算。上文計算之股份數目與假設購股權獲行使而已發行之股份數目已作出比較。

		2011 二零一一年	2010 二零一零年 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>		
Profit for the year from continuing operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔持續經營業務年度利潤(港幣千元)	594,980	511,646
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,891	2,784,521
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	21,189	30,500
		<b>2,840,080</b>	2,815,021
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	<b>20.95</b>	18.17

## 29 Earnings Per Share (Continued)

### (b) Diluted (Continued)

		2011 二零一一年	2010 二零一零年 (Restated) (重列)
<b>Discontinued operations</b>	<b>終止經營業務</b>		
Profit for the year from discontinued operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔終止經營業務年度利潤(港幣千元)	12,583	20,692
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,891	2,784,521
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	21,189	30,500
		<b>2,840,080</b>	2,815,021
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	<b>0.44</b>	0.74
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	607,563	532,338
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,818,891	2,784,521
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	21,189	30,500
		<b>2,840,080</b>	2,815,021
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	<b>21.39</b>	18.91

## 29 每股盈利(續)

### (b) 攤薄(續)

## 30 Dividends

## 30 股息

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Proposed final dividend of HK4 cents per ordinary share (2010: HK0.8 cent per ordinary share before five-to-one share consolidation)	建議末期股息每股普通股4港仙(二零一零年：每股普通股0.8港仙(按五合一股份合併前計))	112,865	112,725

At a meeting held on 9 March 2012, the Directors proposed a final dividend of HK4 cents per ordinary share (2010: HK0.8 cent per ordinary share before five-to-one share consolidation). This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

於二零一二年三月九日舉行之會議上，董事建議宣派末期股息每股普通股4港仙(二零一零年：每股普通股0.8港仙(按五合一股份合併前計))。此項建議股息並未在該等綜合財務報表內反映為應付股息。

31 Notes to the Consolidated Statement of Cash Flows

31 綜合現金流量表附註

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

(a) 扣除所得稅前利潤與經營產生之現金對賬表：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
<b>Profit before income tax</b>	<b>扣除所得稅前利潤</b>	<b>755,851</b>	662,310
Adjustments for:	調整：		
— Depreciation (Note 7)	— 折舊(附註7)	<b>107,128</b>	92,607
— Amortisation of leasehold land and land use rights (Note 6)	— 租賃土地及土地使用權攤銷(附註6)	<b>3,660</b>	3,242
— Amortisation of intangible assets (Note 8)	— 無形資產攤銷(附註8)	<b>757</b>	—
— Deferred government grant (Note 19)	— 遞延政府補貼(附註19)	<b>(475)</b>	—
— Gain on disposals of property, plant and equipment of discontinued operations	— 出售終止經營業務物業、廠房及設備收益	<b>(2,490)</b>	—
— Loss on disposals of property, plant and equipment	— 出售物業、廠房及設備虧損	<b>4,569</b>	13,709
— Share-based payment expenses (Note 17)	— 股份支付支出開支(附註17)	<b>2,499</b>	5,841
— Share of profits of associates (Note 10)	— 佔聯營公司利潤(附註10)	<b>(19,204)</b>	(9,269)
— Interest income	— 利息收入	<b>(10,181)</b>	(4,471)
— Interest expense	— 利息開支	<b>49,370</b>	30,895
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	<b>1,352,693</b>	(1,248,655)
— Derivative financial instruments	— 衍生金融工具	<b>9,370</b>	(1,116)
— Trade and other receivables	— 貿易及其他應收款	<b>156,561</b>	(737,131)
— Due from related companies	— 應收關聯公司款項	<b>(687,809)</b>	293,586
— Trade and other payables	— 貿易及其他應付款	<b>(489,115)</b>	1,163,554
— Due to related companies	— 應付關聯公司款項	<b>(351,100)</b>	409,346
<b>Cash generated from operations</b>	<b>經營產生之現金</b>	<b>882,084</b>	674,448

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

(b) Proceeds from sale of property, plant and equipment comprise:

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Net book value disposed (Note 7)	出售之賬面淨值(附註7)	62,289	27,505
Loss on disposal of property, plant and equipment (Note 23)	出售物業、廠房及設備虧損(附註23)	(4,569)	(13,709)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	57,720	13,796

### 32 Contingent Liabilities

Save as the financial guarantees discussed in Note 34, as at 31 December 2011 and 2010, the Group and the Company did not have any material contingent liabilities.

### 33 Commitments

(a) Capital commitments

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未撥備		
— purchases of property, plant and equipment	— 購置物業、廠房及設備	89,776	116,102
— purchase of leasehold land and land use rights	— 購置租賃土地及土地使用權	—	23,655
		89,776	139,757

The Company does not have any capital commitment as at 31 December 2011 and 2010.

### 31 綜合現金流量表附註(續)

(b) 出售物業、廠房及設備所得款項包括：

### 32 或然負債

除附註34討論之融資擔保外，於二零一一年及二零一零年十二月三十一日，本集團及本公司概無任何重大或然負債。

### 33 承擔

(a) 資本承擔

於二零一一年及二零一零年十二月三十一日，本公司概無任何資本承擔。



33 Commitments (Continued)

(b) Operating lease commitments

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

		<b>Group</b> 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Not later than one year	不超過一年	8,176	1,974
Later than one year and not later than five years	超過一年但不超過五年	19,626	403
		<b>27,802</b>	<b>2,377</b>

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

		<b>Company</b> 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Not later than one year	不超過一年	—	799
Later than one year and not later than five years	超過一年但不超過五年	—	—
		—	799

33 承擔(續)

(b) 經營租賃承擔

本集團根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

		<b>Group</b> 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Not later than one year	不超過一年	8,176	1,974
Later than one year and not later than five years	超過一年但不超過五年	19,626	403
		<b>27,802</b>	<b>2,377</b>

本公司根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

		<b>Company</b> 本公司	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Not later than one year	不超過一年	—	799
Later than one year and not later than five years	超過一年但不超過五年	—	—
		—	799

### 34 Financial Guarantees

The Group and the controlling shareholder of the associates have jointly and severally guaranteed the drawn components of certain bank loans of the associates as at 31 December 2011 and 2010. Under the terms of the financial guarantee contract, the Group and the controlling shareholder of the associates will make payments to reimburse the lenders upon failure of the guaranteed associates to make payments when the bank loans are due.

Terms and face values of the liabilities guaranteed were as follows:

	Year of maturity 到期年限	Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元 Face value 面值	2010 二零一零年 HK\$'000 港幣千元 Face value 面值
Drawn bank term loans of the associates, denominated in RMB 聯營公司提取之銀行有期貨款，以人民幣列值	1 year to 6 years 一至六年	470,581	304,971

The method used in determining the fair value of these guarantees has been disclosed in Note 2.23. The fair value of these guarantees is nominal.

### 35 Business Combinations

On 17 May 2011, Welling HK entered into an agreement with two other independent third parties for the establishment of Changzhou Welling. Changzhou Welling was owned as to 70%, 18% and 12% by Welling HK and the other two independent third parties. The capital contribution of Changzhou Welling was made by Welling HK in cash and by the independent third parties with their 100% equity interest in a PRC company, 常州弘祿華特電機有限公司, respectively. As a result, the business of commercial air-conditioning motor was acquired by the Group after establishment of Changzhou Welling in September 2011.

### 34 融資擔保

本集團及聯營公司控股股東共同及個別為聯營公司於二零一一年及二零一零年十二月三十一日之若干銀行借貸作擔保。根據融資擔保合約條款，本集團及聯營公司控股股東會就所擔保聯營公司無法在銀行貸款限期還款時，替其償還借款人。

擔保負債之條款及面值如下：

	Year of maturity 到期年限	Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元 Face value 面值	2010 二零一零年 HK\$'000 港幣千元 Face value 面值
Drawn bank term loans of the associates, denominated in RMB 聯營公司提取之銀行有期貨款，以人民幣列值	1 year to 6 years 一至六年	470,581	304,971

用於釐定擔保之公平值方法已於附註2.23內披露。擔保之公平值是微不足道。

### 35 業務合併

於二零一一年五月十七日，威靈香港與其他兩名獨立第三方訂立協議，以成立常州威靈。威靈香港及其他兩名獨立第三方分別持有常州威靈的70%、18%及12%權益。威靈香港以現金出資及兩名獨立第三方以其持有的一家中國公司名為常州弘祿華特電機有限公司擁有的全部權益出資作為常州威靈的資本投入。因此，常州威靈於二零一一年九月成立後，本集團取得商用空調電機的業務。

**35 Business Combinations (Continued)**

The following table summarises the consideration paid for Changzhou Welling, the fair value of assets acquired, liabilities assumed and the non-controlling interest at acquisition date.

**35 業務合併(續)**

下表概述於收購日期就常州威靈支付的代價、獲收購資產的公平值、所承擔的負債及非控股權益。

		<b>At fair value</b>
		<b>按公平值計算</b>
		HK\$'000
		港幣千元
<b>Identifiable assets and liabilities:</b>	<b>已識別資產及負債：</b>	
Leasehold land and land use rights (Note 6)	租賃土地及土地使用權(附註6)	11,029
Property, plant and equipment (Note 7)	物業、廠房及設備(附註7)	23,712
Construction-in-progress (Note 7)	在建工程(附註7)	3,948
Intangible assets (Note 8)	無形資產(附註8)	30,879
Cash and cash equivalents	現金及現金等價物	163,112
Inventories	存貨	21,994
Trade and other receivables	貿易及其他應收款	42,913
<b>Total assets</b>	<b>總資產</b>	<b>297,587</b>
Trade and other payables	貿易及其他應付款	(79,823)
Income tax recoverable	可收回所得稅	3,963
Borrowings	借款	(17,169)
Deferred income tax liabilities (Note 22)	遞延所得稅負債(附註22)	(7,714)
<b>Total liabilities</b>	<b>總負債</b>	<b>(100,743)</b>
<b>Identifiable net assets</b>	<b>已識別資產淨額</b>	<b>196,844</b>
<b>Goodwill and cash flows:</b>	<b>商譽及現金流量：</b>	
Non-controlling interest	非控股權益	59,053
Identifiable net assets acquired	收購已識別資產淨額	137,791
Goodwill (Note 8)	商譽(附註8)	4,757
<b>Total consideration</b>	<b>總代價</b>	<b>142,548</b>
Less: Cash and cash equivalents in the subsidiary acquired	減：收購附屬公司之現金及現金等價物	(163,112)
<b>Net cash inflow on acquisition for the year</b>	<b>年度收購時現金流入淨額</b>	<b>(20,564)</b>

### 36 Discontinued Operations

On 15 April 2011, Welling Electronic and Electric as the vendor and Midea Microwave as the purchaser entered into the Assets Transfer Agreement, pursuant to which Welling Electronic and Electric agreed to dispose of certain machinery equipment and moulds, testing equipment and office equipment (the "Assets") owned by Welling Electronic and Electric to Midea Microwave at a cash consideration of RMB22,078,100 (equivalent to approximately HK\$27,180,000) ("Disposal").

Upon completion of the Disposal, the Company disposed of the Assets used for the business of transformer and shaded pole motor of Welling Electronic and Electric and ceased the relevant business. Accordingly, the consolidated results for the business of transformer and shaded pole motor are presented as discontinued operations in the consolidated financial statements. The presentation of comparative information in respect of the year ended 31 December 2010 has been reclassified to conform to the current period's presentation.

- (a) An analysis of the results of the discontinued operations is as follows:

### 36 終止經營業務

於二零一一年四月十五日，威靈電子電器(以賣方身份)與美的微波電器(以買方身份)訂立資產轉讓協議。據此，威靈電子電器同意以現金代價人民幣22,078,100元(相等於約港幣27,180,000元)向美的微波電器出售威靈電子電器擁有的若干機器設備及模具、檢測設備及辦公室設備(「出售事項」)。

出售事項完成後，本公司出售威靈電子電器的變壓器和罩極電機業務相關的資產，並終止有關業務。因此，變壓器和罩極電機業務的綜合業績於綜合財務報表內呈列為終止經營業務。截至二零一零年十二月三十一日止年度比較資料的呈列經重新分類，以符合本期之呈列。

- (a) 終止經營業務業績的分析如下：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Revenue	收入	431,937	692,660
Cost of goods sold	銷售貨品成本	(397,616)	(640,616)
<b>Gross profit</b>	<b>毛利</b>	<b>34,321</b>	52,044
Other gains — net	其他收益 — 淨額	2,707	227
Selling and marketing costs	銷售及市場推廣成本	(3,334)	(6,674)
Administrative expenses	行政開支	(16,115)	(18,192)
<b>Operating profit</b>	<b>經營利潤</b>	<b>17,579</b>	27,405
Finance income/(cost) — net	融資收入/(成本) — 淨額	134	(98)
<b>Profit before income tax</b>	<b>扣除所得稅前利潤</b>	<b>17,713</b>	27,307
Income tax expense	所得稅開支	(5,130)	(6,615)
<b>Profit for the year from discontinued operations</b>	<b>終止經營業務的年度利潤</b>	<b>12,583</b>	20,692

### 36 Discontinued Operations (Continued)

(b) An analysis of the cash flows of the discontinued operations is as follows:

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Net cash inflow from operating activities	經營活動之現金流入淨額	11,259	23,950
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額	25,531	(13,555)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	36,790	10,395

### 36 終止經營業務(續)

(b) 終止經營業務的現金流量分析如下：

### 37 Related Party Transactions

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

#### (a) Transactions with related parties

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

### 37 關聯方交易

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

#### (a) 與關聯方之交易

以下乃與關聯方按各訂約方相互協定之條款進行之交易：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Sales to related parties :	向關聯方銷售 :		
— Controlled by the ultimate holding company	— 由最終控股公司控制	5,600,119	3,462,962
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	458,809	615,788
		6,058,928	4,078,750

37 Related Party Transactions (Continued)

37 關聯方交易(續)

(a) Transactions with related parties (Continued)

(a) 與關聯方之交易(續)

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
Purchases from related parties:	向關聯方採購：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	225,347	22,495
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	45,856	255,878
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要 股東之近親控制	—	2,335
		<b>271,203</b>	280,708
Logistics services received from related parties:	向關聯方獲取物流服務：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	—	39
Rental expenses paid to a related party:	向關聯方支付的租金開支：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	4,038	—
Interest income on deposits received from Finance Company:	向財務公司收取存款 利息收入：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	634	39
Interest expense for bills discounted paid to Finance Company:	向財務公司支付經貼現 票據之利息開支：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	9,867	—
Bank charges paid to Finance Company:	向財務公司支付銀行費用：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	347	—
Consideration paid to a related party for the acquisition of Huayin:	向關聯方支付收購華印 的代價：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	88,694	—
Consideration received from a related party for the disposal of property, plant and equipments:	向關聯方收取出售物業、廠房 及設備的代價：		
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	27,180	—

37 Related Party Transactions (Continued)

37 關聯方交易(續)

(b) Key management compensation

(b) 主要管理人員酬金

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Salaries and other employee benefits	薪金及其他僱員福利	13,149	11,160
Share-based payments	以股份支付支出	1,868	4,190
		<b>15,017</b>	15,350

(c) Balances with related companies

(c) 與關聯公司之結餘

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
(i) Due from related companies:	(i) 應收關聯公司款項：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	1,063,490	345,181
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	5,714	36,482
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東 之近親控制	1,154	886
		<b>1,070,358</b>	382,549

As at 31 December 2011, the amount due from related companies including note receivables of approximately HK\$464,442,000(2010: HK\$216,934,000).

於二零一一年十二月三十一日，應收關聯公司款項金額包括應收票據約為港幣464,442,000元(二零一零年：港幣216,934,000元)。

### 37 Related Party Transactions (Continued)

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

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元 (Restated) (重列)
(ii) Due to related companies:	(ii) 應付關聯公司款項：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	123,158	407,696
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	4,045	70,389
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東 之近親控制	3,173	3,391
		<b>130,376</b>	481,476

As at 31 December 2011, the amount due to related companies including note payables of approximately HK\$27,778,000 (2010: HK\$12,587,000).

The balances due from/to related companies are denominated in RMB, unsecured, interest free and are repayable on demand. No balance due from related companies is past due or impaired.

於二零一一年十二月三十一日，應付關聯公司款項金額包括應付票據約為港幣27,778,000元（二零一零年：港幣12,587,000元）。

應收／應付關聯公司結餘以人民幣列值，並為無抵押、免息且須於要求時償還。概無應收關聯公司結餘逾期或減值。

		Group 本集團	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
(iii) Short-term deposits in the Finance Company:	(iii) 於財務公司之短期存款：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	233,784	136,754

Save as discussed in Note 9, the Company does not have other balances with related companies.

除附註9所述外，本公司與關聯公司概無其他結餘。

### 38 Ultimate Holding Company

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

### 38 最終控股公司

董事視美的（於中國註冊成立之公司）為最終控股公司。



## FIVE-YEAR FINANCIAL SUMMARY

### 五年財務摘要

		<b>Year ended 31 December</b> <b>截至十二月三十一日止年度</b>				
		<b>2011</b>	2010	2009	2008	2007
		<b>二零一一年</b>	二零一零年	二零零九年	二零零八年	二零零七年
		<b>HK\$'000</b>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		<b>港幣千元</b>	港幣千元	港幣千元	港幣千元	港幣千元
		<b>Audited</b>	(Restated)	(Restated)	(Restated)	(Restated)
		<b>經審核</b>	(重列)	(重列)	(重列)	(重列)
<b>Results</b>	<b>業績</b>					
Revenue	收入	<b>10,490,373</b>	7,235,360	4,960,958	5,310,310	4,644,992
Profit attributable to the owners of the Company	本公司擁有人應佔利潤	<b>607,563</b>	532,338	353,823	196,429	224,385
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	<b>6,162,452</b>	6,331,676	3,799,041	2,665,071	4,209,514
Total liabilities	總負債	<b>(3,610,278)</b>	(4,356,372)	(2,599,888)	(1,830,524)	(3,936,258)
Total equity	權益總額	<b>2,552,174</b>	1,975,304	1,199,153	834,547	273,256

(i) The consolidated financial statement for the year ended 31 December 2010, 2009 and 2008 were restated using the principles of merger accounting, as prescribed in HKAG 5. Details refer to Note 2.1.1 of the consolidated financial statements.

(i) 截至二零一零年、二零零九年及二零零八年十二月三十一日止年度綜合財務報表是利用香港會計指引第5號規定的合併會計原則予以重列。詳情請參閱綜合財務報表附註2.1.1。



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