



中國長遠控股有限公司 **China Fortune Holdings Limited**

(Incorporated in Bermuda with limited liability,
carrying on business in Hong Kong as CFH Limited)

(於百慕達註冊成立之有限公司，以CFH Limited之名稱於香港進行業務)
Stock Code 股份代號: 0110

Annual Report 2012 年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Chairman and Executive Director

Mr. Lau Siu Ying

Executive Directors

Mr. Luo Xi Zhi

Mr. Wang Yu

Non-executive Director

Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)

Independent Non-executive Directors

Mr. Chang Wing Seng, Victor

Mr. Wong Lit Chor, Alexis

Mr. Chen Yi Gang (resigned on 5th June, 2012)

Dr. Law Chun Kwan (appointed on 5th June, 2012)

COMPANY SECRETARY

Mr. Lam Man Kit

AUDIT COMMITTEE

Mr. Chang Wing Seng, Victor (*Committee Chairman*)

Mr. Wong Lit Chor, Alexis

Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)

Dr. Law Chun Kwan (appointed on 5th June, 2012)

REMUNERATION COMMITTEE

Mr. Chang Wing Seng, Victor (*Committee Chairman*)

Mr. Wong Lit Chor, Alexis

Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)

Mr. Lau Siu Ying (appointed on 5th June, 2012)

Dr. Law Chun Kwan (appointed on 1st November, 2012)

NOMINATION COMMITTEE

(established on 27th February, 2012)

Mr. Lau Siu Ying (*Committee Chairman*)

Mr. Wang Yu

Mr. Chang Wing Seng, Victor

Mr. Wong Lit Chor, Alexis

Mr. Chen Yi Gang (resigned on 5th June, 2012)

Dr. Law Chun Kwan (appointed on 5th June, 2012)

REGISTERED OFFICE

Clarendon House, 2 Church Street,
Hamilton HM11, Bermuda.

HONG KONG HEAD OFFICE

Room 1505-07, Tower A, Regent Centre,
63 Wo Yi Hop Road, Kwai Chung,
Hong Kong.

董事會

主席兼執行董事

劉小鷹先生

執行董事

羅習之先生

王 愚先生

非執行董事

馮靄業先生 (於二零一二年六月五日辭任)

獨立非執行董事

鄭永勝先生

黃烈初先生

陳亦剛先生 (於二零一二年六月五日辭任)

羅振坤博士 (於二零一二年六月五日獲委任)

公司秘書

林文傑先生

審核委員會

鄭永勝先生 (*委員會主席*)

黃烈初先生

馮靄業先生 (於二零一二年六月五日辭任)

羅振坤博士 (於二零一二年六月五日獲委任)

薪酬委員會

鄭永勝先生 (*委員會主席*)

黃烈初先生

馮靄業先生 (於二零一二年六月五日辭任)

劉小鷹先生 (於二零一二年六月五日獲委任)

羅振坤博士 (於二零一二年十一月一日獲委任)

提名委員會

(於二零一二年二月二十七日成立)

劉小鷹先生 (*委員會主席*)

王 愚先生

鄭永勝先生

黃烈初先生

陳亦剛先生 (於二零一二年六月五日辭任)

羅振坤博士 (於二零一二年六月五日獲委任)

註冊辦事處

Clarendon House, 2 Church Street,
Hamilton HM11, Bermuda.

香港總辦事處

香港
葵涌和宜合道63號
麗晶中心A座1505-07室

Corporate Information

公司資料

CHINA HEAD OFFICE

Room 2102, 21/F, Hongkou Plaza,
No. 388 West Jiangwan Road,
Hongkou District,
Shanghai, PRC.

SHANGHAI OFFICE

Room 328, Xin Mao Lou,
2 Tai Zhong Nan Lu,
Waigaoqiao Free Trade Zone,
Shanghai, PRC.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Bank Bermuda Limited
6 Front Street, Hamilton HM11,
Bermuda.

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
26/F., Tesbury Centre,
28 Queen's Road East, Wanchai,
Hong Kong.

AUDITOR

BDO Limited

LEGAL ADVISOR

Conyers Dill & Pearman

PRINCIPAL BANKERS

China Merchants Bank
ICBC

CORPORATE WEBSITES

www.fortunetele.com
www.chinafortune.com

STOCK CODE

110

中國總辦事處

中國上海
虹口區
西江灣路388號
凱德龍之夢21樓2102室

上海辦事處

中國上海
外高橋保稅區
台中南路2號
新貿樓328室

主要股份登記及過戶處

HSBC Bank Bermuda Limited
6 Front Street, Hamilton HM11,
Bermuda.

股份登記及過戶處香港分處

卓佳雅柏勤有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

核數師

香港立信德豪會計師事務所有限公司

法律顧問

Conyers Dill & Pearman

主要往來銀行

招商銀行
工商銀行

公司網站

www.fortunetele.com
www.chinafortune.com

股份代號

110

Corporate Profile 公司簡介

China Fortune Holdings Limited (“China Fortune” or the “Group”), formerly named Fortune Telecom Holdings Limited, mainly distributes mobile phones and digital products in the People’s Republic of China (the “PRC”). The Group was established in Hong Kong in 1992. It was first listed on the GEM Board of the Stock Exchange of Hong Kong Limited (Stock code: 8040) on 16th February, 2000, and then successfully shifted to the Main Board (Stock code: 110) on 26th January, 2004. The Group has a strong shareholder background and well operational and professional management team.

The Group is the sole Nokia fulfillment distributor for all Nokia Stores in the PRC. Besides, the Group owns a retail chain in Zhuhai, the PRC for selling mobile phones and telecommunication equipments.

In 2009, the Group acquired a Strontium mining site in the PRC, as its first step in entering the natural resource industry.

The corporate culture of the Group rests on the integration of the West and the East, modern and traditional management philosophy, with an aim to build up a “Continuous Learning Enterprise”. The corporate spirit of China Fortune focuses on “Human Enterprise”. Under the leadership of its aspiring and energetic management, China Fortune’s staff will team up and move towards the Group’s goal of ranking as one of the largest and best wireless communication and data products and services providers in the region.

中國長遠控股有限公司（「中國長遠」或「本集團」）（前稱長遠電信網絡集團有限公司）主要在中華人民共和國（「中國」）分銷移動電話和數碼產品。本集團於一九九二年在香港成立，首先於二零零零年二月十六日在香港聯合交易所有限公司創業板上市（股份代號：8040），及後於二零零四年一月二十六日成功轉至主板上市（股份代號：110）。本集團擁有強大之股東背景及盡職之專業管理團隊。

本集團為所有諾基亞專賣店之唯一諾基亞配送貨運分銷商。此外，本集團亦於中國珠海擁有一間零售連鎖店，銷售移動電話及電訊設備。

二零零九年，本集團收購了中國一家鋇礦場，作為其涉足天然資源行業之第一步。

揉合中西文化、兼收傳統及現代之管理哲學，乃本集團之企業文化，以達致「注重長遠，天天進步」之宗旨。「人為本，企業為家」乃中國長遠之企業精神。在有幹勁及魄力之管理層領導下，中國長遠全體員工定將團結一致，實踐本集團之目標，成為區內最大及最佳之無線通訊及數據產品服務供應商之一。

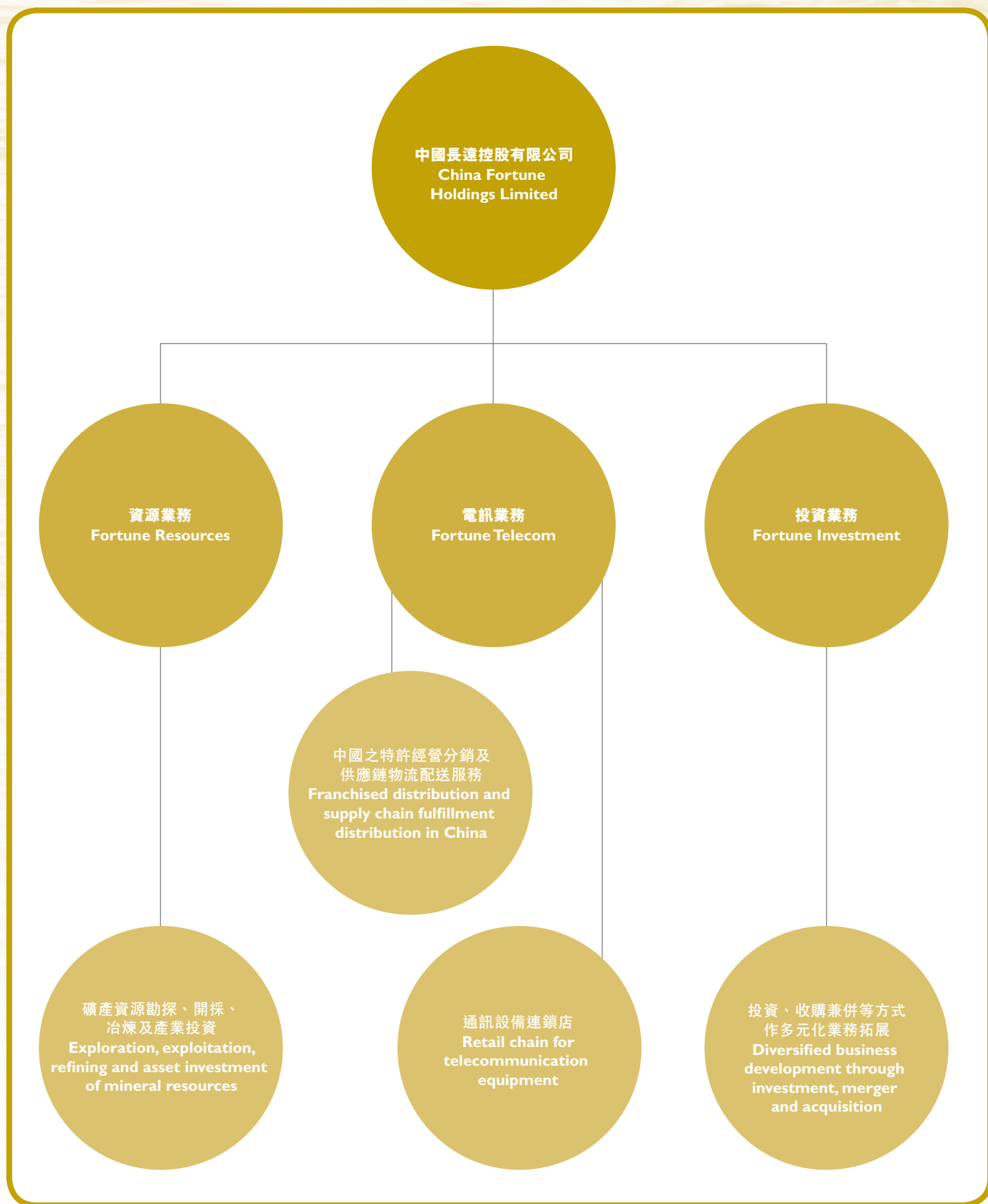
Subsidiary:
Mobile Phone
Retail Chain
附屬公司：
移動電話零售連鎖

雷鳴達
REMINDA

Major Business
Partner:
主要業務夥伴：

NOKIA
Connecting People

Business Structure 業務架構



Corporate Milestones 企業里程碑

1992

- 2.18 The former trading arm of the Group – Express Fortune Limited (“EFL”) was founded by Mr. Lau Siu Ying and his brothers in Hong Kong.
劉小鷹先生及其兄弟於香港創立長遠有限公司（「長遠」）—本集團前身之貿易旗艦。

1992
~
1994

EFL became one of Nokia’s earliest authorised distributors in the PRC.
長遠成為諾基亞最早中國指定代理商之一。

1997

Commenced Fortune Telecom Group’s franchise retail business in the PRC.
於中國開展長遠電信集團之專營權零售業務。

2000

- 2.16 Listed on the GEM Board of the Hong Kong Stock Exchange (Stock code: 8040).
於香港聯交所創業板上市（股份代號：8040）。

- 12 A US\$12 million syndicated loan was successfully arranged.
成功安排一項12,000,000美元之銀團貸款。

2001

- 7 Completed the acquisition of 51% shareholdings of Synergy Pacific (Holding) Limited (“Synergy Pacific”).
完成收購長遠智揚（控股）有限公司（「長遠智揚」）之51%股權。

2002

- 5 Fortune Shanghai was acknowledged by Shanghai Waigaoqiao Free Trade Zone Management Committee as one of the best enterprises for commodity sales.
長遠上海獲上海外高橋保稅區管理委員會譽為商品銷售額績優企業之一。

- 9 A HK\$160 million syndicated loan was successfully arranged.
成功安排一項160,000,000港元之銀團貸款。

2003

- 3 The Group has achieved a record annual sale of 2.1 million sets of mobile phones and a record net profit over HK\$60 million.
本集團創下年銷二百一十萬台移動電話和超過六千萬港元純利的紀錄。

- 6 For a consecutive year, Fortune Shanghai was again acknowledged by Shanghai Waigaoqiao Free Trade Zone Management Committee as one of the best enterprises for commodity sales.
連續第二年，長遠上海再度獲上海外高橋保稅區管理委員會譽為商品銷售額績優企業之一。

Corporate Milestones

企業里程

2004

- 1.26** Listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 110).
於香港聯交所主板上市 (股份代號: 110)。

2005

- 9** A US\$16 million syndicated loan was successfully arranged.
成功安排一項16,000,000美元之銀團貸款。
- 11** Fortune Shanghai increased its share capital from US\$6 million to US\$25 million.
長遠上海將其股本由6,000,000美元增加至25,000,000美元。
- 12** Successfully completed the acquisition of 100% shareholdings of Synergy Technologies (Asia) Limited, and the disposal of 46% shareholdings of Synergy Pacific.
成功完成收購Synergy Technologies (Asia) Limited之100%股權及出售長遠智揚之46%股權。

2006

- 1** Newly obtained the nationwide distributorship of Samsung mobile phones.
新取得三星移動電話之全國分銷權。
- 9** Successfully obtained the Fulfillment Distributorship for all Nokia Stores in the PRC.
成功取得中國所有諾基亞專賣店之配送貨運分銷權。

2007

- 2** Contracted to acquire 51% stake in Zhuhai Reminda Telecom Equipment Company Limited (珠海市雷鳴達通訊設備有限公司) and completed the acquisition in October 2007.
訂約收購珠海市雷鳴達通訊設備有限公司之51%股權，並於二零零七年十月完成收購。
- 9** Formed a joint venture with TeleChoice International Limited for the Nokia fulfillment business.
與TeleChoice International Limited成立一間合營公司，從事諾基亞配送貨運業務。
- 10.18** Name changed to China Fortune Holdings Limited.
更名為中國長遠控股有限公司。

2009

- 12.23** Completed the acquisition of 50.8% interest in Sifa Mining which has the right to conduct mining activities in a Celestite (Strontium), Zinc and Lead mining site situated in the Hubei Province, the PRC.
成功收購有權於中國湖北省一個天青石 (鋇)、鋅及鉛礦場進行採礦活動的錕發礦業共50.8%股權。

Chairman's Statement

主席報告書



Lau Siu Ying
劉小鷹

*Chairman and Chief
Executive Officer*
主席兼首席執行官

Dear shareholders,

REVIEW

2012 was a year full of difficulties and challenges. Revenue of our fulfillment distribution business for Nokia Stores dropped substantially owing to the continued down turn in the market demand for Nokia mobile phones in the year. Nokia high-end handsets with Windows 8 system were finally launched in late 2012, but the market still needs further time to see whether more high-end smartphone models from Nokia can turn it around to increase its market share.

In order to diversify the business of the Group, we have been actively looking for opportunities which will further enhance the shareholders' value. Since we have been in the related mobile phone industry for decades, and the potential for mobile phone related business development is surely enormous and sustainable, mobile phone operating system and mobile internet are the major key business areas the Group is interested in.

各位股東：

回顧

二零一二年困難重重，滿佈挑戰。年內，本集團諾基亞專賣店配送貨運分銷業務之收入因市場對諾基亞移動電話之需求持續向下而大幅下跌。配置視窗8系統之諾基亞高端手機最終於二零一二年底推出，惟市場仍需要更長時間觀望諾基亞能否推出更多高端智能電話型號，令其扭轉局勢，提升市場份額。

本集團為使業務得以多元化發展，一直積極物色將進一步提升股東價值之商機。由於本集團已從事相關移動電話行業數十載，加上移動電話相關業務擁有龐大可持續發展潛力，移動電話操作系統及移動互聯網勢為本集團矢志發展之業務重點。

Chairman's Statement

主席報告書

Recently, we have acquired 6.25% equity interest in Jolla Oy which is a Finland company specialized in mobile phone operating system development. Its coming innovative and brand new mobile phone operating system can surely bring new impact to the market.

For our mining business, the downturn in demand for minerals and cyclic fluctuations in the industry have dramatically and adversely affected our construction plan while we are in the mid-way in developing a new mining site exploitation system. The road ahead for our mining business won't be straight and easy, but full of obstacles and uncertainties. We will certainly stay the course and solve all the problems encountered.

OPPORTUNITIES AND CHALLENGES

The world becomes even more and more challenging nowadays, so as the mobile phone industry in the PRC. The PRC is one of the strongest countries in terms of economic performance, and with its huge internal consumption and room for expansion. Though with keen competition, development potential is still enormous. The Group will continue to strengthen our existing relationship with the leading manufacturer to look for further cooperation opportunities.

With a view to diversify the business of the Group, the Group is actively looking for opportunities which will further enhance the shareholders' value.

APPRECIATION

Finally, I wish to sincerely thank our employees and business partners for their continued dedication and commitment to the Group, and I would like to express my appreciation to our financial institutions, shareholders and investors for their continuing supports and trust towards the Group.

Lau Siu Ying

Chairman and Chief Executive Officer

Hong Kong, 26th March, 2013

近期，本集團已收購Jolla Oy 6.25%股本權益。Jolla Oy為一家芬蘭公司，專門從事移動電話操作系統開發。其具創意之嶄新移動電話操作系統勢將肯定為市場帶來新景象。

採礦業務方面，本集團正在建設新礦場開採系統中碰上礦產需求倒退及業內週期性波動，建設計劃受到嚴重不利影響。在我們採礦業務前面的並非一片坦途，而是處處險阻與暗湧。然而，本集團定必堅持不懈，突破道道難關。

機會與挑戰

現時，全球經濟和中國移動電話市場所面對的困難日益加劇。中國擁有龐大內部消費和增長空間，是世界經濟強國之一，即使競爭十分激烈，仍有巨大發展潛力。本集團會不斷加強與領先製造商的現有關係，爭取更多合作機會。

本集團正積極物色可進一步提升股東價值之商機，使業務更多元化發展。

致謝

最後，本人謹藉此機會，衷心感謝各僱員及業務夥伴一直對本集團傾力襄助，並謹此就各財務機構、股東及投資者對本集團之鼎力支持及信賴致謝。

劉小鷹

主席兼首席執行官

香港，二零一三年三月二十六日

Management Discussion and Analysis

管理層討論與分析

REVIEW AND OUTLOOK

Financial Review

Being a fulfillment distributor for Nokia Stores in the People's Republic of China ("PRC") since 2006, our turnover continued to drop in the same trend with Nokia in the year, leading to a loss of HK\$12.4 million incurred in this business segment, as compared to a segment profit of HK\$35.0 million in last year. For our mining business which underwent development and construction of a new mining exploitation system throughout the year, exploitation of minerals was minimal. Owing to a revised forecast adopted in the year for the valuation of mining right, an impairment loss on mining right of HK\$60.8 million was recognised in the year, with details set out below in the section of "Overall Review of Mining". By offsetting with a HK\$15.2 million deferred tax credit associated with this mining right impairment, the net effect of this impairment to the financial result in this year was HK\$45.6 million. In aggregate, the Group incurred a loss of HK\$69.9 million in this year, as compared to a profit of HK\$11.2 million in last year.

The Group recorded a substantial drop in the consolidated revenue from HK\$1,765.9 million in last year to HK\$623.0 million in this year. The gross profit amounted to HK\$13.7 million, a decrease when compared to the last year of HK\$61.3 million. The gross margin percentage during the year was 2.2% which was lower than the last year of 3.5% due to the worsened gross margin achieved in the fulfillment distribution business in this year. The other gains and losses in this year consisted a one-off impairment loss recognised in respect of interest in an associate amounted to HK\$0.9 million, and an impairment loss recognised in respect of trade receivable for a customer amounted to HK\$3.3 million.

The selling and distribution costs amounted to HK\$10.8 million when compared to the last year of HK\$14.9 million as the overall revenue achieved during the year was comparably much lower than the last year in the fulfillment distribution business for Nokia Stores. The administrative expenses amounted to HK\$27.0 million, a decrease when compared to the last year of HK\$31.8 million mainly due to reduced staff number and so as the staff costs incurred in the year.

回顧及前景

財務回顧

自二零零六年起獲委任為諾基亞專賣店在中華人民共和國（「中國」）之配送貨運分銷商，本集團之營業額於年內繼續與諾基亞一同向下，導致此業務分部產生虧損12,400,000港元，而去年則錄得分部溢利35,000,000港元。本集團之採礦業務於年內一直在發展及建設新礦地開採系統，產出少量礦物。由於年內就採礦權估值採納經修訂之預算，年內確認採礦權之減值虧損為60,800,000港元，詳情載於下文「礦業整體回顧」一節。抵銷與此採礦權減值相關之遞延稅項抵免15,200,000港元後，是項減值對本年度財務業績之淨影響為45,600,000港元。綜合計算，本集團於本年度產生虧損69,900,000港元，而去年則錄得溢利11,200,000港元。

本集團之綜合收益由上年度之1,765,900,000港元大幅下跌至本年度之623,000,000港元。毛利為13,700,000港元，較上年度之61,300,000港元有所減少。年內之毛利率由上年度之3.5%下跌至2.2%，此乃由於本年度配送貨運分銷業務之毛利率轉差所致。年內其他收益及虧損中包括就一家聯營公司之權益確認之一次過減值虧損900,000港元，以及就應收一名客戶之貿易賬款確認之減值虧損3,300,000港元。

年內，銷售及分銷成本為10,800,000港元，而上年度則為14,900,000港元，此乃由於諾基亞專賣店配送貨運分銷業務之整體收益較上年度顯著減少。行政費用為27,000,000港元，較上年度之31,800,000港元減少，主要由於年內員工人數減少，因而減省員工成本。

Management Discussion and Analysis

管理層討論與分析

As far as the mobile phone retail chain and wholesale business in Zhuhai was concerned, the revenue achieved during the year amounted to HK\$238.7 million, increased by 447% as compared with last year of HK\$43.6 million. However, owing to the fierce competitive business environment this retail chain facing, the Group still shared a loss from it during this year. The Group shared a net loss of HK\$106,000 from the result of an associate during the year as compared to a net gain of HK\$5,000 in last year. As the performance of this associate was unpromising so far since this associate was invested by the Group, an impairment loss was recognised in it in the year.

The finance costs decreased from HK\$6.5 million in last year to HK\$1.3 million in this year. There was an interest expense for promissory notes amounted to HK\$3.9 million in last year but no such interest incurred in this year.

The net asset value of the Group attributable to owners of the Company as at 31st December, 2012 amounted to HK\$273.8 million or HK\$0.33 per share when compared to HK\$314.8 million or HK\$0.38 per share as at 31st December, 2011. The basic loss per share was 5.34 Hong Kong cents as compared to the basic earnings per share of 1.94 Hong Kong cents in last year.

As at 31st December, 2012, the Group's aggregate other borrowings amounted to HK\$15.4 million when compared to HK\$15.3 million as at 31st December, 2011, which was maintained at a similar level.

The gearing ratio of the Group, defined as the ratio of the total long term liabilities to the shareholder's equity, was 0.35 as at 31st December, 2011 and 2012.

有關珠海移動電話零售鏈及批發業務方面，於年內錄得收益為238,700,000港元，較上年度之43,600,000港元上升447%，惟鑑於此零售鏈之營商環境面對激烈競爭，本集團本年度仍需攤分其產生之虧損。本集團年內分佔一家聯營公司業績之淨虧損為106,000港元，而上年度則為淨收益5,000港元。由於自本集團投資於此家聯營公司以來其表現一直未如理想，故於年內確認相關減值虧損。

本年度之融資成本由上年度之6,500,000港元減至1,300,000港元。上年度有承兌票據之利息開支3,900,000港元，惟本年度並無產生有關利息。

於二零一二年十二月三十一日，本公司擁有人應佔本集團資產淨值達273,800,000港元或每股0.33港元，而於二零一一年十二月三十一日則為314,800,000港元或每股0.38港元。每股基本虧損為5.34港仙，而上年度則為每股基本盈利1.94港仙。

於二零一二年十二月三十一日，本集團之其他借貸總額為15,400,000港元，而於二零一一年十二月三十一日則為15,300,000港元，水平相若。

於二零一一年及二零一二年十二月三十一日，本集團負債資產比率（長期負債總額對股東權益之比率）為0.35。

Management Discussion and Analysis

管理層討論與分析

The total cash and cash equivalents amounted to HK\$89.4 million as at 31st December, 2012 without any deposit pledged to banks. The Group is financed by a combination of its equity capital, cash flow generated from its operation and other borrowings. During the year, there was no material change in the funding and treasury policy of the Group. The Group considers there is no material potential currency exposure as the majority of its revenue and expenses are derived and incurred all in Renminbi in the PRC. It is the treasury policy of the Group to manage its foreign currency exposure whenever its financial impact is material to the Group.

The inventories of the Group as at 31st December, 2012 amounted to HK\$32.9 million, when compared to HK\$132.4 million as at 31st December, 2011, mainly since less inventories kept for the fulfillment distribution business for Nokia Stores as driven by a reduced turnover volume in the year. The inventory turnover period was 34 days in this year when compared to 36 days of last year. The Group will continue to apply strict policy in inventory control in the future.

The amount of trade and other receivables as at 31st December, 2012 was HK\$45.0 million, when compared to HK\$59.9 million as at 31st December, 2011. Trade receivables mainly comprised receivables from the fulfillment distribution business for Nokia Stores. In order to minimize the credit risk for the trade receivables, the Group has implemented strict control on the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the revenue generated from the fulfillment distribution business for Nokia Stores is mainly on cash basis which further reduces the credit risk of the Group.

於二零一二年十二月三十一日之現金及現金等價物總額為89,400,000港元，並無任何存款質押予銀行。本集團同時透過股本、經營業務所得現金流及其他借貸等方式籌集資金。年內，本集團融資及庫務政策並無重大轉變。本集團認為，由於本集團收益及支出大部分來自中國並均以人民幣作出，故此並無潛在重大貨幣風險。本集團之庫務政策為管理對本集團有重大財務影響之外幣風險。

本集團於二零一二年十二月三十一日之存貨金額為32,900,000港元，而於二零一一年十二月三十一日則為132,400,000港元，主要由於年內營業額下降促使諾基亞專賣店配送貨運分銷業務之存貨減少。本年度之存貨周轉期為34天，而上年度則為36天。本集團日後將繼續實施嚴格存貨控制政策。

於二零一二年十二月三十一日，應收貿易賬款及其他應收賬款為45,000,000港元，而於二零一一年十二月三十一日則為59,900,000港元。應收貿易賬款主要包括諾基亞專賣店配送貨運分銷業務之應收賬款。為降低應收貿易賬款之信貸風險，本集團一直嚴格控制信貸限額之釐定及信貸額之批核，並設有其他監管程序，以確保能跟進追討過期債務。此外，諾基亞專賣店之配送貨運分銷業務所得收益主要以現金結算，可進一步降低本集團之信貸風險。

Management Discussion and Analysis

管理層討論與分析

As at 31st December, 2012, the Group had in total 159 employees as compared to 224 employees as at 31st December, 2011. Employees were remunerated according to the nature of their job duties and market trend. The Group provided staff welfare and fund contribution to its employees in accordance with the prevailing regulations in the PRC and Hong Kong. There was no material change in the remuneration policy, bonus scheme and share option scheme during the year. The Group has a share option scheme under which the Company may grant share options to the participants, including directors and employees, to subscribe for shares of the Company.

Overall Review of Mining

We commenced developing a new mining site exploitation system in our Strontium mining site since 2010. After the expiration of a five-year mining operating permit on 25th September, 2012, Sifa Mining obtained a two-year renewed one, in which Sifa Mining is restricted to exploration activities over the mining site only. After further submissions of relevant technical documentations to the Ministry of Land and Resources of the PRC for fulfilling exploitation requirements, a restriction-free mining operating permit can be renewed on or before the expiry of this two-year permit. No material and significant adverse effect in Sifa Mining's operation is foreseen with this exploitation restriction, since the mining site is undergoing the new exploitation system construction stage without normal exploitation activities scheduled in the relevant period, and a further renewal of a restriction-free mining operating permit is assessed to be procedural. However, the development plan and construction progress in this new system had been inevitably and adversely affected by the downturn of the global mineral resources demand in the second half of the year and up to the current moment. Although it is expected that the downturn is temporary and only being a normal cyclic adjustment in the industry, the management proceeded in a prudent way to restructure the overall construction schedule of this new mining system, by readjusting construction speed and time schedule for matching the industry cycle accordingly.

於二零一二年十二月三十一日，本集團共聘用159名僱員，而於二零一一年十二月三十一日則有224名僱員。僱員薪酬按彼等之職責性質及市場趨勢而定。本集團根據中國及香港之現行規例向僱員提供員工福利及退休金供款。年內，薪酬政策、花紅計劃及購股權計劃並無重大變更。本集團已制訂購股權計劃，據此，本公司可向參與者（包括董事及僱員）授出可認購本公司股份之購股權。

礦業整體回顧

本集團自二零一零年開始於旗下鋇礦場建設新礦場開採系統。於五年期採礦許可證於二零一二年九月二十五日到期後，鋇發礦業已為採礦許可證續期兩年，據此，鋇發礦業被限制只可於礦場進行勘探活動。當達成開採規定而向中國國土資源部進一步提交相關技術文件後，可於此兩年期許可證到期或之前取得不受限制的採礦許可證。由於礦場正在建設新開採系統，於有關期間並無預訂正常開採活動，而經評估後，進一步重續不受限制採礦許可證屬程序性質，因此，預期此開採限制不會對鋇發礦業的營運造成嚴重及重大不利影響。然而，由於全球礦產資源需求由本年度下半年起至今持續倒退，此新系統之建設規劃及施工進度無可避免受到不利影響。儘管預期不景氣屬暫時性質，僅為業內之正常週期性調整，管理層已採取審慎措施，重新調節施工速度及時間表，重新新採礦系統之總體施工進度，以配合行業週期。

Management Discussion and Analysis

管理層討論與分析

We engaged independent professional valuers to conduct annual valuation review since our first recognition of this mining right in Year 2009, which was recognised as RMB368.0 million. We adopted the multi-period excess earning method under the income approach since the initial recognition of this mining right in Year 2009 and up to Year 2012, which is regarded to be the most appropriate approach in valuing a mining operation as it considers future growth potential of a mining asset. Discounted cash flow ("DCF") analysis is applied for reaching the present values of all future cash flows. Key assumptions and inputs adopted in the cash flow projections were reviewed and updated in every annual valuation process for accessing any impairment concern in the carrying value of the mining right.

In this year, the DCF analysis adopted cash flow projection for a period of 46 years up to 2058 (2011: 45 years up to 2056), being the years required for full exploitation of mineral reserves. The discount rate and growth rate adopted were 17.7% (2011: 16.46%) and 3.0% (2011: 3.22%) respectively. The recoverable amount of the mining right was calculated to be RMB327.4 million (2011: RMB382.4 million), when compared to the carrying value of RMB367.4 million as at 31st December, 2012. After taking together Sifa Mining's carrying value of property, plant and equipment amounted to RMB9.5 million together into account, we took the view that the recoverable amount of this cash-generating unit of the mining business was lower than its carrying value at 31st December, 2012. Accordingly, a shortfall of RMB49.5 million (equivalent to HK\$60.8 million) was recognised as impairment loss on mining right in this year. By offsetting with a RMB12.4 million (equivalent to HK\$15.2 million) deferred tax credit associated with this mining right impairment, the net effect of this impairment to the financial result in this year was RMB37.1 million (equivalent to HK\$45.6 million).

本集團自二零零九年度首次確認此採礦權（確認金額為人民幣368,000,000元）起，已委聘獨立專業估值師進行年度估值檢討。本集團自二零零九年度首次確認此採礦權起截至二零一二年，一直根據收入法採用多期超額盈利率。由於此方法會考慮礦業資產之未來增長潛力，因此，本集團相信此乃最合適之採礦業務估值方法。本集團亦利用貼現現金流量（「貼現現金流量」）分析以達致所有未來現金流量之現值。現金流量預測所採納之主要假設及輸入數據，會於每年進行估值程序評估採礦權賬面值之減值考慮時加以檢討及更新。

於本年度，貼現現金流量分析採用截至二零五八年為期46年（二零一一年：截至二零五六年為期45年）（即全面開採礦物儲量所需之年期）之現金流量預測，而所用之貼現率及增長率分別為17.7%（二零一一年：16.46%）及3.0%（二零一一年：3.22%）。計算所得之採礦權可收回金額為人民幣327,400,000元（二零一一年：人民幣382,400,000元），而於二零一二年十二月三十一日之賬面值則為人民幣367,400,000元。連同鋸發礦業之物業、廠房及設備賬面值人民幣9,500,000元一併考慮後，本集團認為，採礦業務此現金產生單位之可收回金額低於其於二零一二年十二月三十一日之賬面值。故此，年內已將差額人民幣49,500,000元（相等於60,800,000港元）確認為採礦權之減值虧損。抵銷與此採礦權減值相關之遞延稅項抵免人民幣12,400,000元（相等於15,200,000港元）後，是項減值對本年度財務業績之淨影響為人民幣37,100,000元（相等於45,600,000港元）。

Management Discussion and Analysis 管理層討論與分析

We have engaged an independent professional valuer, Cushman & Wakefield Valuation Advisory Services (HK) Limited (“Cushman”), for their profession valuation service in this year. The major significant change in the result of the DCF analysis in this year was caused by the change in discount rate adopted for computing the present values of future cash flows. After considering the latest status of the industry and the deferred construction progress of the new mining site exploitation system in the mining site, Cushman imposed risk premiums into the computation of discount rate in this year and a higher discount rate was computed and adopted. The discount rate in this year was 17.7%, only a bit higher than the one of 16.46% as adopted in last year, but the discounting effect imposed by this increment in discount rate was significant since the length of cash flow projection was long, up to 46 years. Besides, changes in various factors, like the re-scheduling and deferral of annual outputs of minerals in early years of the cash flow projection after taking the exploitation restriction in the current mining permit and recent downturn in demand for minerals into consideration, changes in various operating costs and changes in budgets for capital expenditure adopted in the DCF analysis reduced cash inflows in early years of the cash flow projection and then led to significant reductions in total recoverable amount of the mining right after discount. As a result, a lower recoverable amount of the mining right as at 31st December, 2012 was computed and an impairment loss of HK\$60.8 million was recognised in this year.

於本年度，本集團已委聘獨立專業估值師高緯評值及專業顧問有限公司（「高緯」）提供專業估值服務。於本年度，貼現現金流量分析之主要重大變動乃因計算未來現金流量現值所用貼現率有變所致。經考慮最新行業情況及礦場之新礦場開採系統建設進度受阻，高緯於計算本年度之貼現率時加入多項風險溢價，因而計算出並採用較高之貼現率。雖然本年度之貼現率為17.7%，僅略高於去年所用之16.46%，然而，基於現金流量預測年期長達46年，貼現率增加造成重大貼現影響。此外，多項因素變動，如經考慮目前採礦許可證之開採限制及近期礦產需求倒退，早年現金流量預測中礦產年產量已經重新調整及延後，以及多項經營成本變動及貼現現金流量分析所用資本開支之預算變動，均令早年現金流量預測中所有現金流入減少，因而令採礦權於貼現後之可收回總額亦大幅減少。因此，計算得出採礦權於二零一二年十二月三十一日之可收回金額有所降低，並於本年度確認減值虧損60,800,000港元。

Management Discussion and Analysis

管理層討論與分析

OPERATIONAL REVIEW

Market Overview

According to the statistics released by the Ministry of Industry and Information Technology of the People's Republic of China ("MIIT"), there were more than 1.1 billion subscribers to mobile phone services in the PRC as at the end of January 2013, equivalent to a penetration rate of 82.6 users per 100 persons. While there are continuing intense competitions among the major mobile phone manufacturers in the PRC, they are trying to cut the distribution layers by directly supplying to the provincial distributors and leading retailers with a view to increase their profitability. Because of this, leading vendors have developed multi-channel distribution models which include "national distribution", "provincial distribution", "direct to retail" and "direct to operator".

As one of the integrated fulfillment distributors in the PRC, the Group provides all necessary services, which include but not limited to transaction handling, credit financing, delivery, rebate execution, stock buffering and B2B system integration, etc. In return, the Group receives a contractual margin, as well as various rebates as its service income. This business model is more transparent, allowing the buyers, the suppliers and the Group to share common information and enhances the efficiency of all the activities of the value chain.

營運回顧

市場概覽

根據中華人民共和國工業和信息化部（「工業和信息化部」）發佈之統計數據，於二零一三年一月底，中國之移動電話服務用戶人數超過11億人，普及率為每100人有82.6名用戶。隨着競爭不斷加劇，中國各大移動電話製造商正試圖通過直接向省級分銷商及主要零售商供貨而減少分銷層數，以增強盈利能力。因此，大廠商已創出多渠道分銷模式，包括「全國分銷」、「省級分銷」、「直達零售」及「直達營運商」。

作為中國綜合配送貨運分銷商之一，本集團提供一切必要服務，包括但不限於交易處理、信貸融資、付運、回扣執行、庫存緩轉和B2B系統集成等。本集團會收取約定利潤及多種回扣作為服務收入。該業務模式透明度較高，讓買家、供應商與本集團可共享資訊及提高價值鏈內所有業務之效率。

Management Discussion and Analysis

管理層討論與分析

Business Review

Handset Distribution

Nokia, who was the biggest mobile phone manufacturer for over a decade, lost its market share in the mobile phone industry substantially to Apple Inc. and various brands of handsets with the Android platform in these few years. Changes in handset application habit of consumers turn popular handsets from mobile-phone-based into smartphone-based. In view of this, without launching the popular Android-based smartphone, Nokia decided to collaborate with Microsoft Windows Phone in 2011. Nevertheless, the market has been expecting the new Nokia handsets with Windows 8 system long enough, and which were eventually launched in late 2012. The market still needs further time to see whether more high-end smartphone models from Nokia can turn it around to increase its market share.

The Group has been a distributor of Nokia handsets since incorporation. So the recent situation of Nokia directly and substantially led to a downturn of revenue of the Group in the year. The Group paid special attention and efforts in mitigating the effect and risks in the Nokia Store fulfillment distribution business by lowering the inventory level to a minimal amount. The management will keep monitoring this business segment and take timely and appropriate action when necessary.

Investment in mobile phone operating system

On 29th December, 2012, the Group subscribed a convertible bond issued by Jolla Oy, which is a newly established company in Finland and engaged in mobile phone operating system development. After full conversion of the convertible bond into shares of Jolla Oy and together with further subscriptions, the Group acquired approximately 6.25% equity interest in Jolla Oy with an aggregate consideration of HK\$10.2 million in March 2013. Although Jolla Oy is a newly established company in Finland, its team consists of well-experienced programmers and developers of mobile phone operating system. Jolla Oy's coming innovative and brand new mobile phone operating system is expected to bring new impact and opportunity to the market.

業務回顧

移動電話分銷

於過去十年，儘管諾基亞為最大移動電話製造商，但其於移動電話業之市場份額於最近數年已大幅流向Apple Inc.及裝設安卓平台之不同手機品牌。消費者之手機應用習慣轉變，逼使熱門手機由以移動電話為本轉變為以智能電話為本。有鑑於此，諾基亞不推出熱賣以安卓為主之智能電話，而於二零一一年決定與微軟Windows Phone合作。然而，市場對配置視窗8系統之新諾基亞手機一直引頸以待，而最終於二零一二年年底推出。市場仍需要更長時間觀望諾基亞推出更多高端智能電話型號，能否扭轉局勢，提升市場份額。

本集團自註冊成立以來一直為諾基亞手機之分銷商。因此，諾基亞之近況直接及重大地引致本集團年內之收益下降。本集團已特別注視有關情況，並盡量降低存貨水平，以致力消滅諾基亞專賣店配送貨運分銷業務承受之影響及風險。管理層將密切監察此業務分部，於必要時採取及時適當的行動。

投資於移動電話操作系統

於二零一二年十二月二十九日，本集團認購Jolla Oy發行之可換股債券。Jolla Oy是一家於芬蘭新成立之公司，業務為移動電話操作系統開發。於將可換股債券悉數轉換為Jolla Oy之股份連同進一步認購後，本集團於二零一三年三月收購Jolla Oy約6.25%股本權益，總代價為10,200,000港元。儘管Jolla Oy是一家於芬蘭新成立之公司，但其團隊由經驗豐富之移動電話操作系統程式員及開發人員組成。Jolla Oy具創意之嶄新移動電話操作系統預期會為市場帶來新景象及機遇。

Management Discussion and Analysis

管理層討論與分析

Prospect and Outlook

The continued economic growth in the PRC is fuelled by a high internal consumption. As the world's biggest handset market, there were more than 1.1 billion handset subscribers in the PRC with an annual growth rate of around 10% in terms of new subscribers and replacements. There were over 21.9% 3G users out of the total subscribers, and forecasted to increase much further in the near future. On the other hand, there were more than 787 million mobile Internet users which implies that there are huge business opportunities in both mobile application and mobile commerce. Since the Group has been in the related mobile phone industry for decades, mobile phone operating system and mobile internet would be surely the key business areas that the Group is interested in. So besides the recent investment in Jolla Oy, the Group is actively looking for further opportunities which will further enhance the shareholders' value.

Besides as mentioned above for our mining business, the road ahead for this business is not straight and easy, but full of obstacles and uncertainties. Nevertheless, we will certainly stay the course, solve all the problems encountered and maximize the interest of the Group and the shareholders in it.

前景及展望

龐大內銷市場為中國經濟帶來持續增長動力。作為全球最大移動電話市場，中國移動電話用戶人數超過11億人，按新用戶及更換手機量計算，年增長率約為10%。用戶總數中逾21.9%為3G用戶，且預料將於不久將來進一步大幅增長。另一方面，移動電話互聯網用戶人數超過787,000,000人，反映移動電話應用程式及移動商務市場商機龐大。由於本集團從事相關移動電話行業數十載，移動電話操作系統及移動互聯網勢將為本集團矢志發展之業務重點。因此，除近期於Jolla Oy之投資外，本集團正積極物色將進一步提升股東價值之其他商機。

除上文所述有關本集團採礦業務者外，在此業務前面的並非一片坦途，而是處處險阻與暗湧。然而，本集團定必堅持不懈，突破道道難關，為本集團及其股東爭取最大利益。

Directors and Senior Management Profile

董事及高級管理人員簡介

DIRECTORS

Executive Directors

Mr. LAU Siu Ying, aged 49, is the founder, Chairman and Chief Executive Officer of the Company since 1992. Mr. Lau has extensive working experiences in the telecommunications industry for over 20 years and has established solid business contacts in both Hong Kong and the PRC. Mr. Lau is responsible for directing the Group's overall business policy and strategies as well as overseeing the Group's business development in Hong Kong and the PRC. Prior to setting up his business, Mr. Lau worked for Hutchison Whampao Group for approximately 5 years, in charge of the business development of the telecommunications in the PRC. Mr. Lau holds a bachelor degree in Business Administration from the Chinese University of Hong Kong and a Master of Science degree in Information Technology from the National University of Ireland, Dublin.

Mr. Lau is currently the trustee in New Asia College of The Chinese University of Hong Kong and the Board Councilor of China Mobile Communications Association. In the aspects of social and economic activities, Mr. Lau is devoted to promoting economic and educational development. He served as the vice president of the Hong Kong Association of Jieyang, the honorary president of Shanghai Chaoshan Chamber of Commerce, the committee member of the Chinese People's Political Consultative Conference in Yunfu city, Guangdong province of the PRC, Hong Kong and Macau Director of the Dongguan City Youth Federation and the vice president of Hong Kong Island Chaoren Association Limited.

Mr. LUO Xi Zhi, aged 55, joined the Group in October 1995 and was appointed as an Executive Director of the Company in September 2002. Mr. Luo is also the Financial Controller of the Group's PRC operation. Mr. Luo holds a certificate in Accounting from the Finance Academy of Jiangxi Province. Mr. Luo has over 20 years of financial and accounting experience in the PRC. Prior to joining the Group in 1995, Mr. Luo was the chief accountant for Zhaoqing Sz Di Telecom Co., Ltd.

董事

執行董事

劉小鷹先生，49歲，自一九九二年起為本公司創辦人、主席兼首席執行官。劉先生已從事電信行業逾20年，於行內取得豐富經驗，且於香港及中國建立穩固業務聯繫。劉先生負責制定本集團之整體業務政策及策略，並監督本集團於香港及中國之業務發展。劉先生在建立其個人事業之前，曾於香港和記黃埔集團工作約5年，主要負責於中國電信市場之業務發展。劉先生持有香港中文大學工商管理學士學位及位於都柏林的愛爾蘭國立大學資訊科技碩士學位。

劉先生現任香港中文大學新亞書院之校董，並為中國移動通訊聯合會常務理事。在社會和經濟活動方面，劉先生熱心推動經濟及教育發展；他歷任香港揭陽同鄉會副會長、上海潮汕商會名譽會長、中國人民政治協商會議廣東雲浮市委員、東莞市青年聯合會港澳常委及香港區潮人聯會副會長。

羅習之先生，55歲，於一九九五年十月加盟本集團，於二零零二年九月獲委任為本公司執行董事。羅先生亦為本集團中國業務之財務總監。羅先生持有江西省財經學院之會計學證書。羅先生於中國財務及會計方面擁有逾20年之經驗。羅先生於一九九五年加入本集團前為肇慶斯迪通訊有限公司首席會計師。

Directors and Senior Management Profile

董事及高級管理人員簡介

Mr. WANG Yu, aged 47, joined the Group in April 2006 and was appointed as an Executive Director of the Company in November 2009. Mr. Wang is the General Manager of a subsidiary of the Company and in-charge of the mining business segment of the Company. Mr. Wang graduated from Xi'an Jiaotong University with a master degree and a bachelor degree in Computer Science. Mr. Wang has more than 10 years working experiences in channel and distribution management on computer products and mobile phones with local and multinational companies in the PRC. Prior to joining the Group, Mr. Wang was a General Manager of a listed company in the PRC focusing on IT business.

Independent Non-executive Directors

Mr. CHANG Wing Seng, Victor, aged 75, last held the position of Managing Director of APCG Business Pte. Limited. Prior to this, Mr. Chang was the Managing Director of Singapore Technologies Telecommunications (Beijing) Pte. Ltd. based in Beijing for 2 years. Mr. Chang had held various senior management positions over 25 years with the Singapore Technologies Group, mainly as the Director of Finance. Mr. Chang was a graduate in Accounting from the Royal Melbourne Institute of Technology, Melbourne, Australia and the Institute of Chartered Accountants in Australia. Mr. Chang had also completed the Program for Management Development at the Harvard University Graduate School of Business Administration. Mr. Chang was a certified public accountant in both Singapore and Australia. Mr. Chang was appointed as an Independent Non-executive Director of the Company in October 1999.

Mr. WONG Lit Chor, Alexis, aged 54, graduated from the University of Toronto, Canada in 1981 with a bachelor degree in Arts majoring in economics and commerce and has obtained a master degree in Business Administration from the Chinese University of Hong Kong in 1987. Mr. Wong has over 30 years of banking, investment, corporate finance and securities dealing experience gained from working as a senior executive in a number of listed local and PRC financial services companies. Mr. Wong is also an independent non-executive director of a company listed on the Main Board of the Stock Exchange of Hong Kong. Mr. Wong was appointed as an Independent Non-executive Director of the Company in September 2006.

王愚先生，47歲，於二零零六年四月加盟本集團，並於二零零九年十一月獲委任為本公司執行董事。王先生為本公司一附屬子公司之總經理，負責本公司之採礦業務。王先生畢業於西安交通大學，持有電腦科學碩士及學士學位。王先生在中國之本地及跨國公司之電腦產品及移動電話渠道分銷管理方面積逾10年工作經驗。於加盟本集團前，王先生曾在中國一間上市公司出任總經理，主要負責資訊科技業務。

獨立非執行董事

鄭永勝先生，75歲，上一份工作職位為APCG Business Pte. Limited董事總經理。鄭先生之前為北京Singapore Technologies Telecommunications (Beijing) Pte. Ltd.的董事總經理達2年。鄭先生於Singapore Technologies Group工作超過25年，曾擔任不少高級管理層職位（主要為財務總監）。鄭先生畢業於澳洲墨爾本Royal Melbourne Institute of Technology及澳洲Institute of Chartered Accountants會計系。鄭先生已完成哈佛大學商學院之管理發展課程。鄭先生前為新加坡及澳洲執業會計師。鄭先生於一九九九年十月獲委任為本公司之獨立非執行董事。

黃烈初先生，54歲，於一九八一年在加拿大多倫多大學畢業，持有經濟及商貿學學士，並於一九八七年在香港中文大學取得工商管理碩士學位。黃先生曾於數家香港及中國的上市金融服務公司出任高級行政人員，於銀行業務、投資、企業融資及證券交易等方面擁有逾30年經驗。黃先生亦為香港聯合交易所一間主板上市公司之獨立非執行董事。黃先生於二零零六年九月獲委任為本公司之獨立非執行董事。

Directors and Senior Management Profile 董事及高級管理人員簡介

Dr. LAW Chun Kwan, aged 47, was appointed as an Independent Non-executive Director of the Company in June 2012. Dr. Law has extensive working experience in various business fields including advertising, telecommunications, information technology and real estate development in both Hong Kong and the PRC. Dr. Law is presently engaged in real estate development business in the PRC. Dr. Law holds a bachelor degree of social science from the Chinese University of Hong Kong, a master degree of e-business and a doctorate degree of business administration in information systems from the Edith Cowan University, Western Australia.

COMPANY SECRETARY

Mr. LAM Man Kit, aged 37, was appointed as the Company Secretary of the Company in February 2010. Mr. Lam is also the Financial Controller of the Group and the authorised representative of the Company. Mr. Lam graduated with a bachelor degree of Business Administration from the University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in January 2007, Mr. Lam has years of financial and audit experiences in Hong Kong and the PRC.

羅振坤博士，47歲，於二零一二年六月獲委任為本公司之獨立非執行董事。羅博士於中港多個行業上擁有豐富經驗，其中包括廣告、電訊、資訊科技及房地產開發等。羅博士現從事中國房地產開發業務。羅博士持有香港中文大學社會科學學士學位，以及位於西澳洲的Edith Cowan大學的電子商業碩士學位及工商管理博士（資訊系統）學位。

公司秘書

林文傑先生，37歲，於二零一零年二月獲委任為本公司之公司秘書。林先生並為本集團之財務總監及本公司之授權代表。林先生於香港大學畢業，持有工商管理學士學位，並為特許公認會計師公會之資深會員及香港會計師公會會員。林先生於二零零七年一月加盟本集團前，在香港及中國擁有多年財務及核數經驗。

Corporate Governance Report

企業管治報告書

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance with a view to assuring the integrity, transparency and quality of disclosure to protect the interests of all shareholders. The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices (the "Former CG Code") which was subsequently revised as the Corporate Governance Code (the "Revised CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and came into full effect on 1st April, 2012.

During the year ended 31st December, 2012, the Company has complied with most of the Code Provisions of the Former CG Code for the period from 1st January, 2012 to 31st March, 2012 and of the Revised CG Code for the period from 1st April, 2012 to 31st December, 2012, except for the deviations as stated in paragraph headed "Chairman and Chief Executive Officer" and "Re-election of Directors".

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure the business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company during the year under review.

Having made specific enquiry with all Directors, each of whom has confirmed that he has complied with the required standard as set out in the Model Code for the year ended 31st December, 2012. The Model Code also applies to other specified senior management of the Group.

企業管治常規

董事會致力維持高度企業管治，務求確保所披露資料之完整性、透明度及質素，從而保障所有股東之利益。本公司之企業管治常規以香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「前企業管治守則」），其後修訂為於二零一二年四月一日全面生效之企業管治守則（「經修訂企業管治守則」）之原則及守則條文（「守則條文」）為依據。

截至二零一二年十二月三十一日止年度，本公司一直遵循前企業管治守則（於二零一二年一月一日至二零一二年三月三十一日期間）及經修訂企業管治守則（於二零一二年四月一日至二零一二年十二月三十一日期間）之大部分守則條文，惟與「主席及首席執行官」及「重選董事」兩段有所偏離。

董事會將不斷檢討及改善本公司之企業管治常規及標準，確保業務運作及決策程序獲得適當及審慎規管。

董事之證券交易

回顧年內，本公司已就其董事進行之證券交易採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。

向全體董事作出特定查詢後，各董事已確認於截至二零一二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。本集團其他指定高級管理人員亦適用標準守則。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS

Overall accountability

Members of the Board are individually and collectively accountable to the shareholders for the success and sustainable development of the Company. The Board provides direction and approval in relation to matters concerning the Company's business strategies, policies and plans whilst the day-to-day business operations are delegated to the executive management. The Board is accountable to the shareholders and in discharging its corporate accountability, every Director of the Company is required to pursue excellence in the interests of the shareholders and fulfill his fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

Board composition

The Board currently comprises three Executive Directors and three Independent Non-Executive Directors of whom all are independent as defined under the Listing Rules. Independent Non-executive Directors constitute more than one-third of the Board. The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that all Independent Non-executive Directors are independent. To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the members of the Board. Brief biographical particulars of the Directors are set out on pages 19 to 21.

Re-election of directors

All Non-executive Directors of the Company are not appointed for a specific term as stipulated under the provision A.4.1 of the Revised CG Code but are subject to retirement by rotation in accordance with the Company's Bye-laws. In accordance with the relevant provisions in the Bye-laws of the Company, if the appointment of Directors is made by the Board, the Directors so appointed must stand for election by the shareholders at the first annual general meeting following their appointments and all Directors, except the Chairman, must stand for re-election by the shareholders by rotation. Separate resolutions are proposed for the election of each director.

董事會

整體問責

董事會成員個別及共同就本公司之成功及持續發展向股東負責。董事會指導及審批本公司業務策略、政策及規劃等事宜，日常業務運作則委派行政管理人員處理。董事會向股東負責，而履行其企業問責時，本公司各董事須竭誠盡心以股東利益行事，並按照符合法定規定之標準應用必要水平之技能，謹慎盡忠地履行其董事受信責任。

董事會組成

董事會現時成員包括三名執行董事及三名獨立非執行董事，而後者全部均為上市規則所界定之獨立人士。獨立非執行董事構成董事會超過三分之一人數。本公司已收到各獨立非執行董事根據上市規則第3.13條所載之獨立地位指引就其獨立性所發出之年度確認書，且認為全體獨立非執行董事均具獨立地位。據本公司所深知，董事會成員之間並無財務、業務、家屬或其他重大／相關關係。董事之簡歷載於第19至第21頁。

重選董事

本公司所有非執行董事之委任並無根據經修訂企業管治守則第A.4.1條之規定指定任期，惟彼等須根據本公司之公司細則輪流退任。根據本公司之公司細則相關條文，倘董事由董事會委任，則獲委任之董事必須於獲委任後首屆股東週年大會上由股東推選，而除主席外，所有董事必須輪流接受股東重選。推選每名董事均以獨立決議案提呈。

Corporate Governance Report

企業管治報告書

Nomination of directors

Prior to the establishment of the Nomination Committee, the Board determined the nomination and appointment of new directors having regard to the relevant skills and experience of the proposed new directors. On 27th February, 2012, the Company established a nomination committee, details of which are set out below. During 2012, one new Director has been selected, recommended and appointed for directorship.

Board responsibilities and delegation

The Board collectively determines the overall strategies of the Company, monitors performance and the related risks and controls in pursuit of the strategic objectives of the Company. Day-to-day management of the Company is delegated to the Executive Directors or the officer in charge of each division and function who is required to report back to the Board. Functions reserved to the Board and those delegated to management are reviewed periodically. All Board members have separate and independent access to the senior management, and are provided with full and timely information about the conduct of the business and development of the Company, including monthly reports and recommendations on significant matters. Should separate independent professional advice be considered necessary by the Directors or any Board Committee, independent professional services would be made available to the Directors or such Board Committee upon request. The Board has delegated some of its functions to the Board Committees, details of which are set out below. Matters specifically reserved for the Board include approval of financial statements, dividend policy, significant changes in accounting policies, material contracts, significant appointments such as Company Secretary and external auditor, terms of reference of Board Committees, as well as major corporate policies.

To implement the strategies and plans approved by the Board, Executive Directors and senior management meet on a regular basis to review the performance of the Group and make financial and operational decisions. The Company has arranged appropriate insurance cover on directors and officers liability for its directors and officers.

Details of the responsibilities, membership, attendance and activities during the year of each Board Committee are set out on pages 27 to 32.

提名董事

於成立提名委員會前，董事會考慮建議新董事之相關技能及經驗後決定提名及任命新董事。於二零一二年二月二十七日，本公司成立提名委員會，有關詳情載於下文。於二零一二年，一名新董事獲選納、推薦及委任董事之職。

董事會之責任及授權

董事會共同決定本公司之整體政策，監察表現及相關風險，並為達成本公司策略目標作出監控。執行董事或各部門及功能主管人員獲委派處理本公司日常管理，並須向董事會匯報。董事會保留之職能及委派予管理層之職能會定期檢討。全體董事會成員可個別及獨立接觸高級管理層，並獲提供有關本公司業務及發展之全面即時資料，包括有關重大事宜之每月報告及推薦建議。倘若董事或任何董事委員會認為有必須取得個別獨立專業意見，則彼等可提出要求而獲提供獨立專業服務。董事會已委派其部分職能予董事委員會，有關詳情載於下文。特定保留予董事會處理之事宜包括審批財務報表、股息政策、會計政策重大變動、重大合約、重大任命（例如公司秘書及外聘核數師）、董事委員會職權範圍以及主要公司政策。

為執行經董事會審批之策略及計劃，執行董事及高級管理層會定期會面，檢討本集團表現，並作出財務及營運決定。本公司已為其董事及高級人員安排合適之董事及高級人員責任保險。

各個董事委員會於年內之責任、成員、會議出席及活動詳情載於第27至第32頁。

Corporate Governance Report

企業管治報告書

Board meetings and attendance

The Board meets regularly to review the financial and operating performance of the Company and to discuss future strategy. Five Board meetings were held in 2012. At the Board meetings, the Board reviewed significant matters including the Company's annual and interim financial statements, proposals for final and interim dividends (if any), annual report and half-year report. At least 14 days' notice is given to all Directors for all regular Board meetings and all Directors are given the opportunity to include matters for discussion in the agenda. All minutes of the Board meetings are kept by the Company Secretary and are available to all Directors for inspection. During the year, the Chairman of the Company has held a meeting with all the Independent Non-executive Directors without other Executive Directors presented.

The attendance record of each Director at Board meetings in 2012 is set out below:

董事會會議及出席情況

董事會定期開會以審閱本公司之財務及營運表現，並商討未來策略。二零一二年曾舉行五次董事會會議。於董事會會議上，董事會審閱重大事宜，包括本公司之年度及中期財務報表、末期及中期股息（如有）建議、年報及半年報告。全體董事就所有定期董事會會議獲發最少十四天通知，並有機會於議程中加入欲商討事宜。所有董事會會議記錄由公司秘書存置，並可供全體董事查閱。年內，本公司主席已與全體獨立非執行董事舉行一次會議，其他執行董事於會上一概避席。

於二零一二年，各董事出席董事會會議之記錄載列如下：

Directors	董事	Attendance/ Number of Meetings 出席/ 會議次數
Executive Directors		
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (<i>主席</i>)	5/5
Mr. Luo Xi Zhi	羅習之先生	4/5
Mr. Wang Yu	王愚先生	4/5
Non-executive Director		
Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)	馮靄業先生 (於二零一二年六月五日辭任)	1/1
Independent Non-executive Directors		
Mr. Chang Wing Seng, Victor	鄭永勝先生	5/5
Mr. Wong Lit Chor, Alexis	黃烈初先生	5/5
Mr. Chen Yi Gang (resigned on 5th June, 2012)	陳亦剛先生 (於二零一二年六月五日辭任)	1/1
Dr. Law Chun Kwan (appointed on 5th June, 2012)	羅振坤博士 (於二零一二年六月五日獲委任)	4/4

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Chairman and chief executive officer

Provision A.2.1 of the Revised CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual but Mr. Lau Siu Ying currently assumes both roles of the Chairman and the Chief Executive Officer of the Company.

Provision A.4 of the Revised CG Code states that all directors should be subject to re-election at regular intervals. However, Mr. Lau Siu Ying, being the Chairman of the Board, does not need to retire by rotation.

Mr. Lau Siu Ying has been in charge of the overall management of the Company since its incorporation. As a result, although he does not need to retire by rotation and assumes both roles of the Chairman and the Chief Executive Officer of the Company, the Board considers that such arrangement at the Group's current stage of development can facilitate the execution of the Group's business strategies and maximize the effectiveness of its operations. Nevertheless, through the supervision from the Board including the Independent Non-executive Directors, the interests of the shareholders should be adequately and fairly considered.

Directors' continuing professional development

Each newly appointed director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations.

Directors' training is an ongoing process. During the year, Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

主席及首席執行官

經修訂企業管治守則第A.2.1條規定主席及首席執行官之職能應予區分，不應由同一人兼任，惟劉小鷹先生現時兼任本公司主席及首席執行官之職銜。

經修訂企業管治守則第A.4條訂明所有董事應定期重選連任。然而，董事會主席劉小鷹先生不必輪流退任。

劉小鷹先生自本公司註冊成立以來一直負責本公司之整體管理。因此，儘管劉小鷹先生不需輪流退任，並兼任本公司主席及首席執行官兩職，惟董事會認為此安排於本集團現發展階段可配合本集團業務策略之執行，並可將業務發揮至最大效益。然而，在董事會（包括獨立非執行董事）之監察下，股東利益應已充分及公平地考慮。

董事持續專業發展

每名新委任董事獲提供必要迎新程序及資料，確保彼對本公司之營運及業務以及對彼在相關章程、法律、規則及法規下之責任有正確認知。

董事培訓乃一項持續程序。年內，董事獲提供有關本公司表現、狀況及前景之每月更新，以便董事會整體及各名董事履行其職責。此外，全體董事獲鼓勵參與持續專業發展，對其知識及技能溫故知新。本公司向董事提供有關上市規則及其他不時適用監管規定之最新發展資料，確保合規及提高良好企業管治常規之認知。

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During the year, the Company organized one in-house seminar conducted by Listco Professional Services Limited for Directors which covered the topics of notifiable transactions under Chapter 14 and the Revised CG Code under Appendix 14 of the Listing Rules.

年內，本公司已安排上市公司專業服務有限公司為董事舉行一次內部研討會，內容涵蓋上市規則第14章之須予公布交易及上市規則附錄14之經修訂企業管治守則。

According to the records provided by the Directors, a summary of training received by the Directors since 1st April, 2012 up to 31st December, 2012 is as follows:

按照董事提供之記錄，董事自二零一二年四月一日起至二零一二年十二月三十一日止接受培訓之情況概述如下：

Directors	董事	Attending seminars 出席研討會
Executive Directors	執行董事	
Mr. Lau Siu Ying	劉小鷹先生	Yes 有
Mr. Luo Xi Zhi	羅習之先生	Yes 有
Mr. Wang Yu	王愚先生	Yes 有
Independent Non-executive Directors	獨立非執行董事	
Mr. Chang Wing Seng, Victor	鄭永勝先生	Yes 有
Mr. Wong Lit Chor, Alexis	黃烈初先生	Yes 有
Dr. Law Chun Kwan	羅振坤博士	Yes 有

Note: Mr. Fung Oi Ip, Alfonso and Mr. Chen Yi Gang resigned during the year and no records were received from them.

附註：馮靄業先生及陳亦剛先生於年內辭任，故並無有關彼等之記錄。

BOARD COMMITTEES

The Board has established three committees to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities. Sufficient resources are provided to enable the Board Committees to undertake their specific roles. The respective role, responsibilities and activities of each Board Committee are set out below:

董事委員會

董事會已成立三個委員會，負責監督本公司事務之特定範疇，並協助執行董事會責任。董事委員會會獲提供足夠資源履行其特定職責。各董事委員會之相關角色、責任及活動載列如下：

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企業管治報告書

Remuneration committee

The principal role of the Remuneration Committee is to determine and review the remuneration packages of individual executive directors and senior management, including salaries, bonuses, share options and other plans. The Remuneration Committee reviews and approves the management's remuneration proposals with reference to the Board's corporate goals and objectives and considers salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group, so as to align management incentives with shareholders' interests.

The Remuneration Committee currently comprises three Independent Non-executive Directors and an Executive Director. The Chairman of the Remuneration Committee is Mr. Chang Wing Seng, Victor, an Independent Non-executive Director. The Company Secretary of the Company serves as the secretary of the committee. Minutes for the meetings are sent to the committee members within a reasonable time after the meetings. The full terms of reference are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

The composition of the Remuneration Committee during the year as well as the meeting attendance of the committee members are as follows:

Membership and Attendance

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Independent Non-executive Directors	獨立非執行董事	
Mr. Chang Wing Seng, Victor (<i>Chairman</i>)	鄭永勝先生 (主席)	2/2
Mr. Wong Lit Chor, Alexis	黃烈初先生	2/2
Dr. Law Chun Kwan (appointed on 1st November, 2012)	羅振坤博士 (於二零一二年十一月一日獲委任)	0/0
Non-executive Director	非執行董事	
Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)	馮靄業先生 (於二零一二年六月五日辭任)	1/1
Executive Director	執行董事	
Mr. Lau Siu Ying (appointed on 5th June, 2012)	劉小鷹先生 (於二零一二年六月五日獲委任)	1/1

薪酬委員會

薪酬委員會之主要角色為釐定及審閱個別執行董事及高級管理人員之薪酬待遇，包括薪金、花紅、購股權及其他計劃。薪酬委員會參照董事會之企業目標及目的審閱及審批管理人員之薪酬建議，並考慮可比較的公司支付之薪金、投放之時間及責任，以及本集團其他部門之僱用情況，以期聯繫管理層獎勵與股東利益。

薪酬委員會現時由三名獨立非執行董事及一名執行董事組成。薪酬委員會主席為獨立非執行董事鄭永勝先生。本公司之公司秘書出任委員會秘書。會議之會議記錄將於會議後之合理時間內發送予委員會成員。完整之職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

薪酬委員會於年內之組成及各委員會成員出席會議之情況如下：

成員及出席情況

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Two meetings were held in the year in which the Remuneration Committee reviewed the remuneration policies and approved the salaries and bonuses of the Executive Directors and senior management. The Remuneration Committee has communicated with the Chairman of the Company about proposals relating to the remuneration packages of other Executive Directors and senior management.

Details of directors' emoluments and retirement benefits are disclosed on page 111. Remuneration payable to members of senior management is disclosed on page 136. Share options granted under the Company's share option plan are disclosed on pages 129 to 131.

Audit committee

The Audit Committee reviews financial information of the Group, monitors the effectiveness of the external audit and oversees the appointment, remuneration and terms of engagement of the Company's external auditor, as well as their independence. The Audit Committee is also responsible for reviewing the financial reporting process and the system of internal controls and risk management. The Board also delegated corporate governance functions to the Audit Committee, including the review and monitoring of (a) the development and review of the Company's policies and practices on corporate governance and recommendations; (b) the training and continuous professional development of directors and senior management; (c) the Company's policies and practices on compliance with legal and regulatory requirements; (d) the code of conduct of the Company; and (e) the Company's policies and practices on corporate governance and its compliance with the Revised CG Code and disclosures in the Corporate Governance Report. The full terms of reference setting out the committee's authority and its role and responsibilities are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

薪酬委員會於年內曾舉行兩次會議，會上已審閱薪酬政策，並審批執行董事及高級管理人員之薪金及花紅。薪酬委員會已與本公司主席就其他執行董事及高級管理人員之薪酬待遇建議進行溝通。

董事酬金及退休福利詳情於第111頁披露。應付高級管理層成員之薪酬於第136頁披露。根據本公司購股權計劃授出之購股權於第129至第131頁披露。

審核委員會

審核委員會審閱本集團之財務資料，監察外部審核之效能，以及監督本集團外聘核數師之委任、薪酬、委聘條款及其獨立性。審核委員會亦負責審閱財務報告程序，以及內部監控及風險管理制度。董事會亦向審核委員會委派企業管治職能，包括審閱及監察(a)本公司有關企業管治之政策及常規之發展及審閱，並提供推薦建議；(b)董事及高級管理人員之培訓及持續專業發展；(c)本公司遵循法定及監管規定之政策及常規；(d)本公司之行為守則；及(e)本公司之企業管治、遵循經修訂企業管治守則及企業管治報告書之披露之政策及常規。載列委員會權力以及其角色及職責之完整職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

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The Audit Committee currently consists of three Independent Non-executive Directors, with one of whom having the relevant professional qualifications and expertise. The Chairman of the Audit Committee is Mr. Chang Wing Seng, Victor, an Independent Non-executive Director. The Company Secretary acts as secretary of the Audit Committee. Sufficient resources are made available to the Audit Committee when independent legal or professional advice is required.

The Audit Committee meets at least twice a year. The external auditors of the Company are invited to the meetings, take part in the discussions and answer questions from the committee members. By invitation of the Audit Committee, other Directors and senior executives may also attend the meetings.

The Audit Committee held two meetings in the year with full attendance by the committee members and the external auditors of the Company as well. The Company Secretary prepared full minutes of the audit committee meetings with details of discussions and decisions reached. The draft and final versions of minutes were sent to all committee members within a reasonable time after each meeting.

The composition of the Audit Committee during the year as well as the meeting attendance of the committee members are as follows:

Membership and Attendance

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Independent Non-executive Directors		
Mr. Chang Wing Seng, Victor (<i>Chairman</i>)	獨立非執行董事 鄭永勝先生 (主席)	2/2
Mr. Wong Lit Chor, Alexis	黃烈初先生	2/2
Dr. Law Chun Kwan (appointed on 5th June, 2012)	羅振坤博士 (於二零一二年六月五日獲委任)	1/1
Non-executive Director		
Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)	非執行董事 馮靄業先生 (於二零一二年六月五日辭任)	1/1

審核委員會現時由三名獨立非執行董事組成，其中一人具備相關專業資格及知識。審核委員會主席為獨立非執行董事鄭永勝先生。公司秘書出任審核委員會秘書。審核委員會獲提供足夠資源在有需要時取得獨立法律或專業意見。

審核委員會每年最少舉行兩次會議。本公司之外聘核數師獲邀出席會議，參與討論及回答委員會成員提問。其他董事及高級行政人員亦可於審核委員會邀請時出席會議。

審核委員會於年內曾舉行兩次會議，全體委員會成員及本公司外聘核數師均有出席。公司秘書已編製審核委員會會議之完整會議記錄，記錄討論詳情及達成之決定。會議記錄草稿及定稿已於各會議後之合理時間內發送予全體委員會成員。

審核委員會於年內之組成及各委員會成員出席會議之情況如下：

成員及出席情況

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During the year, the Audit Committee has discussed with the external auditor their independence and the nature and scope of the audit; reviewed the interim and annual financial statements of the Group, particularly judgmental areas, before submission to the Board; reviewed the effectiveness of the internal control system of the Group, findings and management's response; reviewed the Group's adherence to the code provisions in the Revised CG Code. The Audit Committee recommended the Board to adopt the interim and annual financial statements for 2012. The Audit Committee has also performed the aforesaid corporate governance duties as delegated to it by the Board.

Nomination committee

The Board established a Nomination Committee on 27th February, 2012. The Nomination Committee is authorised by the Board to determine the policy for the nomination of Directors, to set out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship. The Nomination Committee is also responsible for reviewing the structure, size and composition of the Board, and assessing the independence of Independent Non-executive Directors.

The Nomination Committee currently comprises five members, a majority of whom are Independent Non-executive Directors and is chaired by the Chairman of the Board. The Company Secretary of the Company serves as secretary of the Nomination Committee. Minutes for the meetings are sent to the Nomination Committee members within a reasonable time after the meetings. The full terms of reference are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

年內，審核委員會已與外聘核數師討論其獨立性，以及審核性質及範圍；在呈交董事會前審閱本集團之中期及年度財務報表，尤其判斷範圍；審閱本集團內部監控制度之效能、結果及管理層回應；審閱本集團遵守經修訂企業管治守則之守則條文之情況。審核委員會建議董事會採納二零一二年之中期及年度財務報表。審核委員會亦已履行董事會向其委派之上述企業管治職責。

提名委員會

董事會於二零一二年二月二十七日成立提名委員會。提名委員會由董事會授權釐定提名董事之政策，制定推選及推薦董事提名人所採納之提名手續、程序及條件。提名委員會亦負責審閱董事會之架構、規模及組成，以及評估獨立非執行董事之獨立性。

提名委員會現時由五名成員組成，大部分為獨立非執行董事，並由董事會主席出任其主席。本公司之公司秘書出任提名委員會秘書。會議之會議記錄於各會議後之合理時間內發送予提名委員會成員。完整之職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

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The composition of the Nomination Committee during the year as well as the meeting attendance of the committee members are as follows:

提名委員會於年內之組成及各委員會成員出席會議之情況如下：

Membership and Attendance

成員及出席情況

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Executive Directors		
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (主席)	1/1
Mr. Wang Yu	王愚先生	1/1
Independent Non-executive Directors		
Mr. Chang Wing Seng, Victor	鄭永勝先生	1/1
Mr. Wong Lit Chor, Alexis	黃烈初先生	1/1
Mr. Chen Yi Gang (resigned on 5th June, 2012)	陳亦剛先生 (於二零一二年六月五日辭任)	1/1
Dr. Law Chun Kwan (appointed on 5th June, 2012)	羅振坤博士 (於二零一二年六月五日獲委任)	0/0

A meeting was held in the year, in which members of the Nomination Committee reviewed the structure, size and composition of the Board.

提名委員會於年內曾舉行一次會議，會上各成員已審閱董事會之架構、規模及組成。

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

董事就財務報表須承擔之責任

The Directors acknowledged the responsibilities for preparing the financial statements which give a true and fair view of the affairs of the Company and its subsidiaries. The auditors are responsible to form an independent opinion, based on their audits, on the Group's financial statements and express their opinions.

董事知悉須負責編製真實公允地反映本公司及其附屬公司狀況之財務報表。核數師須負責根據其審核對本集團之財務報表達致並發表獨立意見。

The responsibilities of the external auditor with respect to the financial statements for the year ended 31st December, 2012 are set out in the Independent Auditor's Report on pages 49 to 50.

外聘核數師就截至二零一二年十二月三十一日止年度財務報表須承擔之責任載於第49至第50頁之獨立核數師報告。

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AUDITOR'S REMUNERATION

BDO Limited was re-appointed as the Company's external auditors by the shareholders at the Annual General Meeting on 28th May, 2012, until the conclusion of the next Annual General Meeting. They are primarily responsible for providing audit services in connection with the financial statements of the Group for the year ended 31st December, 2012. During the year, the fees charged to the accounts of the Group for BDO Limited's statutory audit services amounted to HK\$820,000 (2011: HK\$819,000). In addition, HK\$38,000 was charged for non-audit service, which was for interim review service (2011: Nil).

COMPANY SECRETARY

During the year, Mr. Lam Man Kit, the Financial Controller and Company Secretary of the Company, undertook over 15 hours of professional training to update his skills and knowledge in compliance with Rule 3.29 of the Listing Rules.

INTERNAL CONTROLS

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

核數師酬金

香港立信德豪會計師事務所有限公司已於二零一二年五月二十八日舉行之股東週年大會上獲股東續聘為本公司外聘核數師，任期至下屆股東週年大會結束為止。香港立信德豪會計師事務所有限公司主要負責就本集團截至二零一二年十二月三十一日止年度之財務報表提供核數服務。年內，就香港立信德豪會計師事務所有限公司之法定核數服務而在本集團賬目中扣除之費用為820,000港元（二零一一年：819,000港元），並就中期審閱服務之非核數服務已被扣除38,000港元（二零一一年：無）。

公司秘書

年內，本公司財務總監及公司秘書林文傑先生已遵守上市規則第3.29條，參與超過15小時之專業培訓，以更新其技能及知識。

內部監控

董事會全面負責本公司之內部監控制度並檢討其效能。董事會致力實行有效及完善之內部監控制度以保障股東利益及本集團資產。董事會已委派管理層實行內部監控制度，並委派審核委員會在既定之範圍內檢討各項有關財務、營運及合規之監控及風險管理。

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企業管治報告書

CODE OF CONDUCT

The Company is committed to high standard of business ethics and integrity. A code of conduct is enforced on all employees of the Group. The employees at all levels are expected to act in an honest, diligent and responsible manner. No personal gifts or other forms of advantages from any person or organization doing business with the Group can be accepted by any employee. Business partners and customers are reminded from time to time that our policy forbids any employee or agent of the Group from accepting any gift from them.

COMMUNICATION WITH SHAREHOLDERS

The Company considers effective communication with shareholders is essential to enable them to have a clear assessment of the Group's performance as well as accountability of the board of directors. Major means of communication with shareholders of the Company are as follows:

Information disclosure on corporate website

The Company endeavours to disclose all material information about the Group to all interested parties as widely and timely as possible. The Company maintains a corporate website at www.fortunetele.com where important information about the Group's activities and corporate matters such as annual reports and interim reports to shareholders, announcements, business development and operations, corporate governance practices and other information is available for review by shareholders and other stakeholders. When announcements are made through the website of The Stock Exchange of Hong Kong Limited, the same information will be made available on the Company's website.

行為守則

本公司致力維持高度廉正之業務操守，並對本集團全體僱員實施行為守則，冀各級僱員以誠懇、勤奮及負責任之態度工作。任何僱員一概不得接受任何與本集團業務有往來之人士或機構之個人禮品或其他形式之利益。業務夥伴及客戶應不時緊記，本公司之政策禁止本集團任何僱員或代理接受彼等之任何禮品。

與股東溝通

本公司認為與股東進行有效溝通至關重要，可讓彼等清晰評估本集團之表現及董事會之間責任。與本公司股東溝通之主要渠道如下：

於公司網站披露資料

本公司致力向所有權益相關人士，儘可能適時披露所有關於本集團之重要資料。本公司設有公司網站(www.fortunetele.com)，股東及其他權益關涉者可於網站內閱覽關於本集團業務活動及公司事宜之重要資料，例如致股東之年報及中期報告、公佈、業務發展及營運、企業管治常規及其他資料。本公司透過香港聯合交易所有限公司網站作出公佈時，亦會於本公司網站登載相同資料。

Corporate Governance Report

企業管治報告書

General meetings with shareholders

The Company's annual general meeting provides a useful platform for direct communication between the Board and shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings.

The 2012 annual general meeting ("2012 AGM") was held on 28th May 2012. The attendance record of the Directors at the 2012 AGM is set out below:

股東大會

本公司之股東週年大會提供一個有效平台，讓董事會與股東直接溝通。於股東大會上會就各項大致上獨立之事項提呈獨立決議案。

二零一二年股東週年大會（「二零一二年股東週年大會」）已於二零一二年五月二十八日舉行。董事出席二零一二年股東週年大會之紀錄載列如下：

Directors	董事	Attendance/ Number of general meetings 出席/ 股東大會次數
Executive Directors		
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (<i>主席</i>)	1/1
Mr. Luo Xi Zhi	羅習之先生	0/1
Mr. Wang Yu	王愚先生	0/1
Non-executive Director		
Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)	馮靄業先生 (於二零一二年六月五日辭任)	1/1
Independent Non-executive Directors		
Mr. Chang Wing Seng, Victor	鄭永勝先生	1/1
Mr. Wong Lit Chor, Alexis	黃烈初先生	1/1
Mr. Chen Yi Gang (resigned on 5th June, 2012)	陳亦剛先生 (於二零一二年六月五日辭任)	0/1
Dr. Law Chun Kwan (appointed on 5th June, 2012)	羅振坤博士 (於二零一二年六月五日獲委任)	0/0

The Company's external auditor also attended the 2012 AGM. In respect of the Code Provision A.6.7 of the Revised CG Code, Mr. Chen Yi Gang, a previous Independent Non-executive Director, was unable to attend the 2012 AGM as he had other engagements on that day.

本公司之外聘核數師亦有出席二零一二年股東週年大會。就經修訂企業管治守則之守則條文A.6.7而言，前獨立非執行董事陳亦剛先生因須於同日處理其他事務，故無法出席二零一二年股東週年大會。

Corporate Governance Report

企業管治報告書

Investor relations

The Company recognises its responsibility to explain its activities to those with a legitimate interest and to respond to their questions. Questions received from the general public and individual shareholders are answered promptly. In all cases, great care is taken to ensure that no price-sensitive information is disclosed selectively.

Shareholders' rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirement under Paragraph O of the Revised CG Code:

Convening of a special general meeting on requisition by shareholders

Pursuant to clause 58 of the Company's bye-laws, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the head office address of the Company, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. Pursuant to clause 59 of the Company's bye-laws, the Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business.

If within twenty one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (the "Act").

投資者關係

本公司確認其有責任向擁有合法權益之人士解釋業務活動，並回應彼等之問題。本公司會從速解答一般公眾及個別股東提出之問題。在各情況下，本公司會審慎處理，確保不會選擇性地披露任何股價敏感資料。

股東權利

下文載列根據經修訂企業管治守則O段下之強制性披露要求須予披露之本公司股東若干權利概要：

應股東請求召開股東特別大會

根據本公司之公司細則第58條，倘持有不少於本公司已發行股本（附有於本公司任何股東大會上之投票權）及證券十分之一之股東提出請求，則董事會可召開股東特別大會。股東須將書面請求寄往本公司之總辦事處地址，向本公司董事會或公司秘書提出請求。該書面請求須列明股東之持股資料、其聯絡詳情及有關任何指定事務／事項之建議及其支持文件。

董事會須於接獲有關書面請求後兩(2)個月內舉行該股東大會。根據本公司之公司細則第59條，本公司須送達所需之股東大會通告，當中註明會議舉行時間、地點及將於會上考慮之決議案內容以及該事項之一般性質。

倘董事會未能於接獲該書面請求後二十一(21)日內召開該股東特別大會，則根據百慕達一九八一年公司法（「公司法」）第74(3)條之條文，該股東可召開該大會。

Corporate Governance Report

企業管治報告書

Procedures for putting forward proposals at general meetings by shareholders

Shareholders are requested to follow the Act for including a resolution at an annual general meeting of the Company ("AGM"). The requirements and procedures are set out below:

- (i) Pursuant to section 79 of the Act, shareholder(s) holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request stating the resolution intended to be moved at the AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.
- (ii) The written request/statements must be signed by the shareholder(s) concerned and deposited at the Company's registered office and/or principal office in Hong Kong, for the attention of the Company Secretary, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.
- (iii) Pursuant to section 80 of the Act, if the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM or the statement will not be circulated for the general meeting.

股東於股東大會上提出建議之程序

倘股東擬於本公司股東週年大會（「股東週年大會」）上提呈決議案，必須依循公司法進行。有關要求及程序載列如下：

- (i) 根據公司法第79條，持有(i)有權於股東大會上投票之所有股東總投票權不少於二十分之一；或(ii)不少於100名股東之股東可提交書面要求，列明擬於股東週年大會上動議之決議案，亦可就將於特定股東大會上處理之任何擬提呈決議案或事項中所述事宜提交不超過1,000字之陳述書。
- (ii) 相關股東必須簽署書面要求／陳述書，並將之送交本公司之註冊辦事處及／或香港主要辦事處，註明公司秘書收啟。如屬須發出決議案通知之情況，該書面要求／陳述書須在該股東週年大會舉行前不少於六個星期送達；如屬任何其他情況，則須在股東大會舉行前不少於一個星期送達。
- (iii) 根據公司法第80條，倘書面要求適當，公司秘書會要求董事會(i)將決議案載入股東週年大會議程；或(ii)傳閱股東大會陳述，惟相關股東須支付董事會所釐定合理金額之費用，以撥付本公司按照法定要求向全體登記股東送達決議案通知及／或向彼等傳閱相關股東提呈之陳述而錄得之開支。相反，倘請求書無效或有關股東未能存入足夠款項以撥付本公司為上述目的而錄得的開支，則相關股東將獲告知此結果，而建議之決議案將不會納入股東週年大會議程，或有關陳述將不會就股東大會而傳閱。

Corporate Governance Report

企業管治報告書

(iv) If a shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with appointment/ election of director(s), wishes to propose a person (other than the shareholder himself/herself) for election as a director at that meeting, he/she can deposit a written notice at the Company's registered office and/or its principal office in Hong Kong, for the attention of the Company Secretary, not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting. In order for the Company to inform all Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by rule 13.51(2) of the Listing Rules, and be signed by the shareholder concerned and that person indicating his/her willingness to be elected.

(iv) 如股東（彼符合適當資格出席就處理董事委任／選舉事宜召開之股東大會並於會上投票）有意於該大會上提名人士（該股東本人除外）參選董事職位，則可於股東大會日期前不少於七(7)個整日但不多於十四(14)個整日，向本公司之註冊辦事處及／或香港主要辦事處送交書面通知，註明公司秘書收啟。為讓本公司知會全體股東有關建議，上述書面通知必須列明擬參選董事職位之人士之全名、上市規則第13.51(2)條規定之履歷詳情及獲推選人士之參選意向，並由相關股東及該名人士簽署。

Procedures for directing shareholders' enquiries to the board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

The Company Secretary
China Fortune Holdings Limited
Room 1505-07, Tower A, Regent Centre, 63 Wo Yi Hop Road,
Kwai Chung, Hong Kong
Email: info@chinafortune.com
Tel No.: +852 2422 0811
Fax No.: +852 2428 0988

The Company Secretary shall forward the shareholders' enquiries and concerns to the Board and/or relevant board committees of the Company, where appropriate, to answer the shareholders' questions.

向董事會轉達股東查詢之程序

股東可隨時以書面方式透過公司秘書，向董事會提出查詢及表達意見。公司秘書之聯絡詳情如下：

香港葵涌
和宜合道63號麗晶中心A座1505-07室
中國長遠控股有限公司
公司秘書
電郵：info@chinafortune.com
電話號碼：+852 2422 0811
傳真號碼：+852 2428 0988

在適當的情況下，公司秘書會將股東之查詢及意見轉交董事會及／或本公司相關之董事委員會，以解答股東之提問。

Directors' Report

董事會報告書

The directors present their annual report and audited consolidated financial statements for the year ended 31st December, 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries and principal associate are set out in notes 38 and 39 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2012 are set out in the consolidated statement of comprehensive income on page 51 of the annual report.

No interim dividend was declared during the year. The directors do not recommend the payment of a final dividend.

PLANT AND EQUIPMENT

Details of movements during the year in the plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31st December, 2012 and 31st December, 2011 consisted of contributed surplus and accumulated profits were nil.

董事謹提呈截至二零一二年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司及主要聯營公司之主要業務載於綜合財務報表附註38及39。

業績及分派

本集團截至二零一二年十二月三十一日止年度之業績載於本年報第51頁之綜合全面收入報表。

年內概無宣派任何中期股息。董事並不建議派付末期股息。

廠房及設備

本集團年內廠房及設備之變動詳情載於綜合財務報表附註16。

股本

本公司之股本詳情載於綜合財務報表附註29。

本公司之可供分派儲備

董事認為，本公司於二零一二年十二月三十一日及二零一一年十二月三十一日可用以分派予股東之儲備（包括實繳盈餘及累計溢利）為零。

Directors' Report

董事會報告書

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Lau Siu Ying (*Chairman*)
Mr. Luo Xi Zhi
Mr. Wang Yu

Non-executive director

Mr. Fung Oi Ip, Alfonso (resigned on 5th June, 2012)

Independent non-executive directors:

Mr. Chang Wing Seng, Victor
Mr. Wong Lit Chor, Alexis
Mr. Chen Yi Gang (resigned on 5th June, 2012)
Dr. Law Chun Kwan (appointed on 5th June, 2012)

In accordance with clause 86(2) of the Company's bye-laws, Dr. Law Chun Kwan shall retire at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

In accordance with clause 87 of the Company's bye-laws, Messers. Wong Lit Chor, Alexis shall retire at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

根據百慕達一九八一年公司法(經修訂),本公司之實繳盈餘(如有)可用以分派。然而,在下列情況下,本公司不得以實繳盈餘宣派或派發股息或作出分派:

- (a) 於付款後無法或將無法支付到期之負債;或
- (b) 資產之可變現價值因而少於負債與已發行股本及股份溢價賬之總和。

董事

本公司於本年度及直至本報告書刊發日期止之董事如下:

執行董事:

劉小鷹先生(主席)
羅習之先生
王愚先生

非執行董事:

馮靄業先生(於二零一二年六月五日辭任)

獨立非執行董事:

鄭永勝先生
黃烈初先生
陳亦剛先生(於二零一二年六月五日辭任)
羅振坤博士(於二零一二年六月五日獲委任)

根據本公司之公司細則第86(2)條,羅振坤博士將於應屆股東週年大會上任滿告退,惟合乎資格並願重選連任。

根據本公司之公司細則第87條,黃烈初先生將於應屆股東週年大會上任滿告退,惟合乎資格並願重選連任。

擬於應屆股東週年大會上重選連任之董事概無與本公司或其任何附屬公司訂立於一年內不可由本集團毋須補償(法定補償除外)而終止之服務合約。

Directors' Report

董事會報告書

The term of office of each of the non-executive directors and independent non-executive directors is the date up to his retirement by rotation in accordance with the Company's by-laws.

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

At 31st December, 2012, the interests and short positions of the directors, the chief executive and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Ordinary shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Mr. Lau Siu Ying ("Mr. Lau") 劉小鷹先生 (「劉先生」)	Held by a discretionary trust (Note) 全權信託持有 (附註)	188,300,013	22.92%
	Beneficial owner 實益擁有人	259,996,285	31.64%
		<hr/> 448,296,298	<hr/> 54.56%

各非執行董事及獨立非執行董事之任期直至根據本公司之公司細則須輪席告退之日止。

董事及行政總裁於股份及相關股份之權益

於二零一二年十二月三十一日，董事、行政總裁及彼等聯繫人於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉（包括彼等根據證券及期貨條例有關條文而當作或視作擁有之權益及淡倉）；或須記入本公司根據證券及期貨條例第352條存置之登記冊的權益及淡倉；或須根據有關上市公司董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所的權益及淡倉如下：

本公司每股面值0.10港元之普通股

Directors' Report 董事會報告書

Note:

These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust, the beneficiaries of which include Mr. Lau, his spouse and his children.

The interest disclosed above represents long positions in the shares and underlying shares of the Company or its associated corporations.

Save as disclosed above, none of the directors, chief executives nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations as defined in the SFO at 31st December, 2012.

附註：

該等股份由在英屬處女群島註冊成立之公司Future 2000 Limited持有，而該公司由受益人為劉先生、其配偶及其子女的全權信託持有。

上文所披露權益指本公司或其相聯法團之股份及相關股份的好倉。

除上文披露者外，董事、高級行政人員或彼等聯繫人於二零一二年十二月三十一日概無擁有本公司或其任何相聯法團（定義見證券及期貨條例）任何股份或相關股份之權益或淡倉。

Directors' Report

董事會報告書

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 30 to the consolidated financial statements. The following table discloses movements in the Company's share options during the year:

購股權

本公司購股權計劃之詳情載於綜合財務報表附註30。下表披露本公司購股權年內之變動：

	Date of grant 授出日期	Exercise price 行使價 HK\$ 港元	Outstanding at beginning of the year 年初尚未行使	Lapsed during the year 年內失效	Outstanding at end of the year 年終尚未行使
Category I – Directors 第I類 – 董事					
Mr. Lau 劉先生	7.5.2007	1.29	2,000,000	(2,000,000)	–
Mr. Luo Xi Zhi 羅習之先生	7.5.2007	1.29	100,000	(100,000)	–
Mr. Wang Yu 王愚先生	7.5.2007	1.29	300,000	(300,000)	–
Mr. Fung Oi Ip, Alfonso * 馮靄業先生	7.5.2007	1.29	150,000	(150,000)	–
Mr. Chang Wing Seng, Victor 鄭永勝先生	7.5.2007	1.29	200,000	(200,000)	–
Mr. Wong Lit Chor, Alexis 黃烈初先生	7.5.2007	1.29	100,000	(100,000)	–
Mr. Chen Yi Gang * 陳亦剛先生	7.5.2007	1.29	100,000	(100,000)	–
Total for directors 董事總計			2,950,000	(2,950,000)	–
Category II – Employees 第II類 – 僱員					
Employees 僱員	7.5.2007	1.29	1,346,000	(1,346,000)	–
Category III – Consultants 第III類 – 顧問					
Consultants 顧問	7.5.2007	1.29	3,950,000	(3,950,000)	–
Total for all categories 所有類別總計			8,246,000	(8,246,000)	–

* Resigned during the year 於本年辭任

Directors' Report

董事會報告書

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors, their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company or had exercised any such rights during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

No connected transactions nor contracts of significance to which the Company, its holding company or any of its subsidiaries 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.

購買股份或債券之安排

除上文披露之購股權計劃外，於年內任何時間本公司、其控股公司或任何附屬公司概無參與任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。董事、彼等之配偶或未滿18歲之子女於年內概無擁有任何可認購本公司證券之權利，亦不曾行使任何該等權利。

董事於重大合約及關連交易之權益

本公司董事概無於本公司、其控股公司或任何附屬公司於年終或年內任何時間已訂立之關連交易及重大合約中擁有直接或間接重大權益。

Directors' Report

董事會報告書

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 31st December, 2012, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Ordinary shares of HK\$0.10 each of the Company

Name of substantial shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
主要股東姓名	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Mr. Lau 劉先生	Held by a discretionary trust (Note 1)	188,300,013	22.92%
	全權信託持有 (附註1)		
	Beneficial owner	259,996,285	31.64%
	實益擁有人		
		448,296,298	54.56%
Mr. Lee Wai, Timothy 李偉先生	Held by controlled entity (Note 2)	188,300,013	22.92%
	受控制實體持有 (附註2)		
Ms. Lei Yuting 雷雨亭小姐	Beneficial owner	51,000,000	6.21%
	實益擁有人		

Notes:

- These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust. The beneficiaries of the discretionary trust include Mr. Lau, his spouse and his children.
- Under the SFO, Mr. Lee Wai, Timothy is deemed to have interests in the shares of the Company as he is entitled to exercise more than one-third of the voting power at general meetings of Future 2000 Limited.

主要股東

按照本公司根據證券及期貨條例第336條所設置之主要股東名冊列示，於二零一二年十二月三十一日，本公司獲悉下列股東在本公司已發行股本中擁有相關權益。

本公司每股面值0.10港元之普通股

Name of substantial shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
主要股東姓名	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Mr. Lau 劉先生	Held by a discretionary trust (Note 1)	188,300,013	22.92%
	全權信託持有 (附註1)		
	Beneficial owner	259,996,285	31.64%
	實益擁有人		
		448,296,298	54.56%
Mr. Lee Wai, Timothy 李偉先生	Held by controlled entity (Note 2)	188,300,013	22.92%
	受控制實體持有 (附註2)		
Ms. Lei Yuting 雷雨亭小姐	Beneficial owner	51,000,000	6.21%
	實益擁有人		

附註：

- 該等股份由在英屬處女群島註冊成立之公司 Future 2000 Limited 持有，而該公司由一全權信託持有。該全權信託之受益人包括劉先生、其配偶及其子女。
- 根據證券及期貨條例，由於李偉先生有權於 Future 2000 Limited 之股東大會行使三分之一以上投票權，故視為擁有本公司股份權益。

Directors' Report

董事會報告書

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

PRE-EMPTIVE RIGHTS

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

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

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2012:

- (1) The aggregate sales attributable to the Group's five largest customers and the largest customer represent approximately 15.1% and 4.0%, respectively, of the Group's total revenue;
- (2) The aggregate purchases attributable to the Group's five largest suppliers and the largest supplier represent approximately 97.9% and 53.3%, respectively, of the Group's total purchase.

At no time during the year did a director, an associate of a director or a shareholder of the Company which to the knowledge of the directors, own more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest suppliers and customers.

委任獨立非執行董事

本公司已收到各獨立非執行董事按照聯交所證券上市規則（「上市規則」）第3.13條就其獨立性而提交之年度確認函。本公司認為，所有獨立非執行董事均屬獨立人士。

優先購買權

本公司之公司細則或百慕達法例並無有關本公司須按比例向現有股東發售新股的優先購買權條文。

購買、出售或贖回本公司之上市證券

於年內，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

主要客戶及供應商

截至二零一二年十二月三十一日止年度：

- (1) 本集團向五大客戶及最大客戶所作出之銷售總額分別約佔本集團收入總額之15.1%及4.0%；
- (2) 本集團向五大供應商及最大供應商所作出之採購總額分別約佔本集團採購總額之97.9%及53.3%。

於年內任何時間，董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上之本公司股東，概無擁有本集團五大供應商及客戶之實益權益。

Directors' Report

董事會報告書

CORPORATE GOVERNANCE

Save as disclosed in the Corporate Governance Report on pages 22 to 38 of this annual report, the Company has complied throughout the year with the Code on Corporate Governance Practices and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules which were then in force during the respective periods.

Detailed information on the Company's corporate governance practices is also set out in the Corporate Governance Report.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 30 to the consolidated financial statements.

企業管治

除本年報第22至第38頁之企業管治報告書所披露者外，本公司於年內一直遵從於相關時期當時有效之上市規則附錄14所載之企業管治常規守則及企業管治守則。

本公司企業管治守則之詳細資料亦載於企業管治報告書內。

酬金政策

本集團之僱員酬金政策由薪酬委員會設立，以僱員之表現、資歷及才幹為基準。

本公司董事之酬金由薪酬委員會根據本公司之經營業績、個人表現及同類市場數據釐定。

本公司已採納一項購股權計劃作為給予董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註30。

Directors' Report 董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st December, 2012.

EVENTS AFTER THE REPORTING PERIOD

No material significant events occurred after the reporting period.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Lau Siu Ying

CHAIRMAN

Hong Kong, 26th March, 2013

足夠公眾持股量

本公司於截至二零一二年十二月三十一日止年度內一直維持足夠的公眾持股量。

申報期後事項

於申報期後沒有發生重大事項。

核數師

本公司將於股東週年大會上提呈續聘香港立信德豪會計師事務所有限公司為本公司核數師之決議案。

代表董事會

劉小鷹

主席

香港，二零一三年三月二十六日

Independent Auditor's Report

獨立核數師報告



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**TO THE SHAREHOLDERS OF
 CHINA FORTUNE HOLDINGS LIMITED**
 (incorporated in Bermuda with limited liability)

致中國長遠控股有限公司列位股東

(於百慕達註冊成立之有限公司)

We have audited the consolidated financial statements of China Fortune Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 51 to 142, which comprise the consolidated and company statements of financial position as at 31st December, 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師行已完成審核載列於第51至第142頁中國長遠控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一二年十二月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

董事就綜合財務報表須承擔之責任

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露規定編製及真實公允地列報綜合財務報表，並落實其認為編製該等綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

AUDITOR'S RESPONSIBILITY

核數師之責任

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

本行之責任乃根據本行之審核工作對該等綜合財務報表發表意見，並按照百慕達《公司法》第90條僅向全體股東報告。除此以外，本行之報告書別無其他目的。本行概不就本報告之內容，對任何其他人士負上或承擔責任。

Independent Auditor's Report

獨立核數師報告

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 the 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 31st December, 2012 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited

Certified Public Accountants

Ng Wai Man

Practising Certificate Number: P05309

26th March, 2013

本行已根據香港會計師公會頒佈之香港審計準則進行審核工作。該等準則要求本行遵守道德規範，規劃及執行審核，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

審核工作包括執程序以獲取有關綜合財務報表所載數額及披露資料之審核憑證。所選定之程序乃取決於核數師之判斷，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之風險。評估該等風險時，核數師考慮與該公司編製及真實公允地列報綜合財務報表相關之內部監控，以設計適當之審核程序，但並非對該公司內部監控之效能發表意見。審核工作亦包括評價董事所採用之會計政策是否合適及所作出之會計估計是否合理，以及評價綜合財務報表之整體列報方式。

本行相信，本行所獲得之審核憑證充足及適當地為本行之審核意見提供基礎。

意見

本行認為，該等綜合財務報表根據香港財務報告準則真實公允地反映 貴公司及 貴集團於二零一二年十二月三十一日之財務狀況及截至該日止年度 貴集團之虧損及現金流量，並按照香港《公司條例》之披露規定妥善編製。

香港立信德豪會計師事務所有限公司

執業會計師

伍惠民

執業證書號碼：P05309

二零一三年三月二十六日

Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		Notes 附註	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Turnover	營業額	7	623,049	1,765,862
Cost of sales	銷售成本		(609,374)	(1,704,539)
Gross profit	毛利		13,675	61,323
Other income	其他收入		6,352	7,069
Other gains and losses	其他收益及虧損	8	(5,059)	(4,016)
Selling and distribution costs	銷售及分銷成本		(10,847)	(14,885)
Administrative expenses	行政費用		(26,982)	(31,823)
Finance costs	融資成本	9	(1,340)	(6,535)
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	17	(60,847)	–
Gain on disposal of a subsidiary	出售一家附屬公司之收益		–	2
Share of result of an associate	分佔一家聯營公司之業績	18	(106)	5
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		(85,154)	11,140
Income tax credit	所得稅抵免	10	15,215	15
(Loss)/profit for the year	年度(虧損)/溢利	11(a)	(69,939)	11,155
Other comprehensive income	其他全面收入			
Exchange differences arising on translation of foreign operations	因海外業務換算而產生之匯兌差異		4,025	22,022
			4,025	22,022
Total comprehensive income for the year	年度全面總收入		(65,914)	33,177
(Loss)/profit for the year attributable to:	應佔年度(虧損)/溢利:			
Owners of the Company	本公司擁有人		(43,872)	15,922
Non-controlling interests	非控制性權益		(26,067)	(4,767)
			(69,939)	11,155
Total comprehensive income attributable to:	應佔全面總收入:			
Owners of the Company	本公司擁有人		(40,974)	31,169
Non-controlling interests	非控制性權益		(24,940)	2,008
			(65,914)	33,177
(LOSS)/EARNINGS PER SHARE basic and diluted	每股(虧損)/盈利 基本及攤薄	15	(5.34) cents 仙	1.94 cents仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31st December, 2012 於二零一二年十二月三十一日

		Notes 附註	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Non-current Assets	非流動資產			
Plant and equipment	廠房及設備	16	15,094	9,861
Mining right	採礦權	17	394,285	452,060
Investment in an associate	一家聯營公司之投資	18	1,627	3,800
Available-for-sale investment	可供出售投資	20	69	69
Club memberships	會所會籍	21	1,215	1,263
Convertible notes receivable	應收可換股票據	22	2,050	–
			414,340	467,053
Current Assets	流動資產			
Inventories	存貨	23	32,875	132,365
Trade and other receivables	應收貿易賬款及 其他應收賬款	24	45,038	59,894
Bills receivable	應收票據		–	1,476
Amounts due from non-controlling shareholders of subsidiaries	應收附屬公司 非控制性股東之款項	25	3,647	3,590
Cash and cash equivalents	現金及現金等價物	26	89,371	78,370
			170,931	275,695
Current Liabilities	流動負債			
Trade and other payables	應付貿易賬款及 其他應付賬款	27	53,046	105,876
Amounts due to related parties	應付關連人士之款項	36(a)	969	25,369
Taxation payables	應付稅項		6,470	6,462
Other borrowings	其他借貸	28	15,374	15,250
			75,859	152,957
Net Current Assets	流動資產淨值		95,072	122,738
Total Assets less Current Liabilities	總資產減流動負債		509,412	589,791

Consolidated Statement of Financial Position

綜合財務狀況表

At 31st December, 2012 於二零一二年十二月三十一日

		Notes 附註	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Capital and Reserves	資本及儲備			
Share capital	股本	29	82,166	82,166
Reserves	儲備		191,640	232,614
Equity attributable to owners of the Company	本公司擁有人應佔權益		273,806	314,780
Non-controlling interests	非控制性權益		139,763	164,703
			413,569	479,483
Non-current Liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	31	95,843	110,308
			509,412	589,791

On behalf of the Board

代表董事會

Lau Siu Ying
劉小鷹
CHAIRMAN
主席

Luo Xi Zhi
羅習之
DIRECTOR
董事

Statement of Financial Position

財務狀況表

At 31st December, 2012 於二零一二年十二月三十一日

		Notes 附註	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Non-current Assets	非流動資產			
Investments in subsidiaries	附屬公司之投資	19	53,150	52,721
Current Assets	流動資產			
Other receivables	其他應收賬款		279	277
Cash and cash equivalents	現金及現金等價物		5	5
			284	282
Current Liabilities	流動負債			
Other payables	其他應付賬款		1,040	1,199
Amounts due to subsidiaries	應付附屬公司之款項	19	55,183	30,225
Amount due to a related party	應付一名關連人士之款項	36(a)	-	22,977
			56,223	54,401
Net Current Liabilities	流動負債淨額		(55,939)	(54,119)
Total Assets less Current Liabilities	總資產減流動負債		(2,789)	(1,398)
Capital and Reserves	資本及儲備			
Share capital	股本	29	82,166	82,166
Reserves	儲備	37	(84,955)	(83,564)
			(2,789)	(1,398)

On behalf of the Board

代表董事會

Lau Siu Ying
劉小鷹
CHAIRMAN
主席

Luo Xi Zhi
羅習之
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests 非控制性權益		Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Special reserve 特別儲備	Translation reserve 換算儲備	Statutory funds 法定基金	Share option reserve 購股權儲備	Accumulated losses 累計虧損	Total 總額		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Note i) (附註i)	(Note i) (附註i)	(Note ii) (附註ii)	(Note iii) (附註iii)	(Note iv) (附註iv)	(Note v) (附註v)	(Note v) (附註v)			
At 1st January, 2011	於二零一一年一月一日	82,166	392,962	2,481	59,161	30,132	4,428	(287,719)	283,611	162,695	446,306
Profit for the year	年度溢利	-	-	-	-	-	-	15,922	15,922	(4,767)	11,155
Exchange differences arising on translation of foreign operations	因海外業務換算而產生之匯兌差異	-	-	-	15,247	-	-	-	15,247	6,775	22,022
Total comprehensive income for the year	年度全面總收入	-	-	-	15,247	-	-	15,922	31,169	2,008	33,177
Transfer of reserve upon forfeiture of share options	於購股權失效時轉撥儲備	-	-	-	-	-	(105)	105	-	-	-
At 31st December, 2011	於二零一一年十二月三十一日	82,166	392,962	2,481	74,408	30,132	4,323	(271,692)	314,780	164,703	479,483
Loss for the year	年度虧損	-	-	-	-	-	-	(43,872)	(43,872)	(26,067)	(69,939)
Exchange differences arising on translation of foreign operations	因海外業務換算而產生之匯兌差異	-	-	-	2,898	-	-	-	2,898	1,127	4,025
Total comprehensive income for the year	年度全面總收入	-	-	-	2,898	-	-	(43,872)	(40,974)	(24,940)	(65,914)
Transfer of reserve upon lapse of share options	於購股權失效時轉撥儲備	-	-	-	-	-	(4,323)	4,323	-	-	-
At 31st December, 2012	於二零一二年十二月三十一日	82,166	392,962	2,481	77,306	30,132	-	(311,241)	273,806	139,763	413,569

Notes:**附註:**

- (i) The share premium represents the amount subscribed for share capital in excess of nominal value.
- (ii) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for their acquisition at the time of the group reorganisation in 1999.
- (iii) The translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (iv) The statutory funds are reserves required by the relevant laws applicable to the Group's subsidiaries established in the People's Republic of China (the "PRC") and can be utilised to offset the prior years' losses of the PRC subsidiaries.
- (v) The share option reserve comprises the fair value of share options granted which were yet to be exercised, as further explained in the accounting policy for share-based payment transaction in Note 3 to the consolidated financial statements. In current year, the amount was transferred to accumulated losses when the related options were lapsed.
- (i) 股份溢價指認購股本金額超出面值之款項。
- (ii) 特別儲備指所收購附屬公司之股份面值與本公司於一九九九年進行集團重組時就收購所發行之股份面值間之差額。
- (iii) 換算儲備指因海外業務之資產／負債淨額重新換算為呈列貨幣而產生之收益／虧損。
- (iv) 法定基金指適用於本集團在中華人民共和國（「中國」）成立之附屬公司之有關法例所規定之儲備，並可用於抵銷該等中國附屬公司過往年度之虧損。
- (v) 購股權儲備包括已授出但尚未行使之購股權之公平值，詳情於綜合財務報表附註3就以股份為基礎付款之交易之會計政策進一步闡述。於本年度，金額已於相關購股權失效時轉撥至累計虧損。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(85,154)	11,140
Adjustments for:	調整:		
Gain on disposal of a subsidiary	出售一家附屬公司之收益	-	(2)
Interest expenses	利息開支	1,340	6,535
Interest income	利息收入	(2,898)	(1,385)
Reversal of impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損撥回	-	(641)
Allowance for trade and other receivables	就應收貿易賬款及其他應收賬款之撥備	3,321	-
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	-	2,910
Impairment loss recognised in respect of investment in an associate	就一家聯營公司投資確認之減值虧損	857	-
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	60,847	-
Share of result of an associate	分佔一家聯營公司之業績	106	(5)
Write down of inventories	存貨撇減	2,346	5,944
Recovery of write down of inventories	存貨撇減撥回	(2,388)	(6,162)
Depreciation of plant and equipment	廠房及設備之折舊	1,688	1,896
Amortisation of mining right	採礦權攤銷	107	-
Loss on disposal/write-off of plant and equipment	出售/撤銷廠房及設備之虧損	88	950
Impairment loss recognised in respect of club memberships	就會所會籍確認之減值虧損	50	122

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(19,690)	21,302
Decrease in inventories	存貨減少	99,532	55,008
Decrease in trade and other receivables	應收貿易賬款及其他應收賬款減少	12,847	97,951
Decrease in bills receivable	應收票據減少	1,476	5,580
Increase in amounts due from non-controlling shareholders of subsidiaries	應收附屬公司非控制性股東款項增加	(57)	(418)
Decrease in trade and other payables	應付貿易賬款及其他應付賬款減少	(54,122)	(99,250)
Cash generated from operations	經營業務所得現金	39,986	80,173
PRC Enterprise Income Tax paid	已繳中國企業所得稅	-	(305)
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營活動所得現金淨額	39,986	79,868
INVESTING ACTIVITIES	投資活動		
Proceeds from disposal of plant and equipment	出售廠房及設備之所得款項	2	112
Disposal of a subsidiary, net of cash disposed	出售一家附屬公司，已減所出售之現金	-	(505)
Interest received	已收利息	2,744	700
Payment to subscribe convertible notes	認購可換股票據之付款	(2,050)	-
Purchase of plant and equipment	購買廠房及設備	(6,943)	(3,846)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(6,247)	(3,539)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
FINANCING ACTIVITIES	融資活動		
Bank and other borrowings raised	已籌集之銀行及其他借貸	-	24,600
Repayment to a director	償還一名董事之款項	(24,400)	(15,429)
Repayment of bank and other borrowings	償還銀行及其他借貸	-	(59,380)
Interest paid	已付利息	(48)	(1,380)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(24,448)	(51,589)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	9,291	24,740
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及現金等價物	78,370	45,667
Effect of foreign exchange rate changes	匯率變動之影響	1,710	7,963
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等價物	89,371	78,370
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash on hand and demand deposits	手頭現金及活期存款	33,571	76,033
Short term highly liquid investment	高流通性短期投資	55,800	2,337
		89,371	78,370

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

1. GENERAL

The Company is an exempted company with limited liability incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company is Future 2000 Limited, a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$") for the convenience of the shareholders, as the Company is listed in Hong Kong.

The Company is an investment holding company. The principal activities of the Group are distribution and trading of mobile phones and related accessories, development of marketing and after-sales service network and mining and processing of celestite, zinc and lead minerals. The activities of its principal subsidiaries and principal associate are set out in Notes 38 and 39, respectively.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of amendments to HKFRSs – first effective on 1st January, 2012

Amendments to HKFRS 1	Severe Hyper Inflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKFRS 12	Deferred Tax – Recovery of Underlying Assets

The adoption of these amendments to HKFRSs has no significant impact on the Group's financial statements.

1. 一般事項

本公司為根據百慕達一九八一年公司法（經修訂）在百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之母公司及最終控股公司為於英屬處女群島註冊成立之公司Future 2000 Limited。本公司註冊辦事處及主要營業地點之地址在年報「公司資料」一節內披露。

本公司之功能貨幣為人民幣（「人民幣」）。由於本公司乃於香港上市，為方便股東，綜合財務報表會以港元（「港元」）呈列。

本公司為投資控股公司。本集團之主要業務為分銷及買賣移動電話及相關配件、發展市場推廣及售後服務網絡，以及天青石、鋅及鉛礦石之開採及加工業務。其主要附屬公司及主要聯營公司之業務分別載於附註38及39。

2. 採用香港財務報告準則（「香港財務報告準則」）

(a) 採用香港財務報告準則之修訂 – 於二零一二年一月一日首次生效

香港財務報告準則第1號之修訂	嚴重高通脹及移除首次採用者之固定日期
香港財務報告準則第7號之修訂	披露 – 財務資產之轉撥
香港財務報告準則第12號之修訂	遞延稅項 – 收回相關資產

採用該等香港財務報告準則之修訂對本集團之財務報表並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

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

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle ²
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income ¹
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities ³
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HK(IFRIC) – Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities ³

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提早採用下列已頒佈但尚未生效並可能與本集團財務報表相關之新訂／經修訂香港財務報告準則。

香港財務報告準則 (修訂)	二零零九年至二 零一一年週期 之年度改進 ²
香港會計準則第1號 之修訂（經修訂）	呈列其他全面 收入項目 ¹
香港會計準則第32號 之修訂	呈列－抵銷財務 資產及財務 負債 ³
香港財務報告準則 第7號之修訂	披露－抵銷財務 資產及財務 負債 ⁴
香港財務報告準則 第9號	財務工具 ⁴
香港財務報告準則 第10號	綜合財務報表 ²
香港財務報告準則 第12號	披露於其他實體 之權益 ²
香港財務報告準則 第13號	公平值計量 ²
香港會計準則第27號 (二零一一年)	獨立財務報表 ²
香港會計準則第28號 (二零一一年)	於聯營公司及合 營企業之投資 ²
香港（國際財務報告 詮釋委員會） －詮釋第20號	露天礦生產階段 之剝採成本 ²
香港財務報告準則 第10號、香港財務 報告準則第12號及 香港會計準則 第27號之修訂 (二零一一年)	投資實體 ³

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

- 1 Effective for annual periods beginning on or after 1st July, 2012
- 2 Effective for annual periods beginning on or after 1st January, 2013
- 3 Effective for annual periods beginning on or after 1st January, 2014
- 4 Effective for annual periods beginning on or after 1st January, 2015

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle

The improvements made amendments to the following standards:

(i) HKAS 1 Presentation of Financial Statements

The amendments clarify that the requirement to present a third statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements is limited to circumstances where there is a material effect on the information in that statement of financial position. The date of the opening statement of financial position is the beginning of the preceding period and not, as at present, the beginning of the earliest comparative period. The amendments also clarify that, except for disclosures required by HKAS 1.41-44 and HKAS 8, the related notes to the third statement of financial position are not required to be presented. An entity may present additional voluntary comparative information as long as that information is prepared in accordance with HKFRS. This may include one or more statements and not a complete set of financial statements. Related notes are required for each additional statement presented.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

- 1 於二零一二年七月一日或其後開始之年度期間生效
- 2 於二零一三年一月一日或其後開始之年度期間生效
- 3 於二零一四年一月一日或其後開始之年度期間生效
- 4 於二零一五年一月一日或其後開始之年度期間生效

香港財務報告準則（修訂）－二零零九年至二零一一年週期之年度改進

有關改進對以下準則作出修訂：

(i) 香港會計準則第1號財務報表之呈列

有關修訂對於當實體追溯應用會計政策或在其財務報表將項目追溯重列或重新分類時呈列第三份財務狀況表之規定作出澄清，表示此規定僅適用於對該財務狀況表內之資料構成重要影響之情況。期初財務狀況表之日期是指前一段期間開始之時，而非（截至目前為止）最早可比期間開始之時。有關修訂亦澄清了，除香港會計準則第1.41-44號及香港會計準則第8號規定之披露外，毋須為第三份財務報表呈列相關附註。實體可呈列額外之自願比較資料，惟有關資料必須根據香港財務報告準則編製。此可能包括一份或多份報表，而不是一套完整財務報表。所呈列之各個額外報表均須呈列相關附註。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle (Continued)

(ii) *HKAS 16 Property, Plant and Equipment*

The amendments clarify that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

(iii) *HKAS 32 Financial Instruments: Presentation*

The amendments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. Depending on the circumstances these items of income tax might be recognised in equity, other comprehensive income or in profit or loss.

(iv) *HKAS 34 Interim Financial Reporting*

The amendments clarify that in interim financial statements, a measure of total assets and liabilities for a particular reportable segment need to be disclosed when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則（修訂）－二零零九年至二零一一年週期之年度改進（續）

(ii) 香港會計準則第16號物業、廠房及設備

有關修訂澄清當備件、備用設備和維修設備等項目符合物業、廠房及設備之定義時，有關項目會確認為物業、廠房及設備。否則，該等項目分類為存貨。

(iii) 香港會計準則第32號財務工具：呈列

有關修訂澄清與向股本工具持有人作出分派及股本交易時所產生的交易成本相關之所得稅，應根據香港會計準則第12號所得稅入賬。根據不同情況，此等所得稅項目可能於權益、其他全面收入或損益內確認。

(iv) 香港會計準則第34號中期財務報告

有關修訂澄清在中期財務報表中，當就一個特定可呈報分部計量之總資產及負債金額會定期向主要營運決策者報告，而該分部之總資產及負債較上一份年度財務報表所披露者有重大變動時，則須披露有關總資產及負債之計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

Amendments to HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity’s business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港會計準則第1號之修訂（經修訂）－呈列其他全面收入項目

香港會計準則第1號之修訂（經修訂）規定本集團將呈列於其他全面收入之項目，分為該等可能於日後重新分類至損益之項目（例如可供出售財務資產之重估）及該等未必會重新分類至損益之項目（例如物業、廠房及設備之重估）。其他全面收入項目所繳納之稅項會按相同基準進行分配及披露。有關修訂將追溯應用。

香港會計準則第32號之修訂－抵銷財務資產及財務負債

有關修訂通過對香港會計準則第32號加設應用指引而澄清了有關抵銷之規定，該指引對何時實體「目前擁有法律上可強制執行權利以抵銷」以及何時總額結算機制被認為等同於淨額結算作出澄清。

香港財務報告準則第7號之修訂－抵銷財務資產及財務負債

香港財務報告準則第7號已作修訂，對根據香港會計準則第32號抵銷之所有已確認財務工具以及受限於可強制執行總對銷協議或類似安排者（而不論是否根據香港會計準則第32號抵銷）引入披露規定。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂（二零一一年）－投資實體

有關修訂適用於符合投資實體資格之特定類別業務。投資實體之經營宗旨是僅為資本增值之回報、投資收入或同時取得兩者而投資資金。其按公平價值基準評估旗下投資項目之表現。投資實體可包括私募股權機構、風險投資機構、退休基金及投資基金。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities (Continued)

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

HKFRS 9 – Financial Instruments

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

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂（二零一一年）－投資實體（續）

有關修訂對香港財務報告準則第10號綜合財務報表之綜合入賬規定提供了一個例外情況，並規定投資實體按公平值計入損益來計量特定附屬公司，而非將該等附屬公司綜合入賬。有關修訂亦載列對投資實體之披露規定。有關修訂已追溯應用，惟須受限於若干過渡條文。

香港財務報告準則第9號－財務工具

根據香港財務報告準則第9號，財務資產分類為按公平值或按攤銷成本計量之財務資產，視乎實體管理財務資產之業務模式及財務資產之合約現金流量特點而定。公平值之收益或虧損將於損益內確認，惟就若干非買賣股本投資而言，實體可選擇於其他全面收入確認收益及虧損。香港財務報告準則第9號貫徹香港會計準則第39號有關財務負債之確認、分類及計量規定，惟就指定為按公平值計入損益之財務負債而言，因該負債之信貸風險變動而引致之公平值變動金額乃於其他全面收入內確認，除非此舉將產生或擴大會計錯配則另作別論。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認財務資產及財務負債之規定。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）*

香港財務報告準則第10號－綜合財務報表

香港財務報告準則第10號就綜合計算所有被投資實體引入單一控制權模式。當投資者有權控制被投資方（不論實際上是否有行使該權力）、對來自被投資方之浮動回報享有承擔或權利以及能運用對被投資方之權力以影響該等回報時，投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如，該準則引入「實際」控制權之概念，即倘相對其他個人股東之表決權益之數量及分散情況，投資者之表決權益數量足夠佔優，使其獲得對被投資方之權力，即使持有被投資方表決權少於50%之投資者仍可控制被投資方。潛在表決權僅在實質存在（即持有人有實際能力可行使該等表決權）時，方會於分析控制權時獲考慮。該準則明確要求評估具有決策權之投資者是以委託人或代理人身份行事，以及具有決策權之其他各方是否以投資者之代理人身份行事。代理人獲委聘以代表另一方及為另一方之利益行事，故在其行使其決策權時並不控制被投資方。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因此在財務報表綜合入賬之實體出現變動。現有香港會計準則第27號有關其他綜合計算相關事項之會計規定貫徹不變。香港財務報告準則第10號已追溯應用，惟須受限於若干過渡性條文。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 “Financial Instruments: Disclosures”. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）*

香港財務報告準則第12號－披露於其他實體之權益

香港財務報告準則第12號整合有關於附屬公司、聯營公司及合營安排之權益之披露規定，並使有關規定貫徹一致。該準則亦引入新披露規定，包括有關非綜合計算結構實體之披露規定。該準則之一般目標是讓財務報表使用者可評估呈報實體於其他實體之權益之性質及風險及該等權益對呈報實體之財務報表之影響。

香港財務報告準則第13號－公平值計量

香港財務報告準則第13號提供有關如何在其他準則要求或准許時計量公平值之單一指引來源。該準則適用於按公平值計量之財務項目及非財務項目，並引入公平值計量等級。此計量等級中三個層級之定義大致與香港財務報告準則第7號「財務工具：披露」一致。香港財務報告準則第13號將公平值界定為在市場參與者於計量日期進行之有序交易中就出售資產所收取或就轉讓負債所支付之價格（即平倉價）。該準則撤銷以買入價及賣出價釐定於交投活躍市場掛牌之財務資產及負債之規定，轉而採用在該等情況下買賣差價中最能代表公平值之價格。該準則亦載有詳細之披露規定，讓財務報表使用者可評估計量公平值所採用之方法及輸入數據以及公平值計量對財務報表之影響。香港財務報告準則第13號可提早採用，現已按未來適用基準應用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

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

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

HK(IFRIC) Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine

Stripping activities carried out in the production phase of a surface mine may give rise to two benefits: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The Interpretation requires that costs of stripping activity are accounted for in accordance with the principles in HKAS 2 Inventories to the extent that the benefit from stripping activity is realised in the form of inventory produced. The costs of stripping activity that provide a benefit in the form of improved access to ore are recognised as a non-current stripping activity asset when certain criteria are met. This asset will be accounted for as an addition or enhancement to an existing asset and is classified as tangible or intangible according to the nature of the existing asset of which it forms part. The stripping activity asset is measured initially at cost and subsequently in the same way as the existing asset of which it forms part. It is depreciated or amortised on a systematic basis over the expected useful life of the component of the ore body that becomes more accessible as a result of the stripping activity. The interpretation is applied to production stripping costs incurred after the beginning of the earliest period presented. Predecessor stripping activity asset balance is reclassified as a part of an existing asset subject to the conditions in the Interpretation.

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

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）*

香港（國際財務報告詮釋委員會）－詮釋第20號－露天礦生產階段之剝採成本

露天礦生產階段之剝採活動可產生兩種利益：可用於生產存貨之可用礦石以及方便取得於未來期間將予開採之更多礦產。該詮釋規定剝採活動之成本須根據香港會計準則第2號存貨之原則入賬，致使剝採活動之利益以所生產存貨之方式實現。以方便取得礦石之方式提供利益之剝採活動之成本，於符合若干準則後確認為非經常性剝採活動資產。該資產將作為為現有資產之添置或改良入賬，並根據現有資產（其構成當中一部分）之性質分類為有形或無形資產。剝採活動資產初始按成本計量，其後以相同方式計入為構成現有資產之一部分，其有系統地按因剝採活動而更方便取得之礦體組成部分之預期可使用年期折舊或攤銷。該詮釋已應用於所呈列最早期間開始後產生之生產剝採成本。過往剝採活動資產之結餘已根據詮釋內之條件重新分類為現有資產之一部分。

本集團正評估該等新訂／經修訂香港財務報告準則之潛在影響，董事目前為止之結論是，應用該等新訂／經修訂香港財務報告準則不會對本集團之財務報表產生任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on the historical cost basis except that certain financial instruments are measured at fair values, as explained in the accounting policies set out below.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, these financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

3. 主要會計政策

該等財務報表根據歷史成本基準編製，惟如以下會計政策所闡釋，若干財務工具按公平值計量。

該等財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，該等財務報表載有聯交所證券上市規則及香港《公司條例》規定之適用披露事項。

業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司（「本集團」）之財務報表。集團內公司間之交易及結餘及未變現溢利於編製綜合財務報表時悉數抵銷。未變現虧損亦予抵銷，除非交易提供所轉讓資產之減值證明，在此情況下，虧損於損益內確認。

年內收購或出售之附屬公司之業績由收購生效日期起或至出售生效日期止（視適用情況而定）列入綜合全面收入表內。在有需要之情況下，附屬公司之財務報表會作出調整，使有關會計政策與本集團其他成員公司所採用者一致。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and basis of consolidation (Continued)

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

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

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

3. 主要會計政策 (續)

業務合併及綜合基準 (續)

收購附屬公司或業務採用收購法入賬。收購成本按本集團(作為收購方)所轉讓資產、所產生負債以及所發行股本權益於收購日之公平值總額計量。收購之可識別資產及承擔之負債主要按收購日之公平值計量。本集團以往持有被收購方之股本權益按收購日之公平值重新計量,並將因此而產生之收益或虧損於損益內確認。本集團可選擇因應每項交易,按公平值或應佔之被收購方可識別資產淨值比例來計量非控制性權益(即現時於附屬公司之擁有權權益)。除非香港財務報告準則規定按另一計量基準計量,否則所有其他非控制性權益按公平值計量。收購所產生之相關成本列作支出,除非有關成本因發行股本工具而產生,在此情況下,成本自權益內扣除。

由收購方將予轉讓之任何或然代價按收購日之公平值確認,其後對代價之調整僅於調整源自於計量期間(最長為收購日期起12個月)內所取得有關於收購日之公平值之新資料時,方於商譽內確認。分類為資產或負債之或然代價之所有其他其後調整,均於損益內確認。

本集團於附屬公司權益之變動如不導致喪失控制權,會入賬列為權益交易。本集團權益及非控制性權益之賬面值會作調整,以反映各自於附屬公司權益之變動。非控制性權益之調整金額與所付或所收代價公平值間之任何差額,直接於權益內確認,並歸屬於本公司擁有人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and basis of consolidation

(Continued)

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

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

Subsidiaries

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

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3. 主要會計政策 (續)

業務合併及綜合基準 (續)

倘本集團喪失附屬公司控制權，出售溢利或虧損會按以下兩者之差額計算：(i)已收代價公平值與任何保留權益公平值之總額；及(ii)資產（包括商譽）過往賬面值與附屬公司及任何非控制性權益負債之總額。至於以往於其他全面收入確認而與附屬公司有關之金額，入賬方式與在相關資產或負債已經出售之情況下所用者相同。

收購後，非控制性權益（即目前於附屬公司之擁有權權益）之賬面值為初步確認之金額，另加該非控制性權益其後之應佔權益變動。即使全面收入總額歸屬於有關非控制性權益造成負結餘，全面收入總額仍然歸屬於非控制性權益。

附屬公司

附屬公司乃指本公司可行使控制權之實體。控制權乃指本公司直接或間接擁有權力管理一家實體之財務及經營之決策，以於其業務中獲取利益。於評估控制權時，會計及當前可行使之潛在投票權。

於本公司財務狀況表內，於附屬公司之投資按成本減減值虧損（如有）列賬。附屬公司之業績由本公司按已收及應收股息入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent period.

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. 主要會計政策 (續)

商譽

商譽初步按成本確認，即所轉讓代價與就非控制性權益確認之金額總額超出所收購可識別資產、負債及或然負債之公平值之部分。

倘可識別資產、負債及或然負債之公平值高於所付代價之公平值，則超出部分經重估後於收購日在損益內確認。

商譽乃按成本減減值虧損計量。就減值測試而言，收購產生之商譽會分配至預期受惠於收購協同效益之各相關現金產生單位。獲分配商譽之現金產生單位會每年及於有跡象顯示該單位可能出現減值時進行減值測試。

就於財政年度內進行收購所產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度結束前進行減值測試。如現金產生單位之可收回金額少於該單位之賬面值，則減值虧損會首先分配以撇減該單位獲分配之任何商譽之賬面值，繼而基於該單位內每項資產之賬面值之比例分配至該單位之其他資產。商譽之任何減值虧損於損益內確認，而不會於往後期間撥回。

於聯營公司之投資

聯營公司乃指投資者可行使重大影響力之實體，且該實體並非附屬公司亦非合營企業權益。重大影響力指參與被投資方之財務及經營決策但並非控制或共同控制該等政策之權力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognised its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill included within the carrying amount of the investment is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when goods are delivered and title has passed.

3. 主要會計政策 (續)

於聯營公司之投資 (續)

聯營公司之業績、資產及負債按權益會計法計入綜合財務報表內。根據權益法，於聯營公司之投資按成本（已就本集團分佔聯營公司之資產淨值於收購後之變動作調整）減任何已識別減值虧損列於綜合財務狀況表。如本集團分佔聯營公司之虧損等同或超過所持該聯營公司權益，則本集團會終止確認所分佔之進一步虧損。額外分佔虧損會計提撥備及確認為負債，惟僅以本集團有法定或推定責任者或代表該聯營公司支付之款項為限。

收購成本超出本集團分佔聯營公司於收購日確認之可識別資產、負債及或然負債公平淨值之任何差額，一概確認為商譽。有關商譽列入該投資之賬面值內，且不會進行單獨減值測試；相反，投資之全部賬面值作為單一資產進行減值測試。任何已確認之減值虧損不會分配至構成於聯營公司之投資的其中部分賬面值之資產（包括商譽）。任何減值虧損撥回按其後增加之投資可收回金額確認。

如集團實體與本集團聯營公司進行交易，則損益會互相抵銷，惟數額以本集團所佔有關聯營公司之權益為限。

收益確認

收益按已收或應收代價之公平值計量，指日常業務過程中就已售出貨品及已提供服務應收之款項，並已扣除折扣及銷售相關稅項。

銷售貨品之收益於貨品交付及擁有權轉移時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Service income is recognised when services are provided.

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

Plant and equipment

Plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method. The principal annual rates used for the current year are as follows:

Leasehold improvements	5%-20% or over the term of the relevant leases, whichever is shorter
Furniture, fixtures and equipment	20%-33%
Motor vehicles	20%-25%

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is recognised.

Construction in progress represents plant and equipment under construction or pending installation and is stated at cost less any impairment losses. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. Construction in progress is classified to the appropriate category of plant and equipment when completed and ready for use.

3. 主要會計政策 (續)

收益確認 (續)

服務收入於提供服務時確認。

利息收入根據未償還本金按時間基準及適用利率累計。

廠房及設備

廠房及設備 (在建工程除外) 按成本減其後累計折舊及累計減值虧損列賬。

廠房及設備項目之折舊根據其估計可使用年期及計入其估計剩餘價值後，以直線法撇銷其成本。本年度所用之主要年率如下：

租賃裝修	5%-20%或有關租期 (以較短者為準)
傢俬、裝置及設備	20%-33%
汽車	20%-25%

廠房及設備項目於出售時或預期持續使用資產不會產生未來經濟利益時停止確認。終止確認資產時所產生之任何收益或虧損 (按出售所得款項淨額與項目賬面值之間的差額計算) 於確認項目期間計入損益。

在建工程指興建中或待安裝之廠房及設備，並按成本減任何減值虧損列賬。直至相關資產落成及可作擬定用途前，在建工程不作折舊撥備。在建工程於完成及可供使用時歸入廠房及設備之適當類別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible asset

Club memberships

Club memberships with indefinite life are carried at cost less any subsequent accumulated impairment losses.

Mining right

Mining right is stated at cost less subsequent accumulated amortisation and accumulated impairment losses. Mining right is amortised using the units of production method based on the proven and probable mineral reserves.

Impairment losses on tangible and intangible assets other than goodwill

At the end of reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have reduced. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. 主要會計政策 (續)

無形資產

會所會籍

永久會所會籍按成本減任何其後累計減值虧損入賬。

採礦權

採礦權按成本減其後累計攤銷及累計減值虧損列賬。採礦權使用生產單位法按探明及推定礦產儲量攤銷。

有形及無形資產 (商譽除外) 之減值虧損

本集團於呈報期結算日審閱其有形及無形資產之賬面值以確定是否有任何跡象顯示該等資產存在減值虧損或先前確認之減值虧損不再存在或可能經已減少。倘出現任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損 (如有) 之程度。此外，使用年期不確定之無形資產須每年及在其出現可能減值之跡象時進行減值測試。倘預計某項資產之可收回金額低於其賬面值，則該項資產之賬面值會扣減至其可收回金額。減值虧損即時確認為支出。

倘減值虧損於日後撥回，則該項資產之賬面值會增至其可收回金額之經修訂後估值，惟所增加之賬面值不得超過在該項資產於過往年度未確認減值虧損之情況下所釐定之賬面值。撥回之減值虧損即時確認為收入。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for close down and restoration costs

Close down and restoration costs are provided in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during mine development or during the production phase, based on the net present value of estimated future costs. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of close down. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision is included in borrowing costs. Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and related assets, and the effect is then recognised in the profit or loss on a prospective basis over the remaining life of the operation. Provision for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are reviewed and revised at the end of each reporting period to reflect changes in conditions.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the materials and supplies to their present location and condition, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3. 主要會計政策 (續)

關閉及復墾成本撥備

關閉及復墾成本於有關干擾引起之責任產生之會計期間，按估計未來成本之淨現值計提撥備，而不論該責任是否在煤礦開發期間或在生產階段產生。有關成本於可產生未來利益時撥充資本，而不論復墾活動預計會在經營期限內或是在關閉時產生。資本化成本按經營期限攤銷，撥備淨現值之增加則計入借貸成本。如預計停用及復墾成本出現變動，則撥備及相關資產賬面值將作出調整，屆時所產生影響將於剩餘經營期限內按預測基準於損益內確認。關閉及復墾成本撥備不包括未來干擾事件預期會引起之任何額外責任。成本估計於各呈報期結算日審閱及修正，以反映情況變化。

存貨

存貨按成本及可變現淨值之較低者列賬。成本包括所有購買成本及(如適用)將物資及補給品安置在目前位置及環境所產生之轉換成本及其他成本，並按先入先出法計算。可變現淨值指正常業務過程中之估計售價減去完成生產及銷售所需之估計成本後所得之金額。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including assets similar in nature to cash, which are not restricted as to use.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. 主要會計政策 (續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及高流通性短期投資（即可隨時轉換為已知數額現金、價值變動風險不大及期限較短（一般為購買後三個月內）之投資），減去須應要求償還並構成本集團現金管理不可分割部分之銀行透支。

就財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款，而銀行存款包括用途不受限制，且性質與現金相近之資產。

租賃

如租約條款將擁有權之絕大部分風險及回報轉讓予承租人，該租約會分類為融資租約。所有其他租約一律分類為經營租約。

本集團作為承租人

經營租約付款於有關租期內按直線基準確認為開支。作為訂立經營租約誘因之已收及應收利益，亦按租期以直線基準確認為租金開支之扣減。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the translation reserve.

3. 主要會計政策 (續)

外幣

編製各個集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易，按交易日期之匯率以各功能貨幣（即該實體經營業務所在主要經濟環境之貨幣）列賬。於呈報期結算日，以外幣計值之貨幣項目按該結算日之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目產生之匯兌差額於產生期間在損益內確認。

就呈列綜合財務報表而言，本集團實體之資產及負債均按呈報期結算日之匯率換算為本集團之呈列貨幣（即港元），而收入及開支項目則按年度平均匯率換算，除非期內匯率大幅波動，則採用交易日之匯率。所產生之匯兌差額（如有）於其他全面收入中確認及累計至權益（換算儲備）。

收購海外業務所產生之商譽及所收購之可識別資產公平值之調整，視為該海外業務之資產及負債，並按呈報期結算日之現行匯率重新換算。產生之匯兌差額於換算儲備內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

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

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

Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and other PRC state-managed retirement benefit schemes are charged as expenses when employees have rendered services entitling them to the contributions.

3. 主要會計政策 (續)

借貸成本

收購、建設或生產合資格資產(即需要長時間準備方可作擬定用途或銷售之資產)直接應佔之借貸成本會加入至該等資產之成本,直至該等資產已大致可作擬定用途或銷售為止。於特定借貸用作合資格資產開支之前,暫時投資所賺得之投資收入會自可撥充資本之借貸成本扣除。

所有其他借貸成本均於產生期間在損益內確認。

政府補助

倘可合理確定能夠收取政府補助且本集團能夠滿足該等政府補助所附帶之條件,則會確認政府補助。補貼本集團開支之補助於開支產生之同一期間以系統化方式於損益內確認為收益。補貼本集團資產成本之補助於相關資產賬面值中扣除,其後於該項資產之可使用年期內以經調低折舊開支之方式於損益內實際確認。

退休福利成本

向強制性公積金計劃及其他中國國家管理之退休福利計劃作出之付款於僱員因提供服務而可享有供款時列作開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總額。

現時應付稅項按本年度應課稅溢利計算。應課稅溢利有別於綜合全面收入表中所報之溢利，因其不包括其他年度之應課稅或可扣稅收支項目，並且不包括毋須課稅或扣稅之項目。本集團之現時稅項負債採用於呈報期結算日已制定或實際已制定之稅率計算。

遞延稅項乃就綜合財務報表資產及負債賬面值與計算應課稅溢利所採用之相應稅基間之差額而確認。一般會就所有應課稅暫時差額確認遞延稅項負債，而遞延稅項資產則僅在極可能有應課稅溢利用以確認該等可扣稅暫時差額時，方會就所有可扣減暫時差額加以確認。如於一項交易（業務合併除外）中，因商譽或初步確認其他資產及負債而引致之暫時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債會就於附屬公司及聯營公司之投資引致之應課稅暫時差額而確認，惟倘本集團可控制暫時差額撥回且暫時差額不大可能會於可見將來撥回則除外。至於與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產，僅會於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recognised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於呈報期結算日檢討，並扣減至再無足夠應課稅溢利可供收回全部或部分資產為止。

遞延稅項資產及負債基於呈報期結算日已制定或實質制定之稅率（及稅法）按清償負債或確認資產期間之預期適用稅率計量。遞延稅項負債及資產之計量反映本集團預期於呈報期結算日收回或結算資產及負債賬面值之舉所產生之稅務影響。遞延稅項於損益內確認，惟倘遞延稅項與於其他全面收入確認或直接於權益內確認之項目有關，則遞延稅項亦分別於其他全面收入確認或直接於權益內確認。

財務工具

如集團實體成為工具合約條文之訂約方，則財務資產及財務負債於綜合財務狀況表確認。財務資產及財務負債初步按公平值計量。因購置或發行財務資產及財務負債直接應佔之交易成本乃於初步確認時加入或扣自財務資產或財務負債之公平值（視情況而定）。購置按公平值計入損益之財務資產或財務負債直接應佔之交易成本即時於損益內確認。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

These assets include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which is managed and its performance evaluated on a fair value basis according to a documented management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

3. 主要會計政策 (續)

財務工具 (續)

財務資產

本集團之財務資產分類為按公平值計入損益之財務資產；貸款及應收賬款；以及可供出售財務資產。所有按正常途徑買賣之財務資產均以交易日為基準確認。正常途徑買賣指買賣該等財務資產須按市場規則或慣例於既定時限內交付資產。

按公平值計入損益之財務資產

此等資產包括持作買賣財務資產及於初始確認時指定為按公平值計入損益之財務資產。倘收購財務資產之目的為於短期內出售，則分類為持作買賣。除非衍生工具（包括單獨處理之嵌入式衍生工具）指定作為有效對沖工具，否則亦列為持作買賣。

倘合約包括一項或以上嵌入式衍生工具，則整份混合合約可指定為按公平值計入損益之財務資產，惟倘嵌入式衍生工具不會令現金流量有重大變動或明確禁止單獨處理嵌入式衍生工具則除外。

符合以下條件之財務資產可在初始確認時指定為按公平值計入損益：(i)分類將消除或顯著減少因按不同基準計量資產或確認收益或虧損而造成之處理方法不一致情況；(ii)根據明文訂立之管理策略，該等資產為一類受管理而其表現乃按公平值評估之財務資產之一部分；或(iii)有關財務資產包括需要獨立入賬之嵌入式衍生工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, bills receivable, amounts due from related parties, cash and cash equivalents) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of other reporting period subsequent to initial recognition (see accounting policy on impairment loss on financial assets below).

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

貸款及應收賬款

貸款及應收賬款為在活躍市場上並無報價而具有固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收賬款（包括應收貿易賬款及其他應收賬款、應收票據、應收關連人士之款項、現金及現金等價物）以實際利率法按攤銷成本減任何已識別減值虧損（見下文有關財務資產減值虧損之會計政策）列賬。

可供出售財務資產

可供出售財務資產為指定或不能歸入按公平值計入損益之財務資產、貸款及應收賬款或持至到期之投資之非衍生工具。於初步確認後，此類資產按公平值列值，公平值變動則於其他全面收入確認，惟減值虧損及貨幣工具之匯兌收益及虧損則於損益內確認。

就在活躍市場並無市場報價且不能可靠計量公平值之可供出售股本投資而言，於初步確認後，在其他呈報期結算日按成本減任何已識別減值虧損（見下文有關財務資產減值虧損之會計政策）計量。

於初始確認後，按公平值計入損益之財務資產乃按公平值計量，並於發生期間在損益內確認公平值之變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- granting concession to a debtor because of debtor's financial difficulty; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

3. 主要會計政策 (續)

財務工具 (續)

財務資產減值

於呈報期結算日評定財務資產有否減值跡象。倘有客觀證據顯示財務資產之估計未來現金流量因初步確認該財務資產後發生之一項或多項事件而受到影響，則該財務資產會作減值。

對於所有其他財務資產，減值之客觀證據包括：

- 發行人或對手方出現重大財政困難；或
- 未能繳付或拖欠償還利息或本金；或
- 由於債務人出現財務困難而對債務人作出寬限；或
- 借款人極有可能面臨破產或財務重組。

倘公平值下跌構成客觀減值證據，則虧損金額將自權益扣除，並於損益內確認。

如投資公平值之增加客觀上與確認減值虧損後發生之事件相關，則可供出售債務投資之任何減值虧損其後會從損益撥回。

就可供出售股本投資而言，減值虧損後公平值之任何增加均於其他全面收入確認。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amounts due to related parties and other borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

3. 主要會計政策 (續)

財務工具 (續)

財務資產減值 (續)

至於按成本列賬之可供出售股本投資，減值虧損金額則按資產賬面值與按同類財務資產現行市場回報率折現之估計未來現金流量現值間之差額計量。減值虧損不會撥回。

財務負債

本集團按財務負債產生之目的將其分類。按公平值計入損益之財務負債初步按公平值計量，而按攤銷成本計算之財務負債初步按公平值減所產生之直接應佔成本計量。

按攤銷成本計算之財務負債

按攤銷成本計算之財務負債（包括應付貿易賬款及其他應付賬款、應付關連人士之款項及其他借貸）其後採用實際利率法按攤銷成本計量。相關利息開支會於損益內確認。

於負債終止確認或進行攤銷時，收益或虧損概於損益內確認。

實際利率法

實際利率法乃計算財務資產或財務負債之攤銷成本及攤分有關期間利息收入或利息開支之方法。實際利率指準確折現財務資產或負債於整段估計可用年期或（倘適用）較短期間之估計未來現金收入或現金支出之利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

3. 主要會計政策 (續)

財務工具 (續)

終止確認

財務資產於自有關資產獲取現金流之權利屆滿時，或有關財務資產被轉讓且本集團已轉移有關財務資產擁有權之絕大部分風險及回報時終止確認。於終止確認財務資產時，該項資產之賬面值與已收及應收代價總額間之差額於損益內確認。

財務負債於有關合約規定之承擔解除、撤銷或到期時終止確認。財務負債之賬面值與已付及應付代價間之差額於損益內確認。

以股份為基礎付款之交易

以股權結算以股份為基礎付款之交易

授予僱員之購股權

倘所授出購股權即時歸屬，參考所授出購股權於授出日期之公平值而釐定之所獲服務之公平值，於授出日期全數確認為開支，並於權益（購股權儲備）作相應增加。

購股權獲行使時，過往於購股權儲備內確認之數額會轉撥至股份溢價。倘購股權被沒收或於屆滿日仍未獲行使，則過往於購股權儲備內確認之數額會轉撥至累計虧損。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses immediately, with a corresponding increase in equity (share option reserve) when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

3. 主要會計政策 (續)

以股份為基礎付款之交易 (續)

以股權結算以股份為基礎付款之交易 (續)

授予顧問之購股權

為換取貨品或服務而發行之購股權按所獲服務之公平值計量，惟倘公平值不能可靠地計量，則所獲服務參考所授購股權之公平值計量。當本集團取得貨品或交易對手提供服務時，所獲服務之公平值即時確認為開支，權益（購股權儲備）亦相應增加，惟貨品或服務符合資格確認為資產則除外。

關連人士

- (a) 倘屬以下人士，則該人士或其近親與本集團有關連：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司主要管理人員。
- (b) 倘符合下列任何條件，則實體與本集團有關連：
- (i) 該實體與本集團為同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此互有關連）；
 - (ii) 其中一方為另一方之聯營公司或合營企業（或其中一方為另一方所屬集團之聯營公司或合營企業）；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply: (Continued)
- (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

3. 主要會計政策 (續)

關連人士 (續)

- (b) 倘符合下列任何條件，則實體與本集團有關連：(續)
- (iii) 雙方均為同一第三方之合營企業；
 - (iv) 其中一方為第三方實體之合營企業，而另一方為該第三方實體之聯營公司；
 - (v) 該實體乃為本集團或與本集團相關之實體之僱員福利而設之退休福利計劃；
 - (vi) 該實體受(a)段所識別人士控制或共同控制；或
 - (vii) (a)(i)段所識別並對實體有重大影響力或為該實體(或該實體母公司)主要管理人員之人士。

一名人士之近親指預期於其與實體進行買賣時可影響該人士或於買賣時受該人士影響之家屬成員，包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

4. 估計不確定因素之主要來源

於應用附註3所述之本集團會計政策時，本公司董事須對無法依循其他途徑即時得知之資產及負債賬面值作出估計及假設。該等估計及相關假設乃根據過往經驗及認為相關之其他因素而作出。實際結果或會與該等估計不同。

估計及相關假設會持續檢討。會計估計之修訂於修訂估計之期間（倘修訂僅影響該期間），或修訂期間及未來期間（倘修訂影響本期間及未來期間）確認。

下文載列有關未來之主要假設以及於呈報期結算日估計之不確定因素其他主要來源，該等假設及估計很可能導致下一個財政年度之資產賬面值須作出重大調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Mining right

The mining right represents the right of a mining company in the Group (“Sifa Mining”) to conduct mining activities in Huangshi City, Hubei Province, the PRC. The mining right is amortised using the units of production method based on the proven and probable mineral reserves. Sifa Mining obtained mining operating permit without any restrictions for a 5-year term, which was renewable. After the expiration of the 5-year mining operating permit on 25th September, 2012, the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) had renewed a mining operating permit, under which Sifa Mining is restricted to exploration activities only, for a term of 2 years from 25th September, 2012 to 25th September, 2014. Exploitation activities are prohibited under the aforesaid 2-year mining operating permit. In the opinion of the directors, Sifa Mining is currently constructing a new mining site exploitation system so that the restriction has no adverse effect to the mining operation and Sifa Mining is able to fulfill the exploitation requirements set out by the Ministry of Land and Resources of the PRC and is able to obtain/renew the mining operating permit without any restrictions until all the proven and probable minerals have been mined. The directors also consider that the applications for release of the said restriction and further renewal of the mining operating permit are procedural and without significant costs.

Production capacity assumption

The mining operating permit mentioned above limits the production capacity to 100,000 tons per year. In the opinion of the directors, the application for increasing the production capacity is procedural and Sifa Mining should be able to obtain a mining operating permit with higher production capacity without significant cost. In case the production capacity limit cannot be increased, the carrying amount of the mining right may be impaired.

4. 估計不確定因素之主要來源 (續)

採礦權

採礦權指本集團一家採礦公司(「鋸發礦業」)於中國湖北省黃石市進行採礦活動之權利。採礦權乃基於探明及推定礦產儲量以生產單位法攤銷。鋸發礦業已取得並無附帶任何限制之五年期採礦許可證，並可予續期。於五年期採礦許可證於二零一二年九月二十五日到期後，中華人民共和國國土資源部已重續採礦許可證，據此，鋸發礦業被限制只可進行勘探活動，由二零一二年九月二十五日起至二零一四年九月二十五日止為期兩年。上述兩年期採礦許可證禁止進行開採活動。董事認為，鋸發礦業現正建設新礦地開採系統，因此有關限制對採礦業務並無不利影響，且鋸發礦業能夠達成中國國土資源部所訂之開採規定，現時可取得／重續並無附帶任何限制之採礦許可證，直至所有探明及推定礦產開採完畢。董事亦認為，申請解除上述限制及進一步重續採礦許可證屬程序性質，不牽涉重大成本。

產能假設

上述採礦許可證將年產能限制為100,000噸。董事認為，申請增加產能屬程序性質，故鋸發礦業應可獲得較高產能之採礦許可證而毋須牽涉重大成本。倘無法增加產能上限，則採礦權之賬面值可能被減值。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Reserves estimates

Reserves are estimates of the amount of products that can be economically and legally extracted from the Group's properties. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgments and calculations to interpret the data.

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- (i) Asset carrying values may be affected due to changes in estimated future cash flows.
- (ii) Depreciation, depletion and amortisation charged to profit or loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.

4. 估計不確定因素之主要來源 (續)

儲量估計

儲量乃可以符合經濟原則之方法合法地自本集團礦區取得之估計產品數量。為計算儲量，有關人士須就地質、技術及經濟因素範疇作出估計及假設，其中包括數量、品位、生產技術、採收率、生產成本、運輸成本、商品需求及商品價格。

估計儲量之數量及／或品位時，有關人士須按鑽探採樣等地質數據分析，釐定礦體或礦場之規模、形狀及深度。此工序或涉及繁複艱鉅之地質判斷及計算以詮釋有關數據。

由於估計儲量所用經濟假設會隨著不同之期間而改變，而營運過程中會額外產生地質數據，故儲量估算或會隨不同期間而有所變動。呈報儲量之變動可循不同途徑影響本集團之財務業績及財務狀況，其中包括下列各項：

- (i) 估計未來現金流量之變動或會影響資產賬面值。
- (ii) 倘折舊、耗減及攤銷支出按生產單位為基準予以釐定，或資產之可使用經濟年限有所變動，自損益內扣除之折舊、耗減及攤銷或會有所變動。

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For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Reserves estimates (Continued)

- (iii) Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.
- (iv) The carrying value of deferred tax may change as a result of changes in the asset carrying values as discussed above.

Provision for close down and restoration costs

The provision for close down and restoration costs is estimated by management based on the current regulatory requirements issued by the Hubei Provincial Peoples Government. Provision set up, if any, is reviewed regularly by management to ensure it properly reflects the obligation arising from mining and exploration activities.

Estimated impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment 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 (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st December, 2012, the carrying amount of trade and other receivables was approximately HK\$45,038,000 net of allowance for doubtful debts of approximately HK\$20,586,000 (2011: HK\$59,894,000 net of allowance for doubtful debts of approximately HK\$17,213,000).

4. 估計不確定因素之主要來源 (續)

儲量估計 (續)

- (iii) 倘估計儲量之變動影響拆撤、礦場復墾及環保工作預期之時間表或成本，則拆撤、礦場復墾及環保撥備或會出現變動。
- (iv) 遞延稅項之賬面值或因上文所討論之資產賬面值變動而有所改變。

關閉及復墾成本撥備

關閉及復墾成本之撥備乃管理層根據對湖北省人民政府所頒佈之現有監管規定作出估計。管理層定期檢討已設定之撥備(如有)，確保撥備恰當地反映採礦及勘探活動產生之債務。

估計應收貿易賬款及其他應收賬款減值

倘存在減值虧損之客觀證據，則本集團會考慮估計未來現金流量。減值虧損之金額按資產賬面值與以財務資產原實際利率(即初步確認時計算之實際利率)貼現之估計未來現金流量(不包括未引致之未來信貸虧損)現值之間的差額計算。倘實際未來現金流量少於預期金額，則可能產生重大減值虧損。於二零一二年十二月三十一日，應收貿易賬款及其他應收賬款之賬面值約為45,038,000港元(已扣除呆賬撥備約20,586,000港元)(二零一一年：59,894,000港元(已扣除呆賬撥備約17,213,000港元))。

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For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated allowance for inventories

Management reviews the inventories listing at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified. Allowance was made by reference to the latest market value for those inventories identified. Where the net recognised value is less than the cost, a material write down may arise. As at 31st December, 2012, the carrying amount of inventories (net of allowances) was approximately HK\$32,875,000 (2011: approximately HK\$132,365,000).

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes other borrowings as disclosed in Note 28 and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of their review, the directors consider the cost of capital and the risks associates thereto. Based on recommendations of the directors, the Group will maintain its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

4. 估計不確定因素之主要來源 (續)

估計存貨撥備

管理層檢討各呈報期結算日所列之存貨，並對已識別之陳舊及滯銷存貨進行撥備。撥備乃參考該等已識別存貨之最近期市值釐定。倘確認淨值低於成本，則可能會作出重大撇減。於二零一二年十二月三十一日，存貨賬面值（已扣除撥備）約為32,875,000港元（二零一一年：約132,365,000港元）。

5. 資本風險管理

本集團之資本管理目標乃保障本集團能持續營運，從而為股東提供回報，同時兼顧其他利益相關者之利益，並維持最佳之資本架構以減低資本成本。

本集團資本架構包含債務（包括附註28所披露之其他借貸）及本公司擁有人應佔權益（包括已發行股本及各項儲備）。

本公司董事定期檢討資本架構。檢討時，董事會考慮資本成本及相關風險。根據董事之推薦建議，本集團將透過派發股息、發行新股及發行新債務或償還現有債務維持其整體資本架構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets	財務資產
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)
Available-for-sale investment	可供出售投資
Financial liabilities	財務負債
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets included in trade and other receivables, amounts due from non-controlling shareholders of subsidiaries, cash and cash equivalents; financial liabilities included in trade and other payables, other borrowings and amounts due to related parties. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign currency risk

Several subsidiaries of the Group are exposed to foreign currency risk primarily arising from foreign currency bank deposits, other receivables and trade and other payables.

6. 財務工具

(a) 財務工具類別

2012 HK\$'000 千港元	2011 HK\$'000 千港元
123,745	111,716
69	69
55,612	52,123

(b) 財務風險管理目標及政策

本集團之主要財務工具包括計入應收貿易賬款及其他應收賬款、應收附屬公司非控制性股東之款項、現金及現金等價物之財務資產；計入應付貿易賬款及其他應付賬款、其他借貸及應付關連人士款項之財務負債。該等財務工具之詳情於各相關附註披露。有關該等財務工具之風險包括市場風險（外幣風險及利率風險）、信貸風險及流動資金風險。下文載列減低此等風險之政策。管理層會管理及監控該等風險，以確保及時並有效地採取適當措施。

市場風險

(i) 外幣風險

本集團多家附屬公司面對外幣風險，主要源自外幣銀行存款、其他應收賬款以及應付貿易賬款及其他應付賬款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies (Continued)****Market risk (Continued)****(i) Foreign currency risk (Continued)**

Improvement in results for the year	年度業績上升
- HK\$	- 港元

In the management's opinion, the above sensitivity analysis is not necessarily representative of the inherent foreign currency risk as the exposure at year end does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is not exposed to fair value interest rate risk in relation to its fixed-rate borrowing (see Note 28 for details) as they are carried at amortised costs. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is not exposed to cash flow interest rate risk as the interest rate of borrowing is fixed (see Note 28 for details).

6. 財務工具 (續)**(b) 財務風險管理目標及政策 (續)****市場風險 (續)****(i) 外幣風險 (續)**

2012 HK\$'000 千港元	2011 HK\$'000 千港元
43	1,209

管理層認為，由於年終所面對之風險並不反映本年度所面對之風險，故上述敏感度分析並不代表固有外幣風險。

(ii) 利率風險

由於定息借貸（詳情見附註28）以攤銷成本列值，故本集團毋須就其定息借貸承擔公平值利率風險。本集團現時並無利率對沖政策。然而，管理層會監控利率風險，並會在有需要時考慮對沖重大利率風險。

由於借貸之利率為固定利率（詳情見附註28），故本集團並無任何現金流量利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

At 31st December, 2012, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss for the year and decrease/increase accumulated losses by approximately HK\$447,000 (2011: HK\$380,000).

The sensitivity analysis above has been determined based on the exposure to interest rates for the Group's variable-rate bank balances at the end of reporting. The analysis is prepared assuming these financial instruments outstanding at the end of reporting period were outstanding for the whole year. The 50 basis point increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2011.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析

於二零一二年十二月三十一日，倘利率整體上調／下調50點子，而所有其他變數維持不變，估計本集團年度虧損將會減少／增加而累計虧損將會減少／增加約447,000港元（二零一一年：380,000港元）。

上述敏感度分析已按本集團於呈報期結算日之浮息銀行結餘之利息風險而釐定。編製該分析時乃假設該等於呈報期結算日尚未行使之財務工具於整個年度均尚未行使。50點子之上調／下調乃管理層對直至下一年報日期止期間之合理可能利率變動評估。二零一一年之分析乃採用相同基準進行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, amounts due from non-controlling shareholders of subsidiaries and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade customers. Normally, the Group does not obtain collateral from customers.

In addition to credit risk on trade and other receivables, the Group is also exposed to concentration of credit risk through advances to non-controlling shareholders of subsidiaries of HK\$3,647,000 (2011: HK\$3,590,000). Because of its significance, management has regular liaison with the counterparty to understand their financial position and to identify any early sign of potential problems. Should any potential default risk arise, the Group's management will take prompt actions to safeguard the Group's assets.

In addition, the Group had concentration of credit risk on its liquid funds as 99% (2011: 99%) of bank balances were placed with five (2011: five) banks. However, the credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

本集團之信貸風險主要來自其應收貿易賬款及其他應收賬款、應收附屬公司非控制性股東之款項及銀行結餘。管理層設有信貸政策，並持續監察本集團所承擔之信貸風險。

就應收貿易賬款及其他應收賬款而言，所有信貸額超過一定金額之客戶均需接受個別信貸評估。有關評估集中於客戶支付到期款項之往績及現時付款之能力，以及考慮客戶之具體資料及客戶營運所在地之經濟環境。本集團會就貿易客戶之財務狀況進行持續信貸評估。本集團通常不會向客戶收取抵押品。

除應收貿易賬款及其他應收賬款之信貸風險外，本集團亦因向附屬公司非控制性股東墊款3,647,000港元（二零一一年：3,590,000港元）而面對集中信貸風險。由於事關重大，故管理層會定期與交易對手聯繫以了解其財務狀況及識別有否潛在問題之預兆。倘發生任何潛在拖欠情況，則本集團管理層會即時採取行動保障本集團資產。

此外，由於本集團99%（二零一一年：99%）銀行存款存放於五間（二零一一年：五間）銀行，故本集團面對集中流動資金信貸風險。然而，由於交易對手為國際信貸評級機構評為良好信貸評級之銀行，故流動資金之信貸風險屬有限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the recognised of borrowings as well as the cash flows from operating activities.

The following table details the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

THE GROUP

Liquidity table

2012	二零一二年
Non-derivative financial liabilities	非衍生財務負債
Trade and other payables	應付貿易賬款及其他應付賬款
Amounts due to related parties	應付關連人士之款項
– Amount due to an associate	– 應付一家聯營公司之款項
– Amount due to a director	– 應付一名董事之款項
Other borrowings	其他借貸
– fixed rate	– 定息

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

管理流動資金風險時，本集團監控並維持管理層視為足夠為本集團營運提供資金之現金及現金等價物，並減輕現金流量波動之影響。管理層會監控借貸之確認情況以及經營活動之現金流量。

下表載列本集團衍生及非衍生財務負債之剩餘合約到期詳情。該表根據財務負債之未貼現現金流量及本集團可能須償還之最早日期編製，包括利息及本金之現金流量。

本集團

流動資金表

Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount as at 31.12.2012
加權平均實際利率 %	按要求或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	於二零一二年十二月三十一日之賬面值 HK\$'000 千港元
	39,269	-	-	39,269	39,269
	500	-	-	500	500
	469	-	-	469	469
8.47	-	-	16,676	16,676	15,374
	40,238	-	16,676	56,914	55,612

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies (Continued)****Liquidity risk (Continued)****THE GROUP (Continued)****Liquidity table (Continued)**

	Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount as at
						31.12.2011
	加權平均實際利率 %	按要求或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	二零一一年十二月三十一日之賬面值 HK\$'000 千港元
2011						
Non-derivative financial liabilities						
Trade and other payables	-	11,071	128	305	11,504	11,504
Amounts due to related parties						
- Amount due to an associate	-	500	-	-	500	500
- Amount due to a director	-	24,869	-	-	24,869	24,869
Other borrowings						
- fixed rate	8.47	-	-	16,542	16,542	15,250
		36,440	128	16,847	53,415	52,123

THE COMPANY**Liquidity table**

	Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount as at
						31.12.2012
	加權平均實際利率 %	按要求或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	二零一二年十二月三十一日之賬面值 HK\$'000 千港元
2012						
Non-derivative financial liabilities						
Other payables	-	1,040	-	-	1,040	1,040
Amounts due to subsidiaries	-	55,183	-	-	55,183	55,183
		56,223	-	-	56,223	56,223

6. 財務工具 (續)**(b) 財務風險管理目標及政策 (續)****流動資金風險 (續)****本集團 (續)****流動資金表 (續)**

	Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount as at
						31.12.2011
	加權平均實際利率 %	按要求或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	二零一一年十二月三十一日之賬面值 HK\$'000 千港元
2011						
Non-derivative financial liabilities						
Trade and other payables	-	11,071	128	305	11,504	11,504
Amounts due to related parties						
- Amount due to an associate	-	500	-	-	500	500
- Amount due to a director	-	24,869	-	-	24,869	24,869
Other borrowings						
- fixed rate	8.47	-	-	16,542	16,542	15,250
		36,440	128	16,847	53,415	52,123

本公司**流動資金表**

	Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount as at
						31.12.2012
	加權平均實際利率 %	按要求或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	二零一二年十二月三十一日之賬面值 HK\$'000 千港元
2012						
Non-derivative financial liabilities						
Other payables	-	1,040	-	-	1,040	1,040
Amounts due to subsidiaries	-	55,183	-	-	55,183	55,183
		56,223	-	-	56,223	56,223

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

THE COMPANY (Continued)

Liquidity table (Continued)

	Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount
						as at 31.12.2011
	加權平均實際利率 %	按要求或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	二零一一年十二月三十一日之賬面值 HK\$'000 千港元
2011						二零一一年
Non-derivative financial liabilities		非衍生財務負債				
Other payables	-	1,199	-	-	1,199	1,199
Amounts due to subsidiaries	-	30,225	-	-	30,225	30,225
Amount due to a director	-	22,977	-	-	22,977	22,977
		54,401	-	-	54,401	54,401

7. SEGMENT INFORMATION AND TURNOVER

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers (the "CODM") that are used to make strategic decisions.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

本公司 (續)

流動資金表 (續)

7. 分部資料及營業額

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節

本集團基於由作出策略決定之主要營運決策者(「主要營運決策者」)審閱之報告釐定其營運分部。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION AND TURNOVER

(Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

During the year ended 31st December, 2012, the Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Mobile phone business
- Mining business

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Corporate expenses, corporate assets and corporate liabilities are not allocated to the reportable segments as they are not included in the measure of the segments' profit or loss, segments' assets and segments' liabilities that are used by the CODM for assessment of segment performance.

7. 分部資料及營業額 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

截至二零一二年十二月三十一日止年度，本集團擁有兩個可呈報分部。由於各業務提供不同產品以及服務，並且需要採取不同之業務策略，故此各分部乃分開管理。以下概要描述本集團各個可呈報分部之營運：

- 移動電話業務
- 採礦業務

分部間交易之價格乃參考就類似訂單向外界人士收取之價格釐定。由於企業支出、企業資產及企業負債並沒有計入主要營運決策者評估分部表現時使用之分部溢利或虧損、分部資產及分部負債內，故並沒有被分配至各可呈報分部。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION AND TURNOVER

(Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

For the year ended 31st December, 2012

7. 分部資料及營業額 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

截至二零一二年十二月三十一日止年度

		Mobile phone business 移動電話業務 HK\$'000 千港元	Mining business 採礦業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment revenue from external customers	來自外界客戶之可呈報分部收益	623,049	-	623,049
Reportable segment loss	可呈報分部虧損	(12,416)	(65,525)	(77,941)
Loss on disposal/write-off of plant and equipment	出售/撤銷廠房及設備之虧損	8	80	88
Depreciation and amortisation	折舊及攤銷	1,076	685	1,761
Impairment loss recognised in respect of trade receivables	就應收貿易賬款確認之減值虧損	3,321	-	3,321
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	-	60,847	60,847
Write down of inventories	存貨撇減	2,346	-	2,346
Recovery of write down of inventories	存貨撇減撥回	(2,388)	-	(2,388)
Reportable segment assets	可呈報分部資產	166,318	411,712	578,030
Additions to non-current assets	非流動資產添置	940	6,059	6,999
Reportable segment liabilities	可呈報分部負債	(36,100)	(127,172)	(163,272)

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION AND TURNOVER*(Continued)*

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

7. 分部資料及營業額 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

		2012 HK\$'000 千港元
Revenue	收益	
Reportable segment revenue and consolidated revenue	可呈報分部收益及綜合收益	623,049
Loss before income tax	除所得稅前虧損	
Reportable segment loss	可呈報分部虧損	(77,941)
Interest income	利息收入	2,898
Impairment loss recognised in respect interest in an associate	就一家聯營公司之權益確認之減值虧損	(857)
Miscellaneous loss	雜項虧損	(17)
Corporate expenses	企業支出	(7,791)
Share of result of an associate	分佔一家聯營公司之業績	(106)
Finance costs	融資成本	(1,340)
Consolidated loss before income tax	綜合除所得稅前虧損	(85,154)
Assets	資產	
Reportable segment assets	可呈報分部資產	578,030
Unallocated corporate assets	未分配企業資產	
– Investment in an associate	– 一家聯營公司之投資	1,627
– Others	– 其他	5,614
Consolidated total assets	綜合資產總值	585,271
Liabilities	負債	
Reportable segment liabilities	可呈報分部負債	163,272
Unallocated corporate liabilities	未分配企業負債	8,430
Consolidated total liabilities	綜合負債總額	171,702

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION AND TURNOVER

(Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

For the year ended 31st December, 2011

7. 分部資料及營業額 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

截至二零一一年十二月三十一日止年度

		Mobile phone business 移動 電話業務 HK\$'000 千港元	Mining business 採礦業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment revenue from external customers	來自外界客戶之 可呈報分部收益	1,764,271	1,591	1,765,862
Reportable segment profit/(loss)	可呈報分部溢利/(虧損)	34,951	(6,651)	28,300
Loss on disposal/write-off of plant and equipment	出售/撤銷廠房及 設備之虧損	2	948	950
Depreciation and amortisation	折舊及攤銷	1,228	655	1,883
Write down of inventories	存貨撇減	5,944	–	5,944
Recovery of write down of inventories	存貨撇減撥回	(6,162)	–	(6,162)
Reportable segment assets	可呈報分部資產	269,673	466,251	735,924
Additions to non-current assets	非流動資產添置	229	3,574	3,803
Reportable segment liabilities	可呈報分部負債	(87,852)	(142,222)	(230,074)

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For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION AND TURNOVER*(Continued)***7. 分部資料及營業額 (續)**

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

		2011 HK\$'000 千港元
Revenue	收益	
Reportable segment revenue and consolidated revenue	可呈報分部收益及綜合收益	<u>1,765,862</u>
Profit before income tax	除所得稅前溢利	
Reportable segment profit	可呈報分部溢利	28,300
Interest income	利息收入	1,385
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	(2,910)
Miscellaneous loss	雜項虧損	(245)
Corporate expenses	企業支出	(8,862)
Gain on disposal of a subsidiary	出售一家附屬公司之收益	2
Share of result of an associate	分佔一家聯營公司之業績	5
Finance costs	融資成本	<u>(6,535)</u>
Consolidated profit before income tax	綜合除所得稅前溢利	<u>11,140</u>
Assets	資產	
Reportable segment assets	可呈報分部資產	735,924
Unallocated corporate assets	未分配企業資產	
– Investment in an associate	– 一家聯營公司之投資	3,800
– Others	– 其他	<u>3,024</u>
Consolidated total assets	綜合資產總值	<u>742,748</u>
Liabilities	負債	
Reportable segment liabilities	可呈報分部負債	230,074
Unallocated corporate liabilities	未分配企業負債	<u>33,191</u>
Consolidated total liabilities	綜合負債總額	<u>263,265</u>

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION AND TURNOVER

(Continued)

(b) Geographical information

During 2012 and 2011, the Group's operations and non-current assets are situated in the PRC in which all of its revenue was derived.

(c) Information about major customer

During 2012 and 2011, there was no customer with whom transactions have exceeded 10% of the Group's revenue.

(d) Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

7. 分部資料及營業額 (續)

(b) 地域資料

於二零一二年及二零一一年，本集團之業務及非流動資產均位於中國，而全部收益皆來自中國。

(c) 有關主要客戶之資料

於二零一二年及二零一一年，並無客戶之交易佔本集團收益超過10%。

(d) 營業額

營業額按已收或應收代價之公平值計量，指日常業務過程中就已售出貨品及已提供服務應收之款項，並已扣除折扣及銷售相關稅項。

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
(Impairment loss)/reversal of impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之(減值虧損)/減值虧損撥回	(3,321)	641
Impairment loss recognised in respect of interest in an associate	就一家聯營公司權益確認之減值虧損	(857)	-
Exchange loss	匯兌虧損	(743)	(675)
Loss on disposal/write-off of plant and equipment	出售/撤銷廠房及設備之虧損	(88)	(950)
Impairment loss recognised in respect of club memberships	就會所會籍確認之減值虧損	(50)	(122)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	-	(2,910)
		(5,059)	(4,016)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

9. FINANCE COSTS**9. 融資成本**

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Interests on:	利息有關：		
Bank and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行及其他借貸	1,292	2,624
Promissory notes	承兌票據	-	3,895
Bills discounting	票據貼現	48	16
		1,340	6,535

10. INCOME TAX CREDIT**10. 所得稅抵免**

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
The amount of income tax credit in the consolidated statement of comprehensive income represents:	綜合全面收入表之所得稅抵免金額指：		
Current tax – PRC Enterprise Income Tax (“EIT”):	即期稅—中國企業所得稅（「企業所得稅」）：		
– under/(over) provision in respect of prior year	– 過往年度撥備不足／（超額撥備）	23	(15)
Deferred tax (Note 31)	遞延稅項（附註31）	(15,238)	-
Income tax credit	所得稅抵免	(15,215)	(15)

Fortune (Shanghai) International Trading Co., Ltd (“Fortune Shanghai”) and 上海遠嘉國際貿易有限公司 (“Shanghai Yuanjia”) were established in Shanghai Waigaoqiao Free Trade Zone, the PRC; and 珠海市雷鳴達通訊設備有限公司 (“Zhuhai Reminda”) was established in Zhuhai Special Economic Zone, the PRC. For the year ended 31st December, 2012, these PRC subsidiaries were subject to the EIT rate of 25% (2011: preferential EIT rate of 24%). 黃石鋸發礦業有限公司 (“Sifa Mining”) was established in the PRC and subject to the EIT rate of 25% (2011: 25%).

長遠（上海）國際貿易有限公司（「長遠上海」）及上海遠嘉國際貿易有限公司（「上海遠嘉」）於中國上海外高橋保稅區成立，而珠海市雷鳴達通訊設備有限公司（「珠海雷鳴達」）於中國珠海經濟特區成立。截至二零一二年十二月三十一日止年度，該等中國附屬公司須按25%（二零一一年：優惠企業所得稅稅率24%）之企業所得稅稅率納稅。黃石鋸發礦業有限公司（「鋸發礦業」）於中國成立，須按25%（二零一一年：25%）之企業所得稅稅率納稅。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

10. INCOME TAX CREDIT (Continued)

No provision has been made for income tax as the Group did not have any estimated assessable profits during the year.

The income tax credit for the year can be reconciled to the (loss)/profit before income tax per the consolidated statement of comprehensive income as follows:

10. 所得稅抵免 (續)

由於本集團於本年度並無任何估計之應課稅溢利，故並無就所得稅提供撥備。

本年度之所得稅抵免與綜合全面收入表之除所得稅前(虧損)/溢利對賬如下：

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(85,154)	11,140
Tax (credit)/charge at the domestic income tax rate of 25% (2011: 24%) (Note)	按本地所得稅稅率25% (二零一一年: 24%) 計算之稅項(抵免)/支出(附註)	(21,289)	2,674
Tax effect of share of result of an associate	分佔一家聯營公司之業績之稅務影響	27	(1)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	1,984	3,414
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(374)	(165)
Tax effect of tax losses not recognised and utilisation of deductible temporary differences	未確認稅項虧損及動用可扣稅暫時差額之稅務影響	3,644	(6,812)
Under/(over) provision in respect of prior year	過往年度撥備不足/ (超額撥備)	23	(15)
Effect of different tax rates of group entities operating in other jurisdictions	其他司法權區營運之集團實體不同稅率之影響	770	890
Tax credit for the year	年度稅項抵免	(15,215)	(15)

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For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

10. INCOME TAX CREDIT (Continued)

At the end of reporting period, the Group had estimated unused tax losses of approximately HK\$176,357,000 (2011: HK\$247,231,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$74,160,000 (2011: HK\$150,303,000) that may be carried forward for a period of five years from their respective year of origination. Other losses may be carried forward indefinitely.

At the end of reporting period, the Group also had deductible temporary differences of approximately HK\$16,049,000 (2011: HK\$25,241,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Note: The domestic income tax rate represents the EIT rate where the Group's operations are substantially based.

10. 所得稅抵免 (續)

於呈報期結算日，本集團估計可用作抵扣未來溢利之尚未動用稅項虧損約為176,357,000港元（二零一一年：247,231,000港元）。由於無法預測未來溢利來源，故並無就所估計之尚未動用之稅項虧損確認遞延稅項資產。計入未確認稅項虧損之虧損約為74,160,000港元（二零一一年：150,303,000港元），可自產生各年度起結轉五年。其他虧損可無限期結轉。

於呈報期結算日，本集團亦有可扣稅暫時差額約16,049,000港元（二零一一年：25,241,000港元）。由於不大可能產生可扣稅暫時差額用以抵銷應課稅溢利，故並無就該等可扣稅暫時差額確認遞延稅項資產。

附註：本地所得稅稅率指本集團大部分業務適用之企業所得稅稅率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

11. (LOSS)/PROFIT FOR THE YEAR AND (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) (Loss)/profit for the year has been arrived at after charging:

Auditor's remuneration	核數師酬金
Cost of inventories recognised as expense	已確認為開支之存貨成本
Write down of inventories	存貨撇減
Recovery of write down of inventories	存貨撇減撥回
Amortisation of mining right	採礦權攤銷
Depreciation of plant and equipment	廠房及設備之折舊
Less: capitalised in construction in progress	減：資本化在建工程

Staff costs	員工成本
– directors' emoluments (Note 12)	– 董事酬金 (附註12)
– other staff costs	– 其他員工成本
– retirement benefit scheme contribution (excluding directors)	– 退休福利計劃供款 (不包括董事)

and after crediting:	及已計入：
Service income from provision of logistics and promotion services	提供物流及宣傳服務之服務收入
Interest income	利息收入
Government grants	政府補助

11. 年度(虧損)/溢利及本公司擁有人應佔(虧損)/溢利

(a) 年度(虧損)/溢利已扣除：

2012 HK\$'000 千港元	2011 HK\$'000 千港元
942	855
609,374	1,704,539
2,346	5,944
(2,388)	(6,162)
107	–
1,787	1,896
(99)	–
1,688	1,896
4,375	3,975
10,696	13,762
1,784	2,581
16,855	20,318
1,522	3,919
2,898	1,385
1,048	1,183

(b) (Loss)/profit attributable to owners of the Company

Loss attributable to owners of the Company for the year ended 31st December, 2012 includes a loss of HK\$1,367,000 (2011: a profit of HK\$10,336,000) which has been dealt with in the financial statements of the Company (Note 37).

(b) 本公司擁有人應佔(虧損)/溢利

截至二零一二年十二月三十一日止年度之本公司擁有人應佔虧損包括為數1,367,000港元之虧損(二零一一年：溢利10,336,000港元)，此虧損已於本公司財務報表處理(附註37)。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eight (2011: seven) directors during the year were as follows:

12. 董事酬金

年內已付或應付予八位(二零一一年:七位)董事各自之酬金如下:

	Lau Siu Ying ("Mr. Lau") 劉小鷹 (「劉先生」)	Luo Xi Zhi 羅習之	Fung Oi Ip, Alfonso 馮靄業 (Note i) (附註i)	Law Chun Kwan 羅振坤 (Note ii) (附註ii)	Chang Wing Seng, Victor 鄭永勝	Wong Lit Chor, Alexis 黃烈初	Chen Yi Gang 陳亦剛 (Note i) (附註i)	Wang Yu 王愚	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2012	二零一二年								
Fees	-	-	43	29	100	100	34	-	306
Salaries and allowances	2,453	176	-	-	-	-	-	822	3,451
Performance related incentive bonuses (Note iii)	545	-	-	-	-	-	-	-	545
Retirement benefit scheme contribution	2	33	-	-	-	-	-	38	73
Total emoluments	3,000	209	43	29	100	100	34	860	4,375
2011	二零一一年								
Fees	-	-	100	-	100	100	80	-	380
Salaries and allowances	1,667	172	-	-	-	-	-	866	2,705
Performance related incentive bonuses (Note iii)	750	83	-	-	-	-	-	-	833
Retirement benefit scheme contribution	2	18	-	-	-	-	-	37	57
Total emoluments	2,419	273	100	-	100	100	80	903	3,975

Notes:

- (i) Fung Oi Yip, Alfonso and Chen Yi Gang were resigned on 5th June, 2012.
- (ii) Law Chun Kwan was appointed on 5th June, 2012.
- (iii) The performance related incentive bonuses for 2012 and 2011 was determined with reference to performance of the Group.

附註:

- (i) 馮靄業及陳亦剛於二零一二年六月五日辭任。
- (ii) 羅振坤於二零一二年六月五日獲委任。
- (iii) 二零一二年及二零一一年年度之表現相關獎勵花紅經參考本集團業績釐定。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2011: two) were directors of the Company whose emoluments are included in the disclosures in Note 12 above. The emoluments of the remaining three (2011: three) individuals were as follows:

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

2012 HK\$'000 千港元	2011 HK\$'000 千港元
1,473	1,724
63	(63)
1,536	1,661

Their emoluments were within the following band:

Up to HK\$1,000,000	1,000,000港元以內
---------------------	---------------

None of the five highest paid individuals waived any emoluments in current and prior years.

During the years ended 31st December, 2012 and 2011, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 僱員酬金

本集團五位最高薪人士中，其中兩位（二零一一年：兩位）為本公司董事，其酬金載於上文附註12所披露之資料內。餘下三位（二零一一年：三位）人士之酬金如下：

2012 HK\$'000 千港元	2011 HK\$'000 千港元
1,473	1,724
63	(63)
1,536	1,661

該等僱員之酬金介乎下列範圍：

2012 Number of employees 僱員數目	2011 Number of employees 僱員數目
3	3

於本年度及往年內，五位最高薪人士概無放棄收取任何酬金。

截至二零一二年及二零一一年十二月三十一日止年度，本集團概無向五位最高薪人士（包括董事）支付任何酬金，作為招攬彼等加入或在加入本集團時之酬金或作為離職補償。

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14. DIVIDEND

No dividend was paid or proposed during current and prior years, nor has any dividend been proposed since the end of reporting period (2011: Nil).

15. (LOSS)/EARNINGS PER SHARE

The calculation of (loss)/earnings per share for the year is based on the loss for the year attributable to owners of the Company of HK\$43,872,000 (2011: profit of HK\$15,922,000) and the weighted average number of 821,663,442 shares in issue during the year (2011: 821,663,442 shares in issue).

The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's share options outstanding during the year as the exercise price of those options is higher than the average market price for shares for both 2012 and 2011.

14. 股息

於本年度及過往年度內，概無派付或擬派股息，自呈報期結算日以來亦無擬派任何股息（二零一一年：無）。

15. 每股（虧損）／盈利

年內每股（虧損）／盈利乃根據年內本公司擁有人之應佔虧損43,872,000港元（二零一一年：溢利15,922,000港元）及年內已發行股份821,663,442股之加權平均數（二零一一年：821,663,442股已發行股份）計算。

由於二零一二年及二零一一年購股權之行使價高於股份平均市價，故計算每股攤薄（虧損）／盈利時並無假設行使本公司於年內未行使之購股權。

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16. PLANT AND EQUIPMENT

16. 廠房及設備

		The Group 本集團				
		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		租賃裝修	傢俬、 裝置及設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
COST	成本					
At 1st January, 2011	於二零一一年一月一日	8,143	3,748	4,222	–	16,113
Exchange adjustments	匯兌調整	288	108	108	–	504
Additions	添加	939	681	593	1,633	3,846
Disposals/write-off	出售/撇銷	(1,373)	(44)	–	–	(1,417)
At 31st December, 2011	於二零一一年十二月三十一日	7,997	4,493	4,923	1,633	19,046
Exchange adjustments	匯兌調整	61	27	26	13	127
Additions	添加	1,346	601	–	5,095	7,042
Disposals/write-off	出售/撇銷	–	(533)	–	–	(533)
At 31st December, 2012	於二零一二年十二月三十一日	9,404	4,588	4,949	6,741	25,682
ACCUMULATED DEPRECIATION	累計折舊					
At 1st January, 2011	於二零一一年一月一日	3,203	2,371	1,859	–	7,433
Exchange adjustments	匯兌調整	125	63	23	–	211
Provided for the year	年度撥備	749	525	622	–	1,896
Eliminated on disposal/write-off	出售/撇銷時消除	(319)	(36)	–	–	(355)
At 31st December, 2011	於二零一一年十二月三十一日	3,758	2,923	2,504	–	9,185
Exchange adjustments	匯兌調整	31	16	12	–	59
Provided for the year	年度撥備	593	529	665	–	1,787
Eliminated on disposal/write-off	出售/撇銷時消除	–	(443)	–	–	(443)
At 31st December, 2012	於二零一二年十二月三十一日	4,382	3,025	3,181	–	10,588
CARRYING VALUE	賬面值					
At 31st December, 2012	於二零一二年十二月三十一日	5,022	1,563	1,768	6,741	15,094
At 31st December, 2011	於二零一一年十二月三十一日	4,239	1,570	2,419	1,633	9,861

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17. MINING RIGHT

17. 採礦權

		The Group
		本集團
		HK\$'000
		千港元
COST	成本	
At 1st January, 2011	於二零一一年一月一日	434,240
Exchange adjustments	匯兌調整	<u>18,400</u>
At 31st December, 2011	於二零一一年十二月三十一日	452,640
Exchange adjustments	匯兌調整	<u>3,680</u>
At 31st December, 2012	於二零一二年十二月三十一日	<u>456,320</u>
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值	
At 1st January, 2011	於二零一一年一月一日	557
Exchange adjustments	匯兌調整	<u>23</u>
At 31st December, 2011	於二零一一年十二月三十一日	580
Amortisation provided for the year	年內攤銷撥備	107
Impairment for the year	年內減值	60,847
Exchange adjustments	匯兌調整	<u>501</u>
At 31st December, 2012	於二零一二年十二月三十一日	<u>62,035</u>
CARRYING VALUE	賬面值	
At 31st December, 2012	於二零一二年十二月三十一日	<u>394,285</u>
At 31st December, 2011	於二零一一年十二月三十一日	<u>452,060</u>

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17. MINING RIGHT (Continued)

The mining right represents the right of Sifa Mining to conduct mining activities in Huangshi City, Hubei Province, the PRC. The mining right is amortised using the units of production method based on the proven and probable mineral reserves. Sifa Mining obtained mining operating permit without any restrictions for a 5-year term, which was renewable. After the expiration of this 5-year mining operating permit on 25th September, 2012, the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) had renewed a mining operating permit, under which Sifa Mining is restricted to exploration activities only, for a term of 2 years from 25th September, 2012 to 25th September, 2014. Exploitation activities are prohibited under the aforesaid 2-year mining operating permit. In the opinion of the directors, Sifa Mining is currently constructing a new mining site exploitation system so that the restriction has no adverse effect to the mining operation and Sifa Mining is able to fulfill the exploitation requirements set out by the Ministry of Land and Resources of the PRC and is able to obtain/renew the mining operating permit without any restrictions until all the proven and probable minerals have been mined. The directors also consider that the applications for release of the said restriction and further renewal of the mining operating permit are procedural and without significant costs.

The exploitation on the first phase was completed in 2010. Sifa Mining commenced developing a new mining site exploitation system in the next phase since then. However, the development had been inevitably and adversely affected by the downturn of the global mineral resources demand since second half of 2012. Although it is expected that the downturn is temporary and only being a normal cyclic adjustment in the industry, the management proceeded in a prudent way to restructure the overall construction schedule of this new mining system, by readjusting construction speed and time schedule for matching the industry cycle accordingly. Besides, the management is exploring all commercially viable opportunities to maximise the return from this investment.

17. 採礦權 (續)

採礦權指錫發礦業於中國湖北省黃石市進行採礦活動之權利。採礦權乃基於探明及推定礦產儲量以生產單位法攤銷。錫發礦業已取得並無附帶任何限制之五年期採礦許可證，並可予續期。於此五年期採礦許可證於二零一二年九月二十五日到期後，中華人民共和國國土資源部已重續採礦許可證，據此，錫發礦業被限制只可進行勘探活動，由二零一二年九月二十五日起至二零一四年九月二十五日止為期兩年。上述兩年期採礦許可證禁止進行開採活動。董事認為，錫發礦業現正建設新礦地開採系統，因此有關限制對採礦業務並無不利影響，且錫發礦業能夠達成中國國土資源部所訂之開採規定，現時可取得／重續並無附帶任何限制之採礦許可證，直至所有探明及推定礦產開採完畢。董事亦認為，申請解除上述限制及進一步重續採礦許可證屬程序性質，不牽涉重大成本。

第一階段之開採工作經已於二零一零年完成。錫發礦業於其後已開展下一階段，發展新礦地開採系統。然而，由於全球礦產資源需求由二零一二年下半年起倒退，有關發展無可避免受到不利影響。儘管預期不景氣屬暫時性質，僅為業內之正常週期調整，管理層已採取審慎措施，重新調節施工進程及時間表，重組新採礦系統之總體施工時間表，以配合行業週期。此外，管理層正開拓所有在商業層面可行之機遇，以儘量提高投資回報。

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17. MINING RIGHT (Continued)

The directors have carefully reviewed the recoverable amount of the cash-generating unit of the mining business to which the mining right is allocated by reference to the professional valuation as at 31st December, 2012, performed by Cushman & Wakefield Valuation Advisory Services (HK) Ltd.. The recoverable amount of the cash-generating unit was determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management at a discount rate of 17.7% (2011: 16.5%) and a steady growth rate of 3.0% (2011: 3.2%). The key assumptions adopted in the value in use calculation relate to the renewal of mining operating permit, estimated reserves, estimated productivity and the estimated prices of mineral resources.

Based on the above review, with the consideration of the readjusting construction speed and time schedule for matching the industry cycle, the directors of the Company have assessed the recoverable amount of the cash-generating unit which is lower than its carrying value as at 31st December, 2012. Accordingly, the shortfall of HK\$60,847,000 was recognised as impairment loss on mining right.

At 31st December, 2012, 100,000 tons (2011: 100,000 tons) minerals included in the underlying reserves were pledged to the other borrowings (Note 28).

17. 採礦權 (續)

董事已根據高緯評值及專業顧問有限公司於二零一二年十二月三十一日進行之專業估值對獲分配採礦權的採礦業務現金產生單位之可收回金額作仔細審閱。現金產生單位之可收回金額根據使用價值計算。有關計算使用經管理層批准之財政預算按17.7% (二零一一年: 16.5%) 之貼現率及3.0% (二零一一年: 3.2%) 之穩定增長率所得出之現金流量預測。計算使用價值時採用之主要假設乃關於重續採礦許可證、礦物資源估計儲量、估計生產率及估計價格。

基於上述審閱，考慮到因應行業週期而重新調節施工進程及時間表，本公司董事評估，現金產生單位之可收回金額低於其於二零一二年十二月三十一日之賬面值。因此，差額60,847,000港元已確認為採礦權減值虧損。

於二零一二年十二月三十一日，相關儲量中有100,000噸 (二零一一年: 100,000噸) 礦產已作為其他借貸之抵押 (附註28)。

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綜合財務報表附註

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18. INVESTMENT IN AN ASSOCIATE

Cost of investment in an unlisted associate	於非上市聯營公司之 投資成本
Share of post-acquisition reserves	應佔收購後儲備
Less: Allowance for impairment	減：減值撥備

Particulars of the associate as at 31st December, 2012 and 2011 are set out in Note 39.

Included in the cost of investment in an associate is goodwill of HK\$857,000 (2011: HK\$2,067,000) arising on acquisition of the associate in 2007, which is net of adjustment to the investment cost in accordance with profit guarantee provided by the vendor for the years ended 31st December, 2009, 2010 and 2011.

During the year, the Group was entitled to receive a compensation of HK\$1,210,000 (2011: HK\$668,000) in cash from the vendor in the acquisition of an associate, Artchief Industries Limited ("Artchief"), carried out in 2007. The compensation represents the shortfall of the profit guarantee of Artchief for the year ended 31st December, 2011 (2011: year ended 31st December, 2010). The compensation was set off with the corresponding goodwill arising on the acquisition.

18. 一家聯營公司之投資

The Group 本集團	
2012 HK\$'000 千港元	2011 HK\$'000 千港元
2,131	3,341
353	459
2,484	3,800
(857)	-
1,627	3,800

於二零一二年及二零一一年十二月三十一日之聯營公司詳情載於附註39。

於二零零七年收購一家聯營公司所產生之商譽為857,000港元(已扣除根據賣方於截至二零零九年、二零一零年及二零一一年十二月三十一日止年度所提供之溢利保證所作之投資成本調整)(二零一一年：2,067,000港元)，已計入於聯營公司之投資成本。

年內，本集團有權就二零零七年收購一家聯營公司藝捷實業有限公司(「藝捷」)一事向賣方收取1,210,000港元(二零一一年：668,000港元)現金補償。有關補償指藝捷截至二零一一年十二月三十一日止年度(二零一一年：截至二零一零年十二月三十一日止年度)溢利保證之不足差額，已經與收購所產生之相應商譽抵銷。

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18. INVESTMENT IN AN ASSOCIATE (Continued)

The directors of the Company reassessed the recoverable amount of the cost of investment in Artchief as at 31st December, 2012 with reference to its decrease in revenue for the past few years and its loss for the year which were mainly due to the keen market competition of the electronic products, and were of an opinion that an allowance of impairment of HK\$857,000 should be provided.

The summarised financial information in respect of the associate held by the Group at the end of reporting period is set out below:

18. 一家聯營公司之投資 (續)

本公司董事於二零一二年十二月三十一日重新評估於藝捷之投資成本之可收回金額，當中已參考主要因電子產品市場競爭激烈而導致其於過去數年之收益減少及錄得年內虧損，並認為應計提減值撥備857,000港元。

於呈報期結算日，本集團所持聯營公司之財務資料概要載列如下：

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Total assets	資產總值	3,899	4,055
Total liabilities	負債總額	(645)	(589)
Net assets	資產淨值	3,254	3,466
Group's share of net assets of associate	本集團分佔聯營公司 資產淨值	1,627	1,733
Revenue	收益	14,026	27,844
(Loss)/profit for the year	年度(虧損)/溢利	(212)	10
Group's share of result of an associate for the year	本集團分佔一家聯營 公司年度業績	(106)	5

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19. INTERESTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份·按成本
Amounts due from subsidiaries	應收附屬公司款項
Amounts due to subsidiaries	應付附屬公司款項
Less: Allowance of impairment	減：減值撥備

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand. Accumulated allowance of impairment for amounts due from subsidiaries of HK\$620,870,000 (2011: HK\$620,870,000) had been recognised up to 31st December, 2012 because the related recoverable amounts were estimated to be less than their respective carrying amounts.

Details of principal subsidiaries are set out in Note 38.

20. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment comprises:

Unlisted securities:	非上市證券：
Equity securities	股本證券

19. 附屬公司權益

2012	2011
HK\$'000	HK\$'000
千港元	千港元
53,150	52,721
620,870	620,870
(55,183)	(30,225)
618,837	643,366
(620,870)	(620,870)
(2,033)	22,496

應收／（應付）附屬公司款項為無抵押、不計息及須按要求償還。由於相關可收回金額估計少於其各自之賬面值，故截至二零一二年十二月三十一日已確認應收附屬公司款項之累計減值撥備620,870,000港元（二零一一年：620,870,000港元）。

主要附屬公司詳情載於附註38。

20. 可供出售投資

可供出售投資包括：

The Group	
本集團	
2012	2011
HK\$'000	HK\$'000
千港元	千港元
69	69

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20. AVAILABLE-FOR-SALE INVESTMENT (Continued)

This represents a 1.21% (2011: 1.21%) interest in unlisted equity securities issued by a private entity incorporated in Hong Kong, which is engaged in provision of computer technology services in Hong Kong. This investment is measured at cost less impairment at the end of reporting period because the range of reasonable fair values estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably. The Group does not intend to dispose of it in the near future.

20. 可供出售投資 (續)

此乃一家於香港註冊成立之私人實體所發行非上市股本證券之1.21% (二零一一年：1.21%) 權益。該實體在香港提供電腦技術服務。該投資於呈報期結算日按成本扣除減值計量，原因是估計合理公平值之幅度頗大，本公司董事認為公平值不能可靠地計量。本集團無意於短期內將其出售。

21. CLUB MEMBERSHIPS

21. 會所會籍

		The Group 本集團 HK\$'000 千港元
COST		
At 1st January, 2011	成本	1,380
Exchange adjustments	於二零一一年一月一日	9
	匯兌調整	<u>9</u>
At 31st December, 2011	於二零一一年十二月三十一日	1,389
Exchange adjustments	匯兌調整	<u>2</u>
At 31st December, 2012	於二零一二年十二月三十一日	<u>1,391</u>
IMPAIRMENT		
At 1st January, 2011	減值	4
Impairment loss recognised for the year	於二零一一年一月一日	122
Exchange adjustments	年度確認之減值虧損	-
	匯兌調整	<u>-</u>
At 31st December, 2011	於二零一一年十二月三十一日	126
Impairment loss recognised for the year	年度確認之減值虧損	50
Exchange adjustments	匯兌調整	<u>-</u>
At 31st December, 2012	於二零一二年十二月三十一日	<u>176</u>
CARRYING AMOUNT		
At 31st December, 2012	賬面值	1,215
	於二零一二年十二月三十一日	<u>1,215</u>
At 31st December, 2011	於二零一一年十二月三十一日	<u>1,263</u>

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21. CLUB MEMBERSHIPS (Continued)

Club memberships are stated at cost less any identified impairment loss. For the purpose of impairment testing on club memberships, the recoverable amount has been determined based on fair value less costs to sell which represents the second-hand market price less cost of disposal.

22. CONVERTIBLE NOTES RECEIVABLE

Convertible notes receivable

應收可換股票據

On 29th December, 2012, Express Fortune Limited ("Express Fortune"), a wholly-owned subsidiary of the Company and Jolla Oy, a limited company incorporated in Finland, entered into a convertible bond agreement, pursuant to which Express Fortune subscribed 2,986 convertible bonds at price of Euro 67 per bond, amounting to a total consideration of Euro 200,062 or HK\$2,050,000. In accordance with the convertible bond agreement and a letter of confirmation for extension of expiry date of exercises, Express Fortune is entitled to convert such bonds into 2,986 new ordinary shares (each bond entitles to subscribe for 1 ordinary share) of Jolla Oy at any time before 22nd February, 2013, together with an embedded option to further subscribe a maximum of 11,944 new ordinary shares at exercise price of Euro 67 per share of Jolla Oy. The issuer, Jolla Oy, is entitled to redeem the debt instrument, with respective interest, after 1 year from subscription of the convertible notes receivable. The principal activities of Jolla Oy are software development, software sales and distribution, equipment design and manufacturing, marketing and sales, investment and consulting. Further details are set out in the Company's announcement dated 18th February, 2013.

21. 會所會籍 (續)

會所會籍按成本減任何已識別減值虧損列賬。檢測會所會籍有否減值時，可收回金額按公平值減銷售成本釐定，亦即二手市場價減出售成本。

22. 應收可換股票據

The Group
本集團

2012 HK\$'000 千港元	2011 HK\$'000 千港元
2,050	-

於二零一二年十二月二十九日，長遠有限公司（「長遠」，本公司之全資附屬公司）與 Jolla Oy（一家於芬蘭註冊成立之有限公司）訂立可換股債券協議，據此，長遠按每份債券67歐元之價格認購2,986份可換股債券，總代價為200,062歐元或2,050,000港元。根據可換股債券協議及一封延遲行使到期日之確認函，長遠有權於二零一三年二月二十二日前任何時間轉換該等債券為2,986股 Jolla Oy 新普通股（每份債券有權認購一股普通股），連同附有之認購權，可按每股 Jolla Oy 股份67歐行之行使價進一步認購最多11,944股新普通股。發行人 Jolla Oy 有權於認購應收可換股票據起一年後連相關利息贖回債務工具。Jolla Oy 之主要業務為開發、銷售及分銷軟件、設計及製造設備、市場推廣及銷售、投資及顧問。其他詳情載於本公司日期為二零一三年二月十八日之公佈內。

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22. CONVERTIBLE NOTES RECEIVABLE (Continued)

Unless previously converted by Express Fortune or redeemed by Jolla Oy, the convertible notes receivable carries at a fixed interest rate of 10% per annum with a final maturity date on 31st December, 2015.

The directors of the Company are of opinion that the fair value of embedded derivatives of the receivables including the conversion right and embedded option to further subscribe shares are minimal at the date of the subscription and the end of the reporting period. Accordingly, they are not recognised in the consolidated statement of financial position. The value of the host contract approximates to the total consideration on subscription and subsequently measured as loan and receivables at amortised cost.

On 18th February, 2013, after issue of requisite notice of conversion of all the convertible bonds into 2,986 ordinary shares and exercising the option to subscribe 11,944 ordinary shares of Jolla Oy, Express Fortune subscribed an aggregate of 14,930 new ordinary shares of Jolla Oy at a total consideration of Euro 1,000,310 (equivalent to HK\$10,232,659). All these acquired ordinary shares represent approximately 6.25% of Jolla Oy's enlarged share capital after a series of Jolla Oy's fund raising activities which are expected to be completed in March 2013.

23. INVENTORIES

Inventories comprise finished goods in:

Mobile phones business	移動電話業務
Mining business	採礦業務

22. 應收可換股票據 (續)

除非先前已被長遠轉換或被Jolla Oy贖回，否則應收可換股票據按固定年利率10%計息，最終到期日為二零一五年十二月三十一日。

本公司董事認為，包括轉換權及進一步認購股份之附有認購權在內之應收賬款的嵌入式衍生工具之公平值於認購日及呈報期結算日均屬微不足道。因此，其不會於綜合財務狀況表確認。主合約之價值與認購之總代價相若，其後按攤銷成本以貸款及應收賬款計量。

於二零一三年二月十八日，於發出與可轉換全部可換股債券為2,986股Jolla Oy普通股之轉換權及行使可認購11,944股Jolla Oy普通股之認購權有關之必要通知後，長遠認購合共14,930股Jolla Oy新普通股，總代價為1,000,310歐元（相等於10,232,659港元）。所有已收購普通股相當於Jolla Oy預期於二零一三年三月完成一連串集資活動後之Jolla Oy經擴大股本約6.25%。

23. 存貨

存貨包括製成品：

The Group 本集團

2012 HK\$'000 千港元	2011 HK\$'000 千港元
31,603	132,365
1,272	—
32,875	132,365

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23. INVENTORIES (Continued)

Included in the cost of inventories sold for the year ended 31st December, 2012 were write down of inventories with an aggregate balance of HK\$2,346,000 (2011: HK\$5,944,000), and recovery of write down of inventories of HK\$2,388,000 (2011: HK\$6,162,000) which was caused by the increase in the net realisable value.

23. 存貨 (續)

截至二零一二年十二月三十一日止年度之已售存貨成本包括總結餘為2,346,000港元(二零一一年:5,944,000港元)之存貨撇減,以及由於可變現淨值增加而撥回之存貨撇減2,388,000港元(二零一一年:6,162,000港元)。

24. TRADE AND OTHER RECEIVABLES

24. 應收貿易賬款及其他應收賬款

		The Group 本集團	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Trade receivables	應收貿易賬款	24,359	30,066
Less: accumulated allowance	減: 累計撥備	(17,431)	(14,083)
		6,928	15,983
Value-added-tax receivables	應收增值稅	4,383	2,756
Rebates receivable	應收回扣款項	7,277	11,988
Prepayments to suppliers	預付供應商款項	11,515	16,335
Other receivables and deposits	其他應收賬款及按金	18,090	15,962
Less: accumulated allowance	減: 累計撥備	(3,155)	(3,130)
		45,038	59,894
Trade and other receivables	應收貿易賬款及 其他應收賬款	45,038	59,894

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24. TRADE AND OTHER RECEIVABLES (Continued)

The Group generally requests for full prepayment from its trade customers but it also allows certain trade customers a credit period of 30 to 90 days. The following is an aged analysis of trade receivables (net of allowance) presented based on the invoice date at the end of reporting period:

0 to 30 days	零至三十日
31 to 90 days	三十一至九十日
91 to 365 days	九十一至三百六十五日
Over 365 days	超過三百六十五日

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history and good credit rating under the Group's internal credit assessment.

24. 應收貿易賬款及其他應收賬款 (續)

本集團一般要求貿易客戶預付全數款項，但亦給予若干貿易客戶三十至九十日之信貸期。於呈報期結算日之應收貿易賬款（已扣除撥備）按發票日期呈列之賬齡分析如下：

		The Group 本集團	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元
		2,420	11,412
		707	2,438
		453	2,133
		3,348	-
		6,928	15,983

接納任何新客戶前，本集團會評估潛在客戶之信貸質量，然後界定信貸限額，並定期檢討授予客戶之限額。根據本集團內部信貸評估，大部分既未過期亦未減值之應收貿易賬款並無拖欠紀錄且信用等級良好。

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24. TRADE AND OTHER RECEIVABLES (Continued)

The Group does not hold any collateral over its trade debts. The following is an aged analysis of the carrying amounts of trade debts that were past due at the end of reporting period but for which the Group has not provided for impairment loss because management are of the opinion that the fundamental credit quality of the customers has not deteriorated:

Less than 90 days past due	逾期少於九十日
Over 90 days but less than 180 days past due	逾期九十日但未超過一百八十日

24. 應收貿易賬款及其他應收賬款 (續)

本集團並無就貿易債款持有任何抵押品。以下為於呈報期結算日已過期但因管理層認為客戶之基本信貸質素並未惡化而導致本集團並無作出減值虧損撥備之貿易債款之賬面值賬齡分析：

		The Group 本集團	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元
		3,127	13,850
		453	2,133
		3,580	15,983

Movement in the allowance for doubtful debts in respect of trade and other receivables

Balance at beginning of year	年初結餘
Exchange adjustments	匯兌調整
Impairment losses recognised during the year	年內確認之減值虧損
Amounts recovered during the year	年內收回之賬款
Balance at end of year	年終結餘

有關應收貿易賬款及其他應收賬款呆賬撥備之變動

		The Group 本集團	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元
		17,213	17,718
		52	136
		3,321	-
		-	(641)
		20,586	17,213

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24. TRADE AND OTHER RECEIVABLES (Continued)

Movement in the allowance for doubtful debts in respect of trade and other receivables (Continued)

The Group recognised impairment loss on individual assessment based on the accounting policy stated in Note 3.

Included in the above allowance for doubtful debts in respect of trade and other receivables is a provision for individually impaired trade and other receivables of HK\$20,586,000 (2011:HK\$17,213,000) with a carrying amount before provision of HK\$23,934,000 (2011: HK\$17,213,000).

The individually impaired trade and other receivables relate to debtors that were in financial difficulties or were in default in both interest and/or principal payments and only a portion of the receivables is expected to be recovered.

25. AMOUNTS DUE FROM NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The balances are unsecured, interest-free and repayable on demand.

26. CASH AND CASH EQUIVALENTS

Cash at banks earns interest at floating bank deposit rates.

The cash and cash equivalents of the Group are mainly denominated in RMB and HK\$, which are the functional currencies of the relevant entities of the Group. Included in cash and cash equivalents at 31st December, 2012 is an amount in RMB of approximately RMB71,824,000 (2011: RMB63,185,000). RMB is not freely convertible into other currencies.

24. 應收貿易賬款及其他應收賬款 (續)

有關應收貿易賬款及其他應收賬款呆賬撥備之變動 (續)

本集團根據附註3所述之會計政策確認個別評估之減值虧損。

上述就應收貿易賬款及其他應收賬款之呆賬撥備包括就已個別減值之應收貿易賬款及其他應收賬款之撥備20,586,000港元(二零一一年:17,213,000港元),撥備前賬面值為23,934,000港元(二零一一年:17,213,000港元)。

已個別減值之應收貿易賬款及其他應收賬款涉及陷入財務困難或拖欠利息及/或本金付款之債務人,預期僅可收回應收賬款之一部分。

25. 應收附屬公司非控制性股東之款項

結餘為無抵押、不計息及須按要求償還。

26. 現金及現金等價物

銀行現金按浮動銀行存款利率賺取利息。

本集團之現金及現金等價物主要以本集團有關實體之功能貨幣人民幣及港元計值。於二零一二年十二月三十一日,現金及現金等價物包括人民幣金額約人民幣71,824,000元(二零一一年:人民幣63,185,000元)。人民幣不得自由兌換為其他貨幣。

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27. TRADE AND OTHER PAYABLES

The following is an aged analysis of the trade payables presented based on the invoice date at the end of reporting period:

Trade payables:	應付貿易賬款：
0 to 30 days	零至三十日
31 to 90 days	三十一至九十日
Over 90 days	超過九十日
Rebates payable	應付回扣款項
Prepayments from customers	客戶預付款項
Other payables and accruals	其他應付賬款及應計費用

27. 應付貿易賬款及其他應付賬款

於呈報期結算日之應付貿易賬款按發票日期呈列之賬齡分析如下：

		The Group 本集團	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元
		411	1,463
		234	128
		157	305
		802	1,896
		22,550	76,291
		10,683	9,615
		19,011	18,074
		53,046	105,876

28. OTHER BORROWINGS

Other borrowings, secured	其他借貸，有抵押
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At the end of reporting period, the Group's other borrowings were pledged by 100,000 tons of minerals reserve (2011: 100,000 tons), carrying at a fixed annual interest rate of 8.47% (2011: 8.47%) per annum and repayable within one year (2011: within one year).

At 31st December, 2012, the Group did not have any banking facilities.

At 31st December, 2011, the Group had total banking facilities of approximately HK\$24,600,000 of which had not been utilised and were guaranteed by the Company.

28. 其他借貸

		The Group 本集團	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元
		15,374	15,250

於呈報期結算日，本集團其他借貸以100,000噸礦產儲量（二零一一年：100,000噸）作抵押，按固定年利率8.47%（二零一一年：8.47%）計息，須於一年內（二零一一年：一年內）償還。

於二零一二年十二月三十一日，本集團並無任何銀行融資。

於二零一一年十二月三十一日，本集團總銀行融資約為24,600,000港元，有關銀行融資尚未動用並由本公司擔保。

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29. SHARE CAPITAL

	每股面值0.10港元之普通股
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股
Authorised	法定股本
Issued and fully paid	已發行及繳足股款股本

29. 股本

Number of ordinary shares		Share capital	
普通股數目		股本	
2012	2011	2012	2011
'000	'000	HK\$'000	HK\$'000
千股	千股	千港元	千港元
1,000,000	1,000,000	100,000	100,000
821,663	821,663	82,166	82,166

30. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme on 14th January, 2004 (the "Scheme") which was effective on 26th January, 2004 and will expire on 26th January, 2014. The primary purpose of the Scheme is to provide incentives to directors, eligible employees and other qualified persons who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole.

30. 以股份為基礎付款之交易

本公司於二零零四年一月十四日採納一項購股權計劃（「計劃」），該計劃於二零零四年一月二十六日生效並將於二零一四年一月二十六日屆滿。計劃之主要目的為向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻之董事、合資格僱員及其他合資格人士給予獎勵。

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30. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Under the Scheme, the directors of the Company may, subject to certain conditions, grant to any directors, employees, suppliers, agents, customers, distributors, business associates or partners, professionals or other advisors of, or consultants or contractors to, any members of the Group or any associated companies who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole, options to subscribe for shares in the Company at any price but not less than the higher of (i) nominal value of a share, (ii) the closing price of the shares on the Stock Exchange on the day of grant, and (iii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time.

Without prior approval from the Company's shareholders, (i) the total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, and (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Options granted must be taken up within the time period set out in the offer letter and upon payment of HK\$1 for each lot of share option granted.

At 31st December, 2012, there were no outstanding shares in respect of which options had been granted and remained outstanding under the Scheme (2011: 8,246,000 shares representing 1% of the shares of the Company in issue at that date) as a result of all the options were lapsed during the year.

30. 以股份為基礎付款之交易 (續)

根據計劃，在若干條件之限制下，本公司董事可向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻之本集團任何成員公司或任何聯營公司之董事、僱員、供應商、代理、客戶、分銷商、業務聯繫人或夥伴、專業顧問或其他顧問、諮詢人或承辦商授予可按任何價格認購本公司股份之購股權，惟認購價格不得少於(i)股份面值、(ii)股份於授出日期在聯交所之收市價及(iii)股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價之較高者，而授出之購股權可認購之股份數目最多以本公司不時已發行股本之10%為限。

未經本公司股東事先批准，(i)根據計劃可能授出購股權之相關股份總數，不得超出本公司任何時間已發行股份之10%，及(ii)向任何個人於十二個月期間內已授出及將授出購股權之相關已發行及將發行股份數目，不得超出本公司任何時間已發行股份之1%。

購股權須於要約函件內所列之期間內予以接納，並須於接納時就授出之購股權每手支付1港元之費用。

於二零一二年十二月三十一日，由於全部購股權已於年內失效，因此並無根據計劃已授出但仍然尚未行使購股權之相關已發行股份(二零一一年：8,246,000股，佔本公司於該日已發行股份之1%)。

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30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The following table discloses movement of the Company's share options held by employees and consultants (including directors) during the years ended 31st December, 2012 and 2011:

Name	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1.1.2011 於二零一一年一月一日 尚未行使	Forfeited during the year 年內沒收	Outstanding at 31.12.2011 於二零一一年十二月三十一日 尚未行使	Lapsed during the year 年內失效	Outstanding at 31.12.2012 於二零一二年十二月三十一日 尚未行使
名稱	授出日期	行使期	每股行使價 HK\$ 港元					
Category I: 第一類:								
- Directors - 董事	7.5.2007 二零零七年五月七日	7.5.2007 to 6.5.2012 二零零七年五月七日至 二零一二年五月六日	1.29	2,950,000	-	2,950,000	(2,950,000)	-
Category II: 第二類:								
- Employees - 僱員	7.5.2007 二零零七年五月七日	7.5.2007 to 6.5.2012 二零零七年五月七日至 二零一二年五月六日	1.29	1,546,000	(200,000)	1,346,000	(1,346,000)	-
Category III: 第三類:								
- Consultants (Note) - 顧問(附註)	7.5.2007 二零零七年五月七日	7.5.2007 to 6.5.2012 二零零七年五月七日至 二零一二年五月六日	1.29	3,950,000	-	3,950,000	(3,950,000)	-
Total for all categories 所有類別總計				8,446,000	(200,000)	8,246,000	(8,246,000)	-
Exercisable at the end of the year 於年終可行使				8,446,000		8,246,000		-
Weighted average exercise price 加權平均行使價				HK\$1.29 1.29港元	HK\$1.29 1.29港元	HK\$1.29 1.29港元	HK\$1.29 1.29港元	- -

Note:

The Group granted share options to the consultants in return for their provision of management consultancy services to the Group.

No option was granted during each of the two years ended 31st December, 2012 and 2011.

30. 以股份為基礎付款之交易(續)

下表披露截至二零一二年及二零一一年十二月三十一日止年度僱員及顧問(包括董事)所持本公司購股權之變動:

附註:

本集團授予顧問之購股權，乃作為彼等向本集團提供管理諮詢服務之回報。

截至二零一二年及二零一一年十二月三十一日止兩個年度各年並無授出購股權。

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31. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and movements thereon during the current and prior years:

31. 遞延稅項負債

下表為於本年度及上年度已確認之遞延稅項負債及其變動：

		Revaluation of mining right arising from acquisition 因收購引致之 採礦權重估 HK\$'000 千港元
1st January, 2011	於二零一一年一月一日	105,824
Exchange adjustments	匯兌調整	4,484
At 31st December, 2011	於二零一一年十二月三十一日	110,308
Exchange adjustments	匯兌調整	773
Credit to profit or loss for the year (Note 10)	計入年度損益(附註10)	(15,238)
At 31st December, 2012	於二零一二年十二月三十一日	95,843

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1st January, 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK\$46,557,000 (2011: HK\$54,375,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

根據中國企業所得稅法，自二零零八年一月一日起，以中國附屬公司所賺取溢利宣派之股息須繳交預扣稅。由於本集團有能力控制中國附屬公司累計溢利之相關暫時差額約46,557,000港元(二零一一年：54,375,000港元)之撥回時間，且不大可能於可見未來撥回暫時差額，故並無於綜合財務報表就該等暫時差額計提遞延稅項撥備。

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32. OPERATING LEASES

The Group as lessee

During the year, the Group made minimum lease payments of approximately HK\$5,123,000 (2011: HK\$5,931,000) under operating leases.

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable leases in respect of rented premises which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)
Over five years	五年以上

Operating lease payments represent rentals payable by the Group for certain of its office properties, retail shops and common areas in the mining site. Leases are negotiated and rentals are fixed for terms ranging from one to thirteen years (2011: one to thirteen years).

32. 經營租約

本集團作為承租人

年內，本集團根據經營租約支付之最低租金約為5,123,000港元(二零一一年：5,931,000港元)。

於呈報期結算日，本集團根據不可撤回租約而就於下列期間到期之租賃物業須支付之未來最低租金承擔如下：

2012 HK\$'000 千港元	2011 HK\$'000 千港元
3,755	3,666
3,360	3,326
873	1,221
7,988	8,213

經營租約付款指本集團就若干辦公室物業、零售店及礦場公用地區應付之租金。租約及租金均按一至十三年(二零一一年：一至十三年)之年期磋商及釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

33. CONTINGENT LIABILITIES

At 31st December, 2012, the Company did not have any guarantee to bank in respect of credit facilities granted to its subsidiary (2011: HK\$24,600,000 of which had not been utilised).

At 31st December, 2012 and 2011, the Group had no contingent liabilities.

34. CAPITAL COMMITMENTS

Capital commitments outstanding as at 31st December, 2012 not provided for in the consolidated financial statements were as below:

Contracted, but not provided for
– leasehold improvement

已訂約，但未計提撥備
– 租賃裝修

35. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “Scheme”) for all its qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rules of the Scheme, the employer and its employees are required to make contributions to the Scheme at rates specified in the rules. The only obligation of the Group with respect to the Scheme is to make the required contributions under the Scheme.

33. 或然負債

於二零一二年十二月三十一日，本公司並無就其附屬公司獲得之信貸融資向銀行提供擔保（二零一一年：24,600,000港元尚未動用）。

於二零一二年及二零一一年十二月三十一日，本集團並無任何或然負債。

34. 資本承擔

於二零一二年十二月三十一日並未於綜合財務報表計提撥備之未償付資本承擔如下：

The Group 本集團	
2012 HK\$'000 千港元	2011 HK\$'000 千港元
1,693	–

35. 退休福利計劃

本集團為所有香港合資格僱員管理強制性公積金計劃（「計劃」）。計劃之資產由受託人控制之基金與本集團資產分開持有。根據計劃之規則，僱主及其僱員須按規則指定之比率向計劃供款。本集團對計劃之唯一責任為根據計劃作出規定供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

35. RETIREMENT BENEFIT SCHEMES (Continued)

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a fixed rate of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

35. 退休福利計劃 (續)

本集團在中國之附屬公司僱員均為中國政府管理之國家管理退休福利計劃成員。該等附屬公司須按薪金成本之固定比率向該退休福利計劃供款，為各項福利提供資金。本集團對該退休福利計劃之唯一責任為作出指定供款。

36. RELATED PARTY DISCLOSURES

(a) Amounts due to related parties

Mr. Lau 劉先生
An associate 一家聯營公司

36. 關連人士之披露

(a) 應付關連人士之款項

		The Group 本集團		The Company 本公司	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元	2012 HK\$'000 千港元	2011 HK\$'000 千港元
		469	24,869	-	22,977
		500	500	-	-
		969	25,369	-	22,977

The balances are unsecured, interest-free and repayable on demand.

結餘為無抵押、不計息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

36. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of key management personnel and senior management

The remuneration of directors and other members of the Group's key management during the year was as follows:

Short-term benefits	短期福利
Post-employment benefits	退休後福利

During the year, there was one senior management (2011: one) whose emolument was within HK\$1,000,000 (2011: HK\$1,000,000).

The remuneration of directors and other members of key management was determined by the remuneration committee having regard to the performance of individuals and market trends.

- (c) In 2011, the Group received management fee income of HK\$272,000 from Synergy Technologies (Asia) Limited at the time when Mr. Lau was the common director. Mr. Lau was retired as director of Synergy Technologies (Asia) Limited in July 2011. Management fee was agreed by both parties at a fixed sum or cost incurred.

36. 關連人士之披露 (續)

(b) 主要管理人員及高級管理層成員之薪酬

年內董事及本集團其他主要管理人員之酬金如下：

2012	2011
HK\$'000	HK\$'000
千港元	千港元
4,980	5,568
90	(45)
5,070	5,523

年內，一名高級管理層成員（二零一一年：一名）之酬金處於1,000,000港元以內（二零一一年：1,000,000港元）。

董事及其他主要管理人員之酬金由薪酬委員會考慮個別人士表現及市場趨勢後釐定。

- (c) 於二零一一年內，本集團向Synergy Technologies (Asia) Limited（劉先生當時為該公司董事）收取272,000港元管理費收入。劉先生已於二零一一年七月辭任Synergy Technologies (Asia) Limited的董事。管理費由訂約雙方按固定金額或所產生之成本協定。

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For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

37. RESERVES OF THE COMPANY**37. 本公司儲備**

		Share premium	Contributed surplus	Translation reserve	Share option reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	換算儲備	購股權儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
		(Note i)	(Note ii)	(Note iii)	(Note iv)		
		(附註i)	(附註ii)	(附註iii)	(附註iv)		
At 1st January, 2011	於二零一一年一月一日	392,962	40,948	38,547	4,428	(569,697)	(92,812)
Profit for the year	年度溢利	-	-	-	-	10,336	10,336
Exchange differences arising on translation	因換算而產生之匯兌差異	-	-	(1,088)	-	-	(1,088)
Transfer of reserve upon forfeiture of share options	於購股權失效時轉換儲備	-	-	-	(105)	105	-
At 31st December, 2011	於二零一一年十二月三十一日	392,962	40,948	37,459	4,323	(559,256)	(83,564)
Loss for the year	年度虧損	-	-	-	-	(1,367)	(1,367)
Exchange differences arising on translation	因換算而產生之匯兌差異	-	-	(24)	-	-	(24)
Transfer of reserve upon lapse of share options	於購股權失效時轉換儲備	-	-	-	(4,323)	4,323	-
At 31st December, 2012	於二零一二年十二月三十一日	392,962	40,948	37,435	-	(556,300)	(84,955)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

37. RESERVES OF THE COMPANY (Continued)

Notes:

- (i) The share premium represents the amount subscribed for share capital in excess of nominal value.
- (ii) The contributed surplus represents the difference between the consolidated shareholder's funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation less the amount applied to pay up the 1,000,000 nil paid shares at the time of the group reorganisation.
- (iii) The translation reserve represents gains/losses arising on retranslating the Company's financial statement into presentation currency.
- (iv) The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transaction in Note 3 to the consolidated financial statements. In current year, the amount was transferred to accumulated losses when the related options were lapsed.

37. 本公司儲備 (續)

附註：

- (i) 股份溢價指認購股本金額超出面值之款項。
- (ii) 實繳盈餘為有關附屬公司被本公司收購當日之綜合股東資金與本公司於集團重組時就上述收購而發行股份之面值減用以繳足於集團重組時發行1,000,000股未繳股本股份股款之款項兩者之差額。
- (iii) 換算儲備指因本公司財務報表重新換算為呈列貨幣而產生之收益／虧損。
- (iv) 購股權儲備包括已授出但尚未行使之購股權之公平值，詳情於綜合財務報表附註3就以股份為基礎付款之交易之會計政策進一步闡述。於本年度，金額已於相關購股權失效時轉撥至累計虧損。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are incorporated with limited liability, at 31st December, 2012 and 2011 are as follows:

38. 主要附屬公司資料

於二零一二年及二零一一年十二月三十一日之本公司主要附屬公司(均為註冊成立之有限公司)詳情如下:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本面值/ 註冊資本之比例		Principal activity 主要業務
			2012	2011	
Express Fortune Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	100%	100%	Investment holding 投資控股
Express Fortune	Hong Kong	Ordinary HK\$10 Non-voting deferred HK\$5,000,000 (Note i) 普通股10港元 無投票權遞延股份 5,000,000港元 (附註i)	100%	100%	Maintaining the corporate office 保修企業辦公室
Fortune Shanghai	Wholly foreign owned enterprise established in the PRC 在中國成立之外商獨資企業	US\$28,100,000 28,100,000美元	100%	100%	Trading in mobile phones 買賣移動電話
Fortune Telecom International Company Limited (Note ii) 長遠電信國際有限公司 (附註ii)	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	Nil 無	100%	Investment holding 投資控股

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

38. 主要附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本面值/ 註冊資本之比例		Principal activity 主要業務
			2012	2011	
Sifa Mining 鋇發礦業	Sino-foreign equity joint ventures established in the PRC 在中國成立之 中外合資企業	RMB1,000,000 人民幣1,000,000元	50.8%	50.8%	Exploration and extraction of mining resources 勘探及開採礦產資源
Telefortune (China) Investments Limited 長遠新科(中國)投資有限公司	Hong Kong 香港	Ordinary HK\$40,000,000 普通股 40,000,000港元	100%	100%	Investment holding 投資控股
Top Emperor Investments Limited 凱皇投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	100%	100%	Investment holding 投資控股
Zhuhai Reminda 珠海雷鳴達	Sino-foreign equity joint ventures established in the PRC 在中國成立之 中外合資企業	RMB10,000,000 人民幣10,000,000元	51%	51%	Trading in mobile phones 買賣移動電話

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綜合財務報表附註

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

Note (i): The deferred shares carry practically no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective company or to participate in any distribution on winding up.

Note (ii): Fortune Telecom International Company Limited was deregistered on 25th May, 2012.

The Company directly holds the interest in Express Fortune Holdings Limited. All other interests shown above are indirectly held by the Company.

The principal activities are carried out in the place of incorporation/establishment except for Express Fortune Holdings Limited which mainly carries out its business in the PRC.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

38. 主要附屬公司資料 (續)

附註(i)：遞延股份實際上不附帶可收取有關公司之股息或收取有關公司任何股東大會通告或出席股東大會或於會上投票或於清盤時參與分派之權利。

附註(ii)：長遠電信國際有限公司已於二零一二年五月二十五日取消註冊。

本公司直接持有Express Fortune Holdings Limited權益，而上文所示之所有其他權益均由本公司間接持有。

除Express Fortune Holdings Limited主要在中國從事業務外，上述主要業務均於註冊成立／成立地點經營。

各附屬公司於年終或年內任何時間均無任何債務證券。

上表所列者乃董事認為會影響本集團業績或資產淨值之本公司主要附屬公司。董事認為，載列其他附屬公司之詳情會令有關資料過於冗長。

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綜合財務報表附註

For the year ended 31st December, 2012 截至二零一二年十二月三十一日止年度

39. PARTICULARS OF ASSOCIATE

Details of the Company's associate at 31st December, 2012 and 2011 are as follows:

Name of associate	Form of business structure	Place of incorporation/ operation	Proportion of nominal value of issued capital held indirectly by the Company		Principal activity
			2012	2011	
聯營公司名稱	業務結構形式	註冊成立/ 經營地點	本公司間接持有 已發行股本面值百分比		主要業務
Artchief	Incorporated	Hong Kong	50%	50%	Trading in electronic products
藝捷	註冊成立	香港			買賣電子產品

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26th March, 2013.

39. 聯營公司資料

於二零一二年及二零一一年十二月三十一日之本公司聯營公司詳情如下：

40. 批准財務報表

財務報表已於二零一三年三月二十六日獲董事會批准及授權刊發。

Financial Summary

財務概要

RESULTS

業績

		Year ended 31st December, 截至十二月三十一日止年度				
		2008	2009	2010	2011	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額	2,097,593	2,124,237	2,544,120	1,765,862	623,049
Cost of sales	銷售成本	(2,063,001)	(2,084,030)	(2,479,356)	(1,704,539)	(609,374)
Gross profit	毛利	34,592	40,207	64,764	61,323	13,675
Other income	其他收入	11,262	12,144	16,403	5,322	5,471
Selling and distribution costs	銷售及分銷成本	(23,092)	(24,064)	(22,450)	(14,885)	(10,847)
Administrative expenses	行政費用	(29,090)	(24,493)	(27,308)	(31,823)	(26,982)
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	(4,974)	-	-	-
Allowance for trade and other receivables	應收貿易賬款及 其他應收賬款之撥備	(47,364)	(994)	(2,852)	-	(3,321)
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	-	-	-	-	(60,847)
Impairment loss recognised in respect of available-for-sale investment	就可供出售投資確認之減值虧損	(632)	(217)	-	-	-
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	(5,105)	(184,340)	-	(2,910)	-
Impairment loss recognised in respect of interests in associates	就聯營公司權益確認之減值虧損	(5,725)	-	-	-	(857)
Fair value gain on an embedded non-option derivative	嵌入式非期權衍生工具之 公平值收益	5,538	-	-	-	-
Fair value loss on convertible loan notes	可換股貸款票據之公平值虧損	-	(326)	-	-	-
Gain on disposal of an associate	出售一家聯營公司之收益	104	1,437	-	-	-
Gain on disposal of a subsidiary	出售一家附屬公司之收益	-	-	-	2	-
Reversal of impairment loss of trade and other receivables	應收貿易賬款及其他應收賬款之 減值虧損撥回	-	14,916	397	641	-
Share of results of associates	分佔聯營公司之業績	(4,036)	732	444	5	(106)
Finance costs	融資成本	(11,837)	(2,330)	(11,658)	(6,535)	(1,340)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	(75,385)	(172,302)	17,740	11,140	(85,154)
Income tax (expense)/credit	所得稅(支出)/抵免	(3,459)	(127)	(2,104)	15	15,215
Profit/(loss) for the year	年度溢利/(虧損)	(78,844)	(172,429)	15,636	11,155	(69,939)
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(78,719)	(171,983)	14,875	15,922	(43,872)
Non-controlling interests	非控制性權益	(125)	(446)	761	(4,767)	(26,067)
		(78,844)	(172,429)	15,636	11,155	(69,939)

Financial Summary

財務概要

ASSETS AND LIABILITIES

資產及負債

		At 31st December, 於十二月三十一日				
		2008	2009	2010	2011	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	資產總值	385,332	698,937	867,381	742,748	585,271
Total liabilities	負債總額	(190,552)	(385,625)	(421,075)	(263,265)	(171,702)
		194,780	313,312	446,306	479,483	413,569
Equity attributable to owners of the Company	本公司擁有人應佔權益	189,498	158,254	283,611	314,780	273,806
Non-controlling interests	非控制性權益	5,282	155,058	162,695	164,703	139,763
		194,780	313,312	446,306	479,483	413,569



中國長遠控股有限公司
China Fortune Holdings Limited