



# CHINA HAIDIAN Holdings Limited

中國海澱集團有限公司

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

ANNUAL REPORT 年報 2011







## ETERNA 綺年華

Established in 1856, Eterna today remains among a handful of watch houses who make and continue to improve the heart of the watch, its mechanical movement. The company intends to stick with its current course, putting its long traditions at the service of progress both technical and aesthetic. Making the most of its watchmakers' accomplished craftsmanship, it sees each and every one of its watches as an opportunity to demonstrate its vigorous capacity for innovation in the classic art of watchmaking. Eterna, perfection that stands the test of time.

綺年華成立於1856年，至今仍然是少數銳意打造並力求改進鐘錶的靈魂—機械錶芯的鐘錶製造商。公司將堅持現有方向，持續發展精湛創新技術和美學相結合的傳統。成就鐘錶製造商最頂尖的工藝，公司視其每一只鐘錶為展示其力求在傳統製錶藝術的領域中大膽創新的實力的機會。綺年華之完美可經得起時間的考驗。



CODEX

MON MAR

Prestige  
LIMITED EDITION

EXCLUSIVE SWISS CALIBER / VIBRANT 3531 / 18000 / 1960  
SWISS MADE

X

X

## CODEX 豪度

Creating a new brand is an extraordinary adventure. As with any story, it begins with an idea, a vision and a plan, but above all a desire to make something that is different. CODEX's story began in Biel in 2009. The brand is distinguished by the recognizable style of its mechanical watches, and by their unique design and irreproachable quality.

建立一個新品牌是一次非凡而難忘的經歷。任何一個故事都以一個概念、遠見及計劃開始，但上述所有追求只為令事情變得不一樣。豪度之故事自二零零九年於比爾開始，其機械錶芯的風格、獨一無二的設計及無瑕的品質使品牌與眾不同。

## PORSCHE DESIGN

Porsche Design has been developing and producing chronographs for more than thirty years and has continues to push the limits in doing so. Not only enhancing the existing design, Porsche Design continuously dedicates in the art of watchmaking through innovative functions, unusual materials, pure and exquisite design and absolute perfection down to the very last detail.

過去三十多年來，Porsche Design持續研發並製造足以不斷成為典範的腕錶設計。Porsche Design並非只是將舊有款式加以變化，而是持續不斷地追求製錶工藝、全新功能、新穎材質與純粹而令人興奮的設計概念，以及每一處絕對完美的細節。





ROSSINI  
AUTOMATIC

SWISS  
MOVT

## ROSSINI 羅西尼

The outstanding performance of ROSSINI exhibits the continuous dedication of Swiss technology and innovation. Every style is a harmonious combination of soul and craftsmanship. Nobly and elegant temperament, slim and smooth line, delicate and exquisite craftsmanship, which endues a elegant and romantic cultural attitude of its owner, as well as a comfortable and caring but honorable experience, recurs the kingliness of Swiss watches.

羅西尼的出類拔萃，表現在精湛的瑞士技術和對創新的不懈追求。它所打造的每一款作品均是心靈與手藝的契合，氣質高貴典雅、線條纖薄流暢、工藝精緻考究，賦予佩戴者高雅浪漫的文化品味、舒適體貼的尊貴感受，再現了瑞士鐘錶的王者風範。

## EBOHR 依波

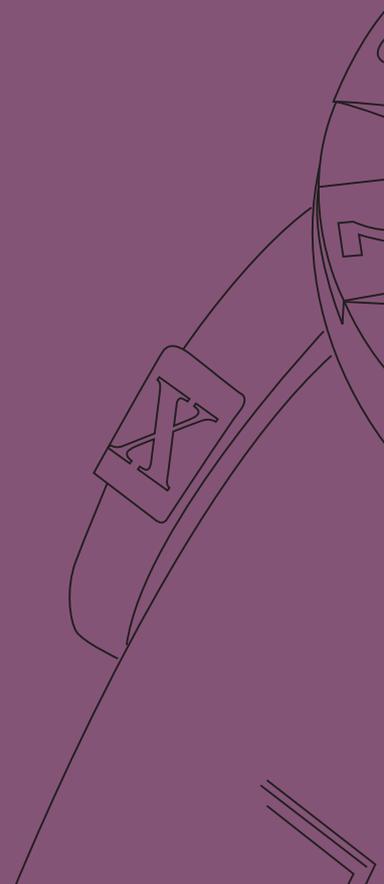
With its eminent potentiality, classical fashion style and nobly and elegant temperament, EBOHR becomes one of indisputable leading pioneers in the China watch market. EBOHR emphasizes on the combination of the beauty in soul and shape, dedicating the perfect match of real material and emotion.

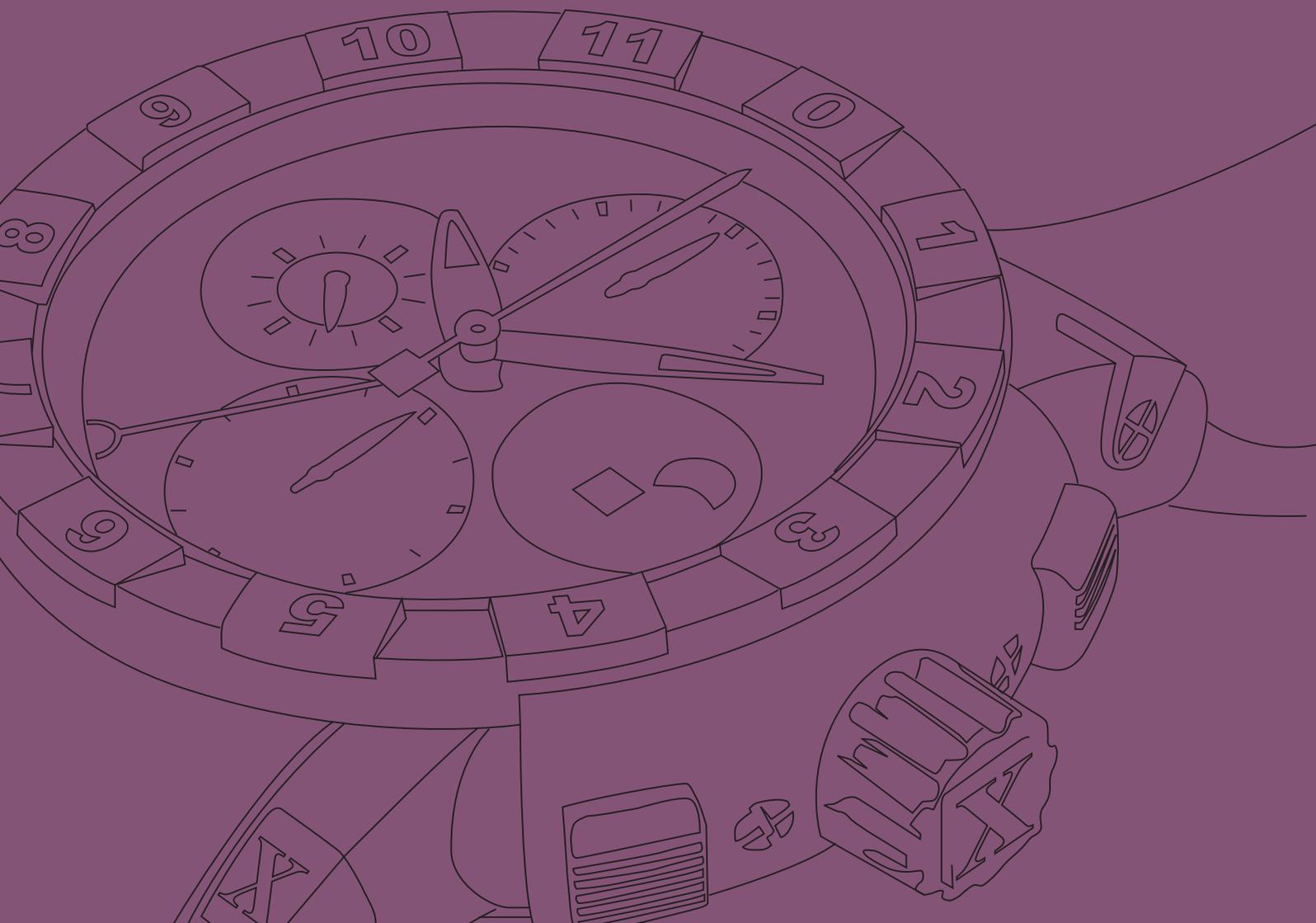
依波以卓爾不群的實力，經典時尚的品味，高貴優雅的風範，成為中國鐘錶市場無可爭議的領導者之一。依波強調精神之美與形體之美的交相輝映，追求真材實料與真情實感的完美融合。



## Contents 目錄

Corporate Highlights In 2011	二零一一年公司大事記要	2
Corporate Financial Highlights	公司財務摘要	4
Watches and Timepieces Segment Highlights	鐘錶及時計產品分類摘要	5
Corporate Information	公司資料	6
Chairman's Statement	主席報告	8
Management Discussion and Analysis	管理層討論及分析	14
Directors and Senior Management	董事及高層管理人員	25
Corporate Governance Report 2011	二零一一年企業管治報告	29
Report of the Directors	董事會報告	37
Independent Auditor's Report	獨立核數師報告	48
Consolidated Statement of Comprehensive Income	綜合全面收入表	50
Consolidated Statement of Financial Position	綜合財務狀況表	52
Statement of Financial Position	財務狀況表	54
Consolidated Statement of Cash Flows	綜合現金流量表	55
Consolidated Statement of Changes in Equity	綜合權益變動表	57
Notes to the Financial Statements	財務報表附註	59
Five Year Financial Summary	五年財務資料摘要	176
Schedule of Principal Investment Properties	主要投資物業附表	178





## Corporate Highlights in 2011

### 二零一一年公司大事記要

#### JANUARY 2011 二零一一年一月

China Haidian Holdings Limited (the "Company") sold the 49% equity interest of Fuzhou Dartong Machinery and Electronic Company Limited, a jointly-controlled entity of the Company, at a consideration of HK\$93,342,000; and the 25.58% equity interest of Jiangsu Dartong M&E Co., Limited, an associate company of the Company, at a consideration of HK\$40,768,000.

中國海澱集團有限公司(「本公司」)以代價93,342,000港元出售本公司一家共同控制實體福州大通機電有限公司49%股本權益；以及以代價40,768,000港元出售本公司一家聯營公司江蘇大通機電有限公司25.58%股本權益。

#### MARCH 2011 二零一一年三月

Zhuhai Rossini Watch Industry Ltd. ("Rossini") was ranked as 1st in overall market share in the watch category in 2010 by China General Chamber of Commerce and China National Commercial Information Centre. It was ranked as 1st in sales volume of its product category for nine consecutive years since 2002.

珠海羅西尼錶業有限公司(「羅西尼」)獲中國商業聯合會、中華全國商業資訊中心評為二零一零年年度鐘錶類綜合市場佔有率第一位，自二零零二年以來，連續九年榮列同類產品市場銷量第一位。

#### MAY 2011 二零一一年五月

The Group entered into a joint venture agreement for the establishment of Liaoning Hengjia Horologe Co., Ltd. ("Hengjia"). Hengjia is mainly engaged in the distribution of well-known Swiss and Japanese watch brands.

本集團訂立合營協議成立遼寧恒嘉鐘錶有限公司(「恒嘉」)。恒嘉主要從事分銷知名瑞士及日本手錶品牌。

#### JUNE 2011 二零一一年六月

The Group acquired the shares and loans of Eterna AG Uhrenfabrik ("Eterna") at a total consideration of CHF22,911,001 (equivalent to approximately HK\$213,920,000), which provides the Group with two additional international watch brands and the mechanical movement manufacturing capability.

本集團收購Eterna AG Uhrenfabrik(「綺年華」)的股份及貸款，總代價22,911,001瑞郎(約相當於213,920,000港元)，為本集團提供額外兩個國際手錶品牌及製造機械機芯的能力。

Rossini and EBOHR were both awarded China's 500 most valuable brands of the year 2011 by the World Brand Laboratory. Rossini was ranked 1st in watch category with brand value at RMB2.796 billion, while EBOHR was ranked 2nd with brand value at RMB2.181 billion. Their brand values grew 47% and 21% respectively from previous year.

羅西尼及依波均榮獲世界品牌實驗室評選為二零一一年中國500最具價值品牌。羅西尼以其品牌價值人民幣27.96億元位居中國鐘錶行業榜首；而依波以品牌價值人民幣21.81億元位居第二。其品牌價值分別較去年增長47%及21%。

## Corporate Highlights in 2011 二零一一年公司大事記要

### SEPTEMBER 2011 二零一一年九月

Rossini was awarded as one of the "Asia's 500 Most Influential Brands of the year 2011" by the World Brand Laboratory and World Entrepreneur magazine. It is the only domestic watch brand in Mainland China that has received this award for three consecutive years.

羅西尼榮獲世界品牌實驗室及《世界企業家》雜誌評選為2011年「亞洲品牌500強」，是中國內地鐘錶品牌中唯一連續三年獲得該獎項。

### NOVEMBER 2011 二零一一年十一月

The Group entered into a joint venture agreement to establish Guangzhou Five Sheep Watch Limited ("Five Sheep"). Five Sheep is mainly engaged in manufacturing and distribution of mechanical movements and watches.

本集團訂立合營協議成立廣州五羊錶業有限公司(「五羊」)。五羊主要從事製造和分銷機械機芯及手錶。

### DECEMBER 2011 二零一一年十二月

The new Eterna Calibre 3843 movement with Eterna Spherodrive received qualification.

Eterna Spherodrive配合全新Eterna Calibre 3843機芯取得資格證書。

The Group acquired 25% of the issued shares of Fair Future Industrial Limited ("Fair Future"). Fair Future is principally engaged in the manufacture of watches and accessories of watches in Hong Kong.

本集團收購俊光實業有限公司(「俊光」)已發行股份25%。俊光主要於香港從事製造手錶及鐘錶配件。

The Group entered into a joint venture agreement to establish of Beijing Haina Tianshi Watch Company Limited ("Haina"). Haina is mainly engaged in the distribution of well-known international watch brands. It allows the Group to enter into the Beijing and Tianjin retail watch market.

本集團訂立合營協議成立北京海納天時鐘錶有限公司(「海納」)。海納主要從事分銷知名國際鐘錶品牌，可讓本集團踏足北京及天津零售鐘錶市場。

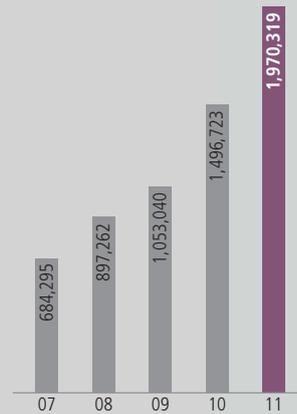
Mr. Hon Kwok Lung, the Chairman of the Company, was awarded one of the outstanding Chinese business leaders in 2011 collectively by Chinese – No1.com and Asian Leaders Magazine.

本公司主席韓國龍先生獲華商門戶網和領袖人物雜誌共同頒發二零一一年領袖人物年度人物大獎之一。

## Corporate Financial Highlights 公司財務摘要

### Revenue 收入

HK\$'000 千港元



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

### Profit After Tax 除稅後溢利

HK\$'000 千港元



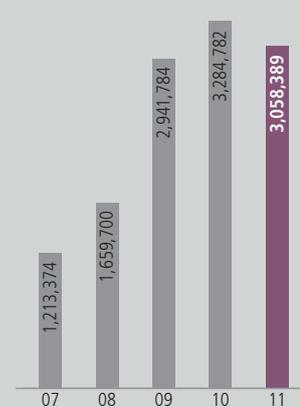
### Total Assets 總資產

HK\$'000 千港元



### Owners' Equity 擁有人權益

HK\$'000 千港元



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



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

### Brand Value 品牌價值

RMB million 人民幣百萬元



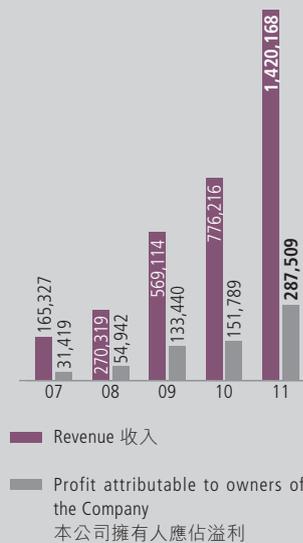
Source: the World Brand Laboratory  
資料來源: 世界品牌實驗室

### Distribution Outlets 銷售網點

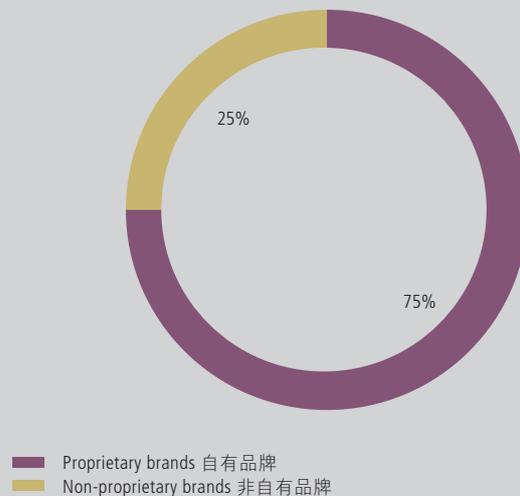


### Revenue and Profit 收入及溢利

HK\$'000 千港元



### Revenue by Proprietary and Non-proprietary Brands 按自有及非自有品牌劃分收入



## Corporate Information 公司資料



### BOARD OF DIRECTORS

#### Executive Directors

1. HON Kwok Lung (Chairman)
2. SHANG Jianguang (Chief Executive Officer)
3. SHI Tao
4. LAM Toi Man
5. BI Bo
6. SIT Lai Hei (re-designated as executive director from non-executive director on 26 March 2012)

#### Independent Non-executive Directors

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

### 董事會

#### 執行董事

1. 韓國龍(主席)
2. 商建光(行政總裁)
3. 石濤
4. 林代文
5. 畢波
6. 薛黎曦(於二零一二年三月二十六日由非執行董事獲職務調整為執行董事)

#### 獨立非執行董事

7. 馮子華
8. 鄭俊偉
9. 李強

Corporate Information  
公司資料

**AUDIT COMMITTEE MEMBERS**

FUNG Tze Wa  
KWONG Chun Wai, Michael  
LI Qiang

**REMUNERATION COMMITTEE MEMBERS**

FUNG Tze Wa  
KWONG Chun Wai, Michael  
LI Qiang  
HON Kwok Lung  
SHANG Jianguang

**NOMINATION COMMITTEE MEMBERS**

HON Kwok Lung  
FUNG Tze Wa  
KWONG Chun Wai, Michael  
LI Qiang  
SHANG Jianguang

**QUALIFIED ACCOUNTANT AND  
COMPANY SECRETARY**

FONG Chi Wah

**AUDITOR**

BDO Limited

**PRINCIPAL BANKERS**

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

**SHARE REGISTRAR IN HONG KONG**

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

**REGISTERED OFFICE**

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Ugland House  
South Church Street  
Grand Cayman  
Cayman Islands

**PRINCIPAL OFFICE**

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

**WEBSITE**

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

**審核委員會成員**

馮子華  
鄭俊偉  
李強

**薪酬委員會成員**

馮子華  
鄭俊偉  
李強  
韓國龍  
商建光

**提名委員會成員**

韓國龍  
馮子華  
鄭俊偉  
李強  
商建光

**合資格會計師及公司秘書**

方志華

**核數師**

香港立信德豪會計師事務所有限公司

**主要往來銀行**

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

**香港股份過戶登記處**

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

**註冊辦事處**

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

**主要辦事處**

香港  
九龍柯士甸道西1號  
環球貿易廣場  
19樓1902-04室

**網站**

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

## Chairman's Statement 主席報告



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

本人欣然呈報，中國海澱集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）本年度業績再創新高。本集團之財務表現反映出董事會、管理團隊及員工上下齊心的努力，加上本集團之業務夥伴作出的貢獻，力求推動本集團成功達成目標，晉身為中國手錶業翹楚之一。

## Chairman's Statement 主席報告

Dear shareholders,

2011 is a year of reckoning for China Haidian Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"). Not only has it witnessed the remarkable growth of the Group, but also is the year of historic moment for another stage of development. During the year, all the watch subsidiaries of the Group, focusing on both proprietary and non-proprietary brands, have achieved significant growth and at the same time, the Group pursued important acquisitions in both Mainland China and overseas. Our financial performance and strategic moves reflect the integrated efforts of the board, management and staff, as well as our business partners in successfully pursuing our mission to be one of leaders in the watch industry of Mainland China.

Followings are some of the notable highlights of 2011:

### FINANCIAL PERFORMANCE

The Group achieved substantial revenue growth in 2011. Revenue for the year amounted to HK\$1,970,319,000, representing an increase of 32% over that of 2010. Our net profit after tax for the year ended 31 December 2011 was HK\$281,790,000. Having set apart the financial impact of the loss on disposals of associates for the year of HK\$4,952,000 (2010: gain of HK\$177,711,000), the Group would have an increase of net profit of HK\$183,671,000 compared with the net profit last year. The watch and timepieces segment contributed an increase in revenue of HK\$643,952,000 and increase in net profit of HK\$135,720,000. Net asset value per share was HK\$0.76.

The Board, after due deliberation, resolved to recommend a final dividend of HK4.5 cents per share. Together with the interim dividend of HK1.0 cent per share paid in October 2011, the dividend for the full year is HK5.5 cents per share, which is an increase of 10% over the total dividend of HK5.0 cents per share for the year 2010.

### ORGANIC GROWTH OF ROSSINI AND EBOHR

Zhuhai Rossini Watch Industry Ltd. ("Rossini") and EBOHR Luxuries International Company Limited ("EBOHR") are dominant leaders in the domestic watch-making industry. Capitalising on the increasingly comprehensive distribution network and wide range of quality products, both Rossini and EBOHR generated increasingly strong recurring income from the established watch market for the general public and develop additional income from selectively targeted market segments. Comprehensive market information from regional sale offices on product sales by outlets and locations contributed to the success of our new product lines and the understanding of and targeting to the changing customer needs in different regions of Mainland China. Our continuous effort in brand building sustained the high awareness of our proprietary brands.

致各位股東：

二零一一年對中國海澱集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)而言是收獲豐盛的一年。二零一一年不但見證了本集團顯著增長，而且是本集團發展步入另一階段的歷史性時刻。年內，本集團所有鐘錶附屬公司(包括自有品牌及非自有品牌)均取得大幅增長，與此同時，本集團亦在中國內地及海外繼續進行重大收購。本集團的財務表現及策略反映出董事會、管理團隊及員工上下齊心的努力，加上本集團業務夥伴作出的貢獻，力求推動本集團成功達成目標，晉身為中國手錶業翹楚之一。

以下為二零一一年部分值得注意的亮點：

### 財務表現

本集團於二零一一年取得可觀的收入增長。年度收入達1,970,319,000港元，較二零一零年增加32%。截至二零一一年十二月三十一日止年度除稅後純利為281,790,000港元。撇除本年出售聯營公司虧損之財務影響4,952,000港元(二零一零年：收益177,711,000港元)，本集團應較去年純利增長183,671,000港元。鐘錶及時計業務分別為收入及純利帶來643,952,000港元及135,720,000港元的增幅。每股資產淨值為0.76港元。

董事會經商議後議決，建議宣派末期股息每股4.5港仙。連同二零一一年十月派付的中期股息每股1.0港仙，全年派付股息合計為每股5.5港仙，較二零一零年合計股息每股5.0港仙增加10%。

### 羅西尼及依波精品之自然增長

珠海羅西尼錶業有限公司(「羅西尼」)及依波精品(深圳)有限公司(「依波精品」)均為國內製錶行業內舉足輕重的公司。憑藉日益完善的分銷網絡及一應俱全的高質素產品，羅西尼及依波精品從已建立的一般大眾手錶市場取得漸趨強勁的經常性收入，並從選定的目標市場群體，開發出額外收入。區域銷售分部取得有關產品銷售按銷售點及位置分類的全面市場資訊，有助新產品線的成功，而針對中國內地不同地區的客戶日新月異的需求，亦加深了了解。我們對品牌建設持續努力，繼續令本集團自有品牌的知名度高企。

## Chairman's Statement 主席報告

Robust economic growth, accelerated urbanization and, most incidentally, the increased disposal income and consumption power in Mainland China contributed to the excellent performance of Rossini and EBOHR in 2011 and years to come.

Leveraging on the strong brand awareness, Rossini and EBOHR continue the aggressive retail-oriented strategy with its majority of products distributed through our own directly-controlled distribution outlets through department stores, which expanded at an accelerated pace in 2011. At the end of 2011, Rossini and EBOHR collectively owned 2,898 outlets all over Mainland China.

### DISTRIBUTION OF NON-PROPRIETARY BRANDS

Shenzhen Permanence Commerce Co., Ltd. ("Permanence"), Ruihuang (Chongqing) Watch Co., Ltd. ("Ruihuang"), Guangdong Juxin Watch Co., Ltd. ("Juxin") collectively contributed revenue of HK\$295,409,000 in 2011, representing 289% increase over that of last year. Through these distribution companies, the Group owned over 100 brand image retail shops and distribution outlets and distributed over 20 international brands in Guangdong, Fujian and Sichuan as at the end of 2011. Given the increasingly strong appetite for luxury branded products, especially among the young generation, the Group continues to expand the network of distribution to cater for the demand.

### ACQUISITION IN SWITZERLAND

On 29 June 2011, the Group acquired 100% of the equity and loans of Eterna AG Uhrenfabrik ("Eterna") at a total consideration of HK\$213,920,000. The acquisition is strategically important for the sustainable development of the Group as both Eterna and Porsche Design watches are international brands with long history, having very unique product lines. Additional Swiss watches would be available for the Group's comprehensive distribution network in Mainland China to satisfy the increasingly strong demand for Swiss watches.

In the second half of 2011, Eterna has strengthened the management team, product development and distribution channels. By the end of 2011, Eterna has successfully achieved industry recognition for its self-developed mechanical movements that is a very important strategic resource for the Group's sustainable growth in the watch industry in Mainland China.

In 2011, Swiss watchmakers generated export revenue of CHF19 billion, representing an increase of 19% over 2010. In fact, the growth in 2011 was the strongest in the last 20 years. In line with this momentum, the prospects of Eterna and Porsche Design watches are considered promising.

經濟增長強勁、城市化進程加速，加上尤為值得一提的，中國內地居民可支配收入及消費力增加，對羅西尼及依波精品於二零一一年及未來數年的出色表現貢獻良多。

羅西尼及依波精品將把握本集團強大的品牌知名度，繼續推行以零售為主的積極政策，將大部分產品透過百貨店中本集團自身直接控制的分銷點分銷，並於二零一一年加快擴充步伐。於二零一一年底，羅西尼及依波精品在中國內地合共擁有2,898個分銷點。

### 非自有品牌之分銷

二零一一年，深圳市恒譽嘉時貿易有限公司（「恒譽」）、瑞皇（重慶）鐘錶有限公司（「瑞皇」）及廣東鉅信鐘錶有限公司（「鉅信」）合共貢獻收入295,409,000港元，較去年增長289%。截至二零一一年底，本集團透過該等分銷公司擁有超過100間品牌零售店及分銷店，在廣東、福建及四川等地分銷逾20個國際品牌。基於客戶（尤其是青年人）越來越偏好奢侈品牌產品，本集團繼續擴展分銷網絡以迎合客戶需求。

### 於瑞士之收購

於二零一一年六月二十九日，本集團以總代價213,920,000港元收購Eterna AG Uhrenfabrik（「綺年華」）全部股本及貸款。鑒於綺年華及Porsche Design手錶均為歷史悠久的國際品牌，擁有極為獨特的產品系列，故收購對本集團的持續發展在策略上起關鍵作用。本集團於中國內地全面的分銷網絡可擁有更多瑞士手錶，滿足對瑞士手錶與日俱增的需求。

於二零一一年下半年，綺年華加強了管理團隊、產品開發及分銷渠道。截至二零一一年底，綺年華自行開發的機械機芯成功獲得行業肯定，機械機芯為本集團在中國內地手錶行業取得可持續增長的不可或缺戰略資源。

於二零一一年，瑞士手錶製造商的出口收入為190億瑞士法郎，較二零一零年增加19%。事實上，二零一一年增長為二十年來最強。依照此勢，相信綺年華及Porsche Design手錶前景光明。

## Chairman's Statement 主席報告

### ACQUISITIONS IN MAINLAND CHINA

Following Permanence, Ruihuang and Juxin, the Group has invested 51% equity interest in each of Liaoning Hengjia Horologe Co., Ltd. ("Hengjia") and Beijing Haina Tianshi Watch Company Limited ("Haina").

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

With Rossini manufacturing facilities expected to be operational in mid 2012, the Group has expanded substantially its production capacity substantially. The Group's production quality, capability and capacity are expanded further following the acquisitions of 78% equity interest in Guangzhou Five Sheep Limited ("Five Sheep") and 25% equity interest in Fair Future Industrial Limited ("Fair Future"). Five Sheep contributes to manufacturing of mechanical movements while Fair Future contributes to design and manufacturing of high quality watches.

### DISPOSALS

The Group completed the disposals of Fuzhou Dartong Machinery and Electronic Company Limited ("Fuzhou Dartong") on 30 June 2011 and Jiangsu Dartong M&E Co. Ltd. ("Jiangsu Dartong") on 14 July 2011 respectively. These transactions were in line with our strategy of concentrating our resources on the development of our watch business, which we see the most potential.

### FUND RAISINGS AND SHARE ISSUES

On 8 August 2011, the Company issued 10,000,000 shares at the issue price of HK\$0.99 each and granted an option to subscribe for up to 210,000,000 shares at the option price of HK\$1.21 each. The proceeds will be principally utilized by the Group for any potential acquisitions and investments.

56,000,000 shares are to be issued pursuant to the acquisition of 25% equity interest in Fair Future on 15 December 2011. In addition, 54,527,631 shares are to be issued pursuant to the acquisition of 51% equity interest in Haina on 29 December 2011.

### 於中國內地之收購

繼恒譽、瑞皇及鉅信，本集團已分別於遼寧恒嘉鐘錶有限公司(「恒嘉」)及北京海納天時鐘錶有限公司(「海納」)各投資51%股本權益。

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

隨著預期羅西尼之生產設施於二零一二年中營運，本集團已大幅擴充其產能。收購廣州五羊錶業有限公司(「五羊」)78%的股本權益及收購俊光實業有限公司(「俊光」)25%的股本權益後，本集團的生產質量、能力及產能均進一步提升。五羊協助製造機械機芯，而俊光協助設計及製造高質量手錶。

### 出售事項

本集團於二零一一年六月三十日完成出售福州大通機電有限公司(「福州大通」)，及於二零一一年七月十四日完成出售江蘇大通機電有限公司(「江蘇大通」)。該等交易配合本集團集中資源開發其認為最具潛力的鐘錶業務策略。

### 集資活動及股份發行

於二零一一年八月八日，本公司按發行價每股0.99港元發行10,000,000股股份，並按每股1.21港元之期權價格授出可認購最多210,000,000股股份之期權。所得款項將主要用作本集團任何可能進行的收購及投資。

根據二零一一年十二月十五日收購俊光25%的股本權益，56,000,000股股份將會發行。此外，根據二零一一年十二月二十九日收購海納51%的股本權益，54,527,631股股份將會發行。

## Chairman's Statement 主席報告

### PROSPECTS

The Chinese government's fiscal deficit remains low, at an estimated 1.8% of GDP in 2011 and fiscal revenue has surged in 2011. Mainland China is likely to introduce some fiscal measures in order to offset a likely drop in export growth and to achieve a soft landing. Backed up by recent announcements of favourable data of industrial production, fixed asset investment and retail sales, Mainland China reflects its continuous strength in economic performance amidst a robust retail market environment.

Looking ahead, we will further extend our product market coverage and retail chain span and enhance our brand image and quality of services to reinforce our market position in Mainland China. We have great confidence in the future of our watch business coupled with the rising popularity of and demand for watches, both domestic and imported, in the Mainland China. Meanwhile, we are alert to the challenges that could persist or emerge, including competition in the market and rise in wages and other overhead expenses by imposing stringent cost controls so as to stay competitive and maintain profitability.

While we consider developing proprietary brands as our top priority, we will develop the distribution of non-proprietary brands, covering more products and expanding distribution outlets. Besides, we would focus on improving our corporate governance so as to prepare for the sustainable development of the Group.

Our commitment to build a portfolio of watch companies engaging in different products and markets necessitates further mergers, acquisitions and alliances in Mainland China and overseas. The Group will keep on identifying and evaluating opportunities and undertake deals that are in the best interests of the shareholders.

### 前景

中國政府的財政赤字維持於低水平，估計於二零一一年佔國內生產總值1.8%，且二零一一年財政收入急增。中國內地可能推出部分財政政策，以抵銷出口增長可能下跌並達至軟著陸。近期公佈工業生產、固定資產投資及零售銷售方面之數據甚為理想，反映在零售市場環境向好之際，中國內地經濟持續表現強勁。

展望未來，本集團將進一步拓展品牌市場覆蓋率及零售店涵蓋範圍，提升本集團的品牌形象及服務質素，務求鞏固本集團於中國內地的市場地位。隨著國內及進口手錶於中國內地越來越受歡迎及需求上升，本集團對未來鐘錶業務滿有信心。同時，本集團對可能存在或出現的挑戰保持警惕，包括市場競爭以及工資與其他經常開支上升，透過實施嚴格成本控制，從而保持競爭力及維持盈利能力。

儘管本集團認為發展自有品牌為首要重任，惟本集團將發展非自有品牌的分銷業務，涵蓋更多產品及擴充分銷點。此外，本集團將集中改善企業管治，為本集團的持續發展做好準備。

本集團矢志建立包含不同產品及市場的手錶公司組合，因而必須在中國內地及海外進一步進行併購及策略聯盟。本集團將繼續物色及評估機會，進行符合股東最佳利益的交易。

Chairman's Statement  
主席報告

**APPRECIATION**

I would like to express my deep appreciation to my fellow Board members for their guidance, constructive contributions and support. I would like to also thank the directors of our subsidiaries and associated companies for their strong governance, and their guidance in establishing our Group's strategic direction.

On behalf of the Board, I would like to express my heartfelt gratitude to our business partners, customers and shareholders for their loyalty and support.

Hon Kwok Lung  
*Chairman*

Hong Kong, 26 March 2012

**致謝**

本人謹此對董事會同袍之領導、富建設性之貢獻及支持致以由衷感謝。本人亦感謝本集團附屬公司及聯營公司董事之有效管治及確立本集團策略性方向之領導。

承蒙本集團之業務夥伴、客戶及股東鼎力支持，本人謹代表董事會衷心致謝。

主席  
**韓國龍**

香港，二零一二年三月二十六日

## Management Discussion and Analysis

### 管理層討論及分析



#### OPERATING RESULTS

For the year ended 31 December 2011, the Group's revenue (continuing and discontinued operations) amounted to HK\$1,970,319,000, an increase of HK\$473,596,000 over the last year. Gross profit increased by HK\$348,775,000 to HK\$844,039,000 while net profit after tax increased by HK\$1,008,000 to HK\$281,790,000. Having set apart the financial impact of the loss on disposals of associates for the year of HK\$4,952,000 (2010: gain of HK\$177,711,000), the Group should have an increase of net profit of HK\$183,671,000 from its continuing and discontinued operations compared with the net profit last year.

#### 經營業績

於截至二零一一年十二月三十一日止年度，本集團來自持續經營業務及已終止經營業務收入為1,970,319,000港元，較去年增加473,596,000港元。毛利增加348,775,000港元至844,039,000港元，而除稅後純利增加1,008,000港元至281,790,000港元。撇除本年出售聯營公司虧損之財務影響4,952,000港元（二零一零年：收益177,711,000港元），本集團來自持續經營業務及已終止經營業務之純利較去年增加183,671,000港元。

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

### BUSINESS REVIEW

During 2011, as a result of continuous strategic planning, the Group has put into tremendous efforts in acquiring Eterna AG Uhrenfabrik, a watch company in Switzerland of over 100 years' history with well-known brands and mechanical movement manufacturing capability. In Hong Kong, the Group has acquired 25% of Fair Future Industrial Limited, that is engaged in the manufacture of watches and accessories of watches. In Mainland China, the Group has also established three new subsidiaries: 78% owned Guangzhou Five Sheep Watch Limited, 51% owned Liaoning Hengjia Horologe Co., Ltd. and 51% owned Beijing Haina Tianshi Watch Company Limited. Through the domestic and foreign acquisitions, the Group has set up a portfolio of strategic resources that enhance the development of watch business. Following the disposals of enamelled copper wire companies, the core-business of the Group becomes apparent. At the same time, the Group improves the corporate governance and internal control. Through the restructuring of existing businesses, the Group is now composed of various entities capable of designing, manufacturing, and distributing domestic and international proprietary watches, distributing non-proprietary watches, manufacturing mechanical movement, and manufacturing key watch components. All resources would be integrated and allocated among these entities. During 2011, the Group has transformed itself to become one of the leading watch players in the world and achieved remarkable result.

#### (1) WATCHES AND TIMEPIECES – PROPRIETARY BRANDS

##### Eterna AG Uhrenfabrik

On 29 June 2011, International Volant Limited, a wholly-owned subsidiary of the Group, acquired the shares and loans of Eterna at a total consideration of HK\$213,920,000 or CHF22,911,001.

Eterna was founded in 1856 in Switzerland. It manufactures timepieces under two brands, namely the self-owned brand Eterna and the licensed brand Porsche Design. Eterna is authorized to use the Porsche Design trademark and to develop, manufacture and distribute the licensed watches through selected distributors. Eterna watches are distributed through independent points of sales and agencies while the Porsche Design watches are distributed through points of sales and own/franchised shops all over the world. Eterna is able to manufacture its own mechanical movement, comprising manual, automatic, with and without date, and chronograph functionalities.

The acquisition of Eterna would provide additional Swiss watches for the Group's comprehensive distribution network in Mainland China. It is anticipated that the revenue of Eterna and Porsche Design watches would increase rapidly after strengthening brand awareness,

### 業務回顧

二零一一年本集團不遺餘力踐行戰略部署，前瞻性的收購了具有百年歷史及擁有機芯核心技術的瑞士Eterna AG Uhrenfabrik品牌企業。此外，本集團在香港和中國大陸，收購了俊光實業有限公司25%股權，其主要從事鐘錶及鐘錶配件製造，新增成立了三家合營鐘錶子公司：擁有78%股權的廣州五羊表業有限公司、擁有51%股權的遼寧恒嘉鐘錶有限公司、擁有51%股權的北京海納天時鐘錶有限公司。通過國內及國際併購，突出戰略佈局，加快鐘錶業發展。剝離了漆包線業務後，進一步強化了本集團之核心業務。通過對旗下企業的整合調整，致力完善企業管治和內部監控，已形成集自有國內及國際著名手錶品牌設計、製造及分銷為一體，以及分銷非自有品牌手錶、機芯製造和高端手錶配件製造相結合的產業鏈。經過優化資源配置，二零一一年期間，本集團已成功轉型成為世界領先的鐘錶企業之一，並取得了可喜的成績。

#### (1) 鐘錶及時計產品－自有品牌

##### Eterna AG Uhrenfabrik

於二零一一年六月二十九日，本集團一家全資附屬公司國際飛迅有限公司收購綺年華的股份及貸款，總代價為213,920,000港元或22,911,001瑞郎。

綺年華於一八五六年在瑞士創立。其製造兩個品牌之時計，分別為自有品牌綺年華及特許品牌Porsche Design。綺年華獲授權使用Porsche Design商標於指定分銷商發展、生產及分銷特許手錶。綺年華手錶透過獨立銷售點及代理分銷，而Porsche Design手錶則於遍及全球銷售點及自有／特許商店分銷。綺年華能製造其自家機械機芯，包括手動、自動、附設或不附設日期以及計時器功能。

收購綺年華將為本集團於中國內地覆蓋全面之分銷網絡增添瑞士鐘錶。預期加強品牌知名度、改善客戶服務以及於內地市場開拓目標產品後，綺年華及Porsche Design手錶之收

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

improving customer service and developing the target products for the Mainland China market. Besides, the capability to manufacture mechanical movements enable the group to secure the supply of mechanical movements. It is anticipated that Eterna would complete the development of its recently created modular mechanical movements by the end of 2012. Modular mechanical can be easily modified to include additional features, such as date, tourbillon and chronograph functionalities, with relatively simple process and at relatively competitive cost. Eterna would then supply the newly created modular mechanical movement for its own production in Switzerland within two years.

A new management team has been created following the appointments of the new CEO and Vice President. It is the goal of the new management team to aggressively develop new products and markets for Eterna and Porsche Design watches.

During the second half of 2011, seven new products were developed. They have been well received in the Basel Fair 2012.

As of 31 December 2011, there were 251 distribution outlets for Eterna watch, of which 227, 7 and 17 were in Europe, America and Middle East respectively. There were 528 distribution outlets for Porsche Design watch, of which, 398, 67, 27 and 36 were in Europe, America, Asia and Middle East respectively.

Asia, especially Mainland China, would be the area of focus for the network development. It is expected to open significant number of distribution outlets in Mainland China in the near future.

Eterna Group contributed revenue and net profit after tax of HK\$42,886,000 and HK\$16,573,000 respectively in 2011. The net profit after tax included HK\$46,904,000, being excess of fair value of the net identifiable assets over the cost of acquisition of Eterna Group.

### Zhuhai Rossini Watch Industry Ltd.

Zhuhai Rossini Watch Industry Ltd. ("Rossini"), a 91% subsidiary of the Group, also achieved impressive result in 2011. Revenue was HK\$548,729,000, an increase of HK\$185,414,000, or 51%, from HK\$363,315,000 of last year, contributing net profit of approximately HK\$162,553,000 to the Group.

入將會急速上升。此外，製造機械機芯之能力令本集團得以確保機械機芯之供應。預料綺年華能於二零一二年年底完成開發其近期創造的機械機芯模塊，機械機芯模塊能以比較簡單工序及具競爭力的價格增加包括日期、陀飛輪及碼錶在內的各種附加功能。其後綺年華將於兩年內供應全新開發之機械機芯，以供其於瑞士作自行生產。

新管理團隊繼委任新行政總裁及副主席後組成。新管理團隊的目標為綺年華及Porsche Design手錶積極開發新產品及市場。

於二零一一年下半年，已開發7款新產品。各產品於二零一二年巴塞爾鐘錶展獲廣為接受。

於二零一一年十二月三十一日，綺年華手錶的分銷點總數為251個，其中包括227個、7個及17個分別位於歐洲、美洲及中東。Porsche Design手錶的分銷點總數為528個，其中包括398個、67個、27個及36個分別位於歐洲、美洲、亞洲及中東。

亞洲(特別是中國內地)，將成為網絡開發的主要地區。預期在不久將來於中國內地開設多個分銷點。

綺年華集團於二零一一年所貢獻收入及除稅後純利分別為42,886,000港元及16,573,000港元。除稅後純利包括可識別淨資產之公平值超過收購綺年華集團成本之差額46,904,000港元。

### 珠海羅西尼錶業有限公司

珠海羅西尼錶業有限公司(「羅西尼」)為本集團擁有91%權益之附屬公司，於二零一一年亦取得耀目之業績。收入從去年的363,315,000港元增至548,729,000港元，增加185,414,000港元或51%，為本集團貢獻約162,553,000港元純利。

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

During the year, Rossini has increased its number of distribution outlets by 363 (226 outlets through department stores and 137 outlets through authorized dealers) from 1,112 to 1,475, mostly in second and third-tier cities. The total number of distribution outlets as of 31 December 2011 was 1,475 (992 through department stores, 480 through authorized dealers and 3 boutiques). Such new distribution outlets accounted for 8% of revenue.

In July 2011, Rossini improved its distribution outlets by renovating the outlook and introducing new equipment and interior layout. The new appearance was proved to enhance the image and revenue of the distribution outlets. In December 2011, Rossini started conducting sale on internet.

The number of new products introduced was 32, accounting for almost 10% of revenue. In the second half of 2011, Rossini introduced another sport watch line that was well received by the market as evidenced by the impressive revenue generated.

Rossini invested greater efforts in the training of sale staff. It provided training manuals to distribution outlets so as to improve the selling and service expertise of the sale staff.

Rossini has been awarded China's 500 most valuable brands and Asia's 500 most valuable brands of the year 2011 by the World Brand Laboratory. Rossini is the only watch company from Mainland China that obtains the latter award and the value of the brand is the highest among all the local watches brands.

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

**EBOHR Luxuries International Company Limited**  
EBOHR Luxuries International Company Limited ("EBOHR"), a wholly-owned subsidiary of the Group, and its directly owned subsidiaries achieved satisfactory result in 2011. Revenue was HK\$490,410,000, an increase of HK\$153,380,000, or 46%, from HK\$337,030,000 last year, contributing net profit of approximately HK\$101,515,000 to the Group. EBOHR took up the loss of approximately HK\$21,430,000 incurred by Swiss Chronometric S.A. ("Swiss Chronometric"), a wholly owned subsidiary of EBOHR in Switzerland.

年內，羅西尼從1,112個分銷點增加363個(226個透過百貨店增設及137個透過授權經銷商增設)至1,475個，大部分位於二、三線城市。於二零一一年十二月三十一日分銷點總數為1,475個(992個透過百貨店設置、480個透過授權經銷商設置及3間專賣店)。這等新增分銷點佔收入8%。

於二零一一年七月，羅西尼重新粉飾分銷點的鋪面、引入新設備及內部裝修，以改善分銷點。新面貌證實可提升分銷點形象及收入。於二零一一年十二月，羅西尼已進行網上銷售。

推出新產品之數目共為32項，佔收入差不多10%。於二零一一年下半年，羅西尼引進另一條運動型手錶系列獲市場廣為接受，作為耀自之業績的憑證。

羅西尼加大力度，加強銷售員工的培訓。羅西尼向分銷點提供培訓手冊，以改善銷售員工的銷售及服務專業技巧。

羅西尼榮獲世界品牌實驗室評選為二零一一年中國500最具價值品牌及中國內地手錶製造商中唯一入選亞洲500最具價值品牌。品牌價值位居中國鐘錶業首位。

此外，羅西尼已開發其眼鏡鏡架品牌，更成立涵蓋逾100個銷售點之廣泛網絡。

### 依波精品(深圳)有限公司

本集團全資附屬公司依波精品(深圳)有限公司(「依波精品」)及其直接擁有的附屬公司於二零一一年取得理想業績。收入從去年337,030,000港元，增至490,410,000港元，增加153,380,000港元或46%，為本集團貢獻約101,515,000港元純利。依波精品承擔依波精品於瑞士之一間全資附屬公司Swiss Chronometric S.A.(「Swiss Chronometric」)所產生約21,430,000港元虧損。

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

During the year there was an increase of 281 distribution outlets (189 outlets through department stores and 93 outlets through authorized dealers and a decrease of 1 boutique). The total number of distribution outlets as of 31 December 2011 was 1,423 (824 outlets through department stores, 596 through authorized dealers and 3 boutiques).

EBOHR has improved its distribution outlets by renovating the outlook and interior layout. The new appearance should enhance the image and revenue of the distribution outlets. To improve profitability, EBOHR continued to offer the relevant products to capture opportunities arising from the emerging middle class with increasing purchasing power. Promotion events organized by the regional sale managers and headquarters proved to be effective. During the year, there were approximately 300 promotion events contributing around 10% of the total revenue. Besides, revenue from sale of watch on Internet achieved over 4% of total revenue.

EBOHR has completed the design of the EBOHR Complication series, a product line composed of tourbillion watches and watches of sophisticated mechanical movement. Those products would be distributed through the outlet of Swiss Chronometric in Luzern. EBOHR has been awarded China's 500 most valuable brands of the year 2011 by the World Brand Laboratory.

### Swiss Chronometric S.A.

In addition to the self-owned distribution outlet in Lucerne of Switzerland, Swiss Chronometric established another one in Shanghai in December 2011. It is the plan to establish 20 distribution outlets in the major cities in Mainland China. During the year, Swiss Chronometric has established distribution outlets in selected European countries.

## (2) WATCHES AND TIMEPIECES – NON-PROPRIETARY BRANDS

### Shenzhen Permanence Commerce Co., Ltd.

Shenzhen Permanence Commerce Co., Ltd. ("Permanence"), a 100% owned subsidiary of the Group, primarily focusing on distribution of Citizen and Casio watches, contributed revenue and net profit after tax of HK\$63,109,000 (2010: HK\$51,729,000) and HK\$4,811,000 (2010: HK\$1,491,000) respectively. Revenue and net profit after tax increased in line with the expanded distribution network. Gross and net profit margin increased as Permanence became more efficient. While distribution of Citizen and Casio in three provinces were strong revenue drivers, Permanence started distributing Ernest Borel, Enicar and Titoni during the year. As of 31 December 2011, there were 60 distribution outlets and 2 single-brand retail boutiques; Permanence also supplied to 53 wholesale customers.

年內，新增281間分銷點（189個透過百貨店增設及93個透過授權經銷商增設及減少1間專賣店）。於二零一一年十二月三十一日分銷點總數為1,423個（824個透過百貨店設置、596個透過授權經銷商設置及3間專賣店）。

依波精品透過重新粉飾其分銷點的鋪面及室內裝修，以改善分銷點。新面貌將有助提升分銷點的形象及收入。為改善盈利能力，依波精品繼續供應相關產品，以抓緊隨著中產冒起使購買力日增而湧現的商機。由地區銷售經理及總部安排的推廣項目彰顯成效。年內，約300個推廣項目的貢獻佔總收入約10%。此外，來自互聯網銷售手錶的收入佔總收入逾4%。

依波精品已完成EBOHR Complication系列的設計工作，此產品線包括陀飛輪手錶及精製機械機芯手錶。該些產品會透過位於瑞士盧塞恩之Swiss Chronometric旗下銷售網點分銷。依波精品榮獲世界品牌實驗室評選為二零一一年中國500最具價值品牌。

### Swiss Chronometric S.A.

除位於瑞士盧塞恩的自有分銷點外，Swiss Chronometric亦於二零一一年十二月在上海成立了另一分銷點，並計劃在中國內地的主要城市成立20個銷售點。年內，Swiss Chronometric已於指定歐洲國家成立銷售點。

## (2) 鐘錶及時計 – 非自有品牌

### 深圳市恒譽嘉時貿易有限公司

本集團擁有100%權益之附屬公司深圳市恒譽嘉時貿易有限公司（「恒譽」）主要集中分銷西鐵城及卡西歐手錶，貢獻收入及除稅後純利分別為63,109,000港元（二零一零年：51,729,000港元）及4,811,000港元（二零一零年：1,491,000港元）。收入及除稅後純利因分銷網絡擴充而相應提升。隨著恒譽之營運更具效益，毛利率及純利率均有所增加。於3個省份分銷西鐵城及卡西歐為恒譽收入之巨大動力。恒譽於年內開始分銷瑞士依波路、英格納及梅花手錶。於二零一一年十二月三十一日，共有60個分銷點及2家單一品零售專賣店；恒譽亦為53名批發客戶供應產品。

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

### Ruihuang (Chongqing) Watch Co., Ltd.

Ruihuang (Chongqing) Watch Co., Ltd. ("Ruihuang"), a 51% owned subsidiary of the Group, developed leading boutiques for well known Swiss watch brands such as Longines and Tissot; distributed leading Swiss and Japanese watch brands such as Rado, Enicar, Titoni and Ernest Borel through the leading department stores; and set up maintenance centre for various imported watches in Chongqing. Ruihuang contributed revenue and net profit after tax of approximately HK\$190,022,000 (2010: HK\$24,141,000) and HK\$6,775,000 (2010: Net loss after tax of HK\$234,000) respectively. By 31 December 2011, Ruihuang have already established 30 multi-brand retail shops and supplied to 10 wholesale customers.

### Guangdong Juxin Watch Co., Ltd.

Guangdong Juxin Watch Co., Ltd. ("Juxin"), a 51% owned subsidiary of the Group, was established in January 2011. Juxin distributed leading Swiss and Japanese watch brands such as Casio, Citizen, Ernest Borel, Mido, Sandoz, Seiko, Tissot, Titoni and Tudor through the leading department stores in various cities in Guangdong such as Foshan, Guangzhou, Zhongshan, Shaoguan and Qingyuan. Juxin contributed revenue and net profit after tax of approximately HK\$42,278,000 (2010: Nil) and HK\$1,096,000 (2010: Nil) respectively. Casio was the strongest revenue driver for Juxin during the year. Juxin was awarded the "Outstanding Distributor" by Casio in April 2011. As of 31 December 2011, there were 8 multi-brand retail shops, 3 single-brand boutiques and 14 distribution outlets.

### Liaoning Hengjia Horologe Co., Ltd.

Liaoning Hengjia Horologe Co., Ltd. ("Hengjia"), a 51% owned subsidiary of the Group, was established in May 2011. Hengjia distributed leading Swiss and Japanese watch brands. Hengjia operates 2 single-brand boutiques, one for Rado and one for Tissot. The Tissot boutique was considered to be one of the top performers of Tissot in Mainland China in 2011. Hengjia also operates multi-brand retail shops in the leading department stores in various leading cities in Liaoning. Hengjia is actively developing single-brand boutiques and multi-brand retail shops in Liaoning. As of 31 December 2011, there were 6 multi-brand retail shops, 2 single-brand boutiques and over 10 wholesale customers. Hengjia contributed revenue and net profit after tax of approximately HK\$42,734,000 (2010: Nil) and HK\$630,000 (2010: Nil) respectively.

### 瑞皇(重慶)鐘錶有限公司

本集團擁有51%權益之附屬公司瑞皇(重慶)鐘錶有限公司(「瑞皇」)曾為浪琴及天梭等著名瑞士手錶品牌開發旗艦專賣店；現時透過知名百貨公司分銷頂尖瑞士及日本手錶品牌，如雷達、英格納、梅花及瑞士依波路；及於重慶為多款進口手錶設立維修中心。瑞皇帶來收入及除稅後純利分別約190,022,000港元(二零一零年：24,141,000港元)及6,775,000港元(二零一零年：除稅後淨虧損234,000港元)。於二零一一年十二月三十一日，瑞皇已設有30家多品牌零售店，並向10名批發客戶供應商品。

### 廣東鉅信鐘錶有限公司

本集團擁有51%權益之附屬公司廣東鉅信鐘錶有限公司(「鉅信」)於二零一一年一月成立。鉅信於佛山、廣州、中山、韶關及清遠等廣東省多個城市之主要百貨公司內，分銷瑞士及日本著名手錶品牌，如卡西歐、西鐵城、瑞士依波路、美度、山度士、精工、天梭、梅花及帝舵。鉅信帶來收入及除稅後純利分別約42,278,000港元(二零一零年：無)及1,096,000港元(二零一零年：無)。卡西歐為鉅信於年內最大收入動力。鉅信於二零一一年四月獲卡西歐頒發「傑出分銷商」殊榮。於二零一一年十二月三十一日，共有8家多品牌零售店、3家單一品牌專賣店及14個分銷點。

### 遼寧恒嘉鐘錶有限公司

本集團擁有51%權益之附屬公司遼寧恒嘉鐘錶有限公司(「恒嘉」)於二零一一年五月成立。恒嘉分銷著名瑞士及日本手錶品牌。於二零一一年，恒嘉分別為雷達及天梭經營2家單一品牌專賣店，其中天梭專賣店被視為中國內地銷量最高天梭專賣店之一。恒嘉亦在遼寧的知名百貨公司經營多品牌零售店。恒嘉現正在積極在遼寧多個主要城市發展單一品牌專賣店及多品牌零售店。於二零一一年十二月三十一日，共有6家多品牌零售店、2家單一品牌專賣店以及十多名批發客戶。恒嘉貢獻收入及除稅後純利分別約為42,734,000港元(二零一零年：無)及630,000港元(二零一零年：無)。

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

### Beijing Haina Tianshi Watch Company Limited

On 29 December 2011, the Group agreed to invest RMB15,300,000 in cash and Beijing Kuntai Hengshi Trading Company Limited ("Kuntai Hengshi") to invest RMB14,700,000 in cash for 51% and 49% of Beijing Haina Tianshi Watch Company Limited ("Haina") respectively. Haina will take up all the operating assets, businesses, operating contracts and staff of each of Kuntai Hengshi, Beijing Rirui Fengcai Trading Company Limited ("Rirui Fengcai") and Beijing Rirui Tianshi Watch Company Limited ("Rirui Tianshi").

Kuntai Hengshi, principally engaged in the wholesale and retail of watches, has set up branch companies and retail stores in various locations including Tianjin, Beijing, Shijiazhuang and Inner Mongolia for the sale of certain well-known international watch brands. Rirui Fengcai, principally engaged in the wholesale and retail of watches, has set up certain branch companies and retail stores in Beijing and Kunming for sale of certain well-known international watch brands. Rirui Tianshi, a wholly-owned PRC subsidiary of Rirui Fengcai, operates retail stores of a well-known international watch brand.

The acquisition would broaden the Group's retail network and expand its business of distribution of international watch brands. In particular, it allows the Group to enter into the Beijing and Tianjin retail watch market.

### (3) WATCHES AND TIMEPIECES – PRODUCTION

#### Guangzhou Five Sheep Watch Limited

On 10 November 2011, Shenzhen Seti Trading Development Company Limited ("Seti Trading"), a wholly-owned subsidiary of the Company, and Rossini agreed to invest cash of RMB73 million and RMB5 million respectively and Guangzhou Watch Factory to invest assets of RMB22 million to establish Guangzhou Five Sheep Watch Limited ("Five Sheep"), which is engaged in the manufacture and distribution of mechanical movements and watches. Seti Trading, Rossini and Guangzhou Watch Factory own 73%, 5% and 22% of Five Sheep respectively. It is expected that given their comprehensive experience, Guangzhou Watch Factory would give Five Sheep their enormous leverage in the production quality. When its production commences in March 2012, Five Sheep would serve to provide mechanical movement production facilities and watch manufacturing facilities for the Group. It would be a profit driver for the Group.

### 北京海納天時鐘錶有限公司

於二零一一年十二月二十九日，本集團與北京坤泰恒時商貿有限公司(「坤泰恒時」)就北京海納天時鐘錶有限公司(「海納」)之分別51%及49%權益同意投資現金人民幣15,300,000元及現金人民幣14,700,000元。海納將接管坤泰恒時、北京日瑞風采商貿有限公司(「日瑞風采」)及北京日瑞天時鐘錶有限公司(「日瑞天時」)各自之所有營運資產、業務、營運合同及員工。

坤泰恒時主要從事鐘錶批發及零售。坤泰恒時於多個地點包括天津、北京、石家莊及內蒙古成立分公司及零售店，以銷售若干知名國際鐘錶品牌。日瑞風采主要從事鐘錶批發及零售，於北京及昆明成立若干分公司及零售店，以銷售若干知名國際鐘錶品牌。日瑞天時為日瑞風采之中國全資附屬公司，主要從事知名國際鐘錶品牌零售店營運。

收購拓寬本集團零售網絡及擴充其分銷國際鐘錶品牌之業務。尤其是可讓本集團踏足北京及天津零售鐘錶市場。

### (3) 鐘錶及時計產品－生產

#### 廣州五羊錶業有限公司

於二零一一年十一月十日，本公司全資附屬公司深圳市森帝貿易發展有限公司(「森帝貿易」)與羅西尼同意分別投資現金人民幣73,000,000元及人民幣5,000,000元，而廣州手錶廠則投資人民幣22,000,000元資產以成立廣州五羊錶業有限公司(「五羊」)，據此五羊從事製造及分銷機械機芯及手錶。森帝貿易、羅西尼及廣州手錶廠分別擁有五羊之73%、5%及22%權益。預期憑藉彼等之豐富經驗，廣州手錶廠將可大幅提升五羊的生產質素。五羊於二零一二年三月開始投產時，將為本集團提供機械機芯生產技術及手錶製造技術。五羊將成為本集團溢利來源。

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

### Fair Future Industrial Limited

On 15 December 2011, Sure Best Management Limited, a wholly-owned subsidiary of the Group, agreed to acquire 25% of the issued shares of Fair Future Industrial Limited ("Fair Future") at a total consideration of HK\$56,000,000. The consideration will be settled by the allotment and issue of the shares of the Company.

Fair Future is principally engaged in the manufacture of watches and accessories of watches in Hong Kong. Fair Future manufactures watches for a well-known Japanese brand on an OEM basis. Fair Future contracts the manufacture of watches to its Shenzhen subsidiary.

The acquisition would not only broaden the Group's source of income but also enhance the Group's manufacturing base.

### (4) INVESTMENT IN CITYCHAMP DARTONG

During the year, the Group received cash dividend of HK\$6,551,000 from Citychamp Dartong Company Limited ("Citychamp Dartong"). On 15 March 2012, Citychamp Dartong announced its results under PRC GAAP for the year ended 31 December 2011. The earnings per share for the year was RMB1.08, which represented an increase of 54% as compared with last year.

### (5) PROPERTY INVESTMENT

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

### (6) MOTOR YACHT

Chart Victory Limited ("Chart Victory"), a 100% owned subsidiary of the Group, acts as the sole distributor of Princess Yachts International plc in Hong Kong. Four motor yachts were sold during the year. Chart Victory contributed revenue and net loss of approximately HK\$29,809,000 (31 December 2010: HK\$14,372,000) and HK\$6,390,000 (2010: HK\$1,000) respectively.

### 俊光實業有限公司

於二零一一年十二月十五日，本集團一家全資附屬公司港益管理有限公司，同意收購俊光實業有限公司(「俊光」)已發行股份25%，總代價為56,000,000港元。代價將以配發及發行本公司股份償付。

俊光主要於香港從事鐘錶及鐘錶配件製造。俊光以OEM方式為知名日本品牌製造手錶。俊光向其深圳附屬公司外判製造手錶。

收購不僅可拓闊本集團之收入來源，同時亦可改進本集團之製造基地。

### (4) 於冠城大通之投資

年內，本集團自冠城大通股份有限公司(「冠城大通」)錄得6,551,000港元之現金股息收入。於二零一二年三月十五日，冠城大通公佈其根據中國公認會計準則編製截至二零一一年十二月三十一日止年度的業績。年內每股盈利為人民幣1.08元，較去年增加54%。

### (5) 物業投資

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

### (6) 遊艇代理

本集團擁有100%權益之附屬公司集城勝利有限公司(「集城」)成為Princess Yachts International plc於香港之獨家經銷商，年內售出四艘遊艇。集城所貢獻之收入及淨虧損分別約29,809,000港元(二零一零年十二月三十一日：14,372,000港元)及6,390,000港元(二零一零年：1,000港元)。

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

### (7) ENAMELLED COPPER WIRES BUSINESS

The Group completed the disposal of Fuzhou Dartong Machinery and Electronic Company Limited ("Fuzhou Dartong") on 30 June 2011 and the disposal of Jiangsu Dartong M&E Co. Ltd. ("Jiangsu Dartong") on 14 July 2011.

Fuzhou Dartong contributed profit after tax of HK\$16,036,000 (2010: HK\$7,063,000) of which HK\$12,280,000 was gain on disposal. The Group's share of profit of Jiangsu Dartong was HK\$1,991,000 (2010: HK\$6,979,000) and the loss on disposal of Jiangsu Dartong was HK\$4,952,000.

## FINANCIAL POSITION

### (1) LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2011, the Group had non-pledged cash and bank balances of approximately HK\$351,276,000 (31 December 2010: HK\$837,872,000). Based on the bank loans of HK\$86,171,000 (31 December 2010: HK\$35,353,000) and shareholders' equity of HK\$3,058,389,000 (31 December 2010: HK\$3,284,782,000), the Group's gearing ratio (being loans divided by shareholders' equity) was 3% (31 December 2010: 1%).

As at 31 December 2011, the Group's bank loans amounted to HK\$86,171,000 and all were repayable within one year.

### (2) CHARGE ON ASSETS

Banking facilities of the Company were secured by the Group's investment properties in Tai Hang with net book values amounting to approximately HK\$19,000,000 as at 31 December 2011 (31 December 2010: HK\$18,800,000).

### (3) CAPITAL COMMITMENTS

As at 31 December 2011, the Group had capital commitments of HK\$119,721,000 (31 December 2010: HK\$36,843,000). The capital commitments included HK\$62,730,000 for the establishment of a joint venture company in the PRC, namely Beijing Haina Tianshi Watch Company Limited, which will be principally engage in the wholesale and retail of watches and accessories in the PRC and HK\$56,000,000 for the acquisition of 25% equity interest in Fair Future Industrial Limited which is principally engaged in the manufacture of watches and accessories of watches.

### (7) 漆包銅線業務

本集團於二零一一年六月三十日及二零一一年七月十四日分別完成出售福州大通機電有限公司(「福州大通」)及江蘇大通機電有限公司(「江蘇大通」)。

福州大通所貢獻除稅後溢利為16,036,000港元(二零一零年: 7,063,000港元), 其中包括出售收益為12,280,000港元。本集團應佔江蘇大通溢利為1,991,000港元(二零一零年: 6,979,000港元), 出售江蘇大通虧損為4,952,000港元。

## 財務狀況

### (1) 流動資金、財務資源及資本結構

於二零一一年十二月三十一日, 本集團有無抵押現金及銀行結存約351,276,000港元(二零一零年十二月三十一日: 837,872,000港元)。按照銀行貸款86,171,000港元(二零一零年十二月三十一日: 35,353,000港元)及股東權益3,058,389,000港元(二零一零年十二月三十一日: 3,284,782,000港元)計算, 本集團的資產負債比率(借貸除股東權益)為3%(二零一零年十二月三十一日: 1%)。

於二零一一年十二月三十一日, 本集團的銀行貸款為86,171,000港元, 全部須於一年內償還。

### (2) 資產抵押

於二零一一年十二月三十一日, 本公司的銀行信貸以本集團位於大坑賬面淨值約19,000,000港元的投資物業作抵押(二零一零年十二月三十一日: 18,800,000港元)。

### (3) 資本承擔

於二零一一年十二月三十一日, 本集團擁有資本承擔119,721,000港元(二零一零年十二月三十一日: 36,843,000港元)。資本承擔包括於中國建立合營公司北京海納天時鐘錶有限公司的62,730,000港元, 該公司將主要於中國從事鐘錶及配件批發及零售; 及收購俊光實業有限公司25%股本權益的56,000,000港元, 該公司主要從事鐘錶及鐘錶配件製造。

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

### FINANCIAL REVIEW

#### (1) GROSS PROFIT

Gross profit (continuing and discontinued operations) was HK\$844,039,000, an increase of 70% from HK\$495,264,000 in last year. Gross profit margin increased slightly.

#### (2) SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses (continuing and discontinued operations) of HK\$345,813,000 were 65% higher than last year. Such increase was in line with the increase in revenue. Rossini contributed selling and distribution expenses of HK\$141,371,000, while EBOHR contributed selling and distribution expenses of HK\$145,720,000.

#### (3) ADMINISTRATIVE EXPENSES

Administrative expenses (continuing and discontinued operations) of HK\$238,538,000 were 51% higher than last year. Such increase was lower than the increase in revenue. Rossini contributed administrative expenses of HK\$34,217,000 while EBOHR contributed administrative expenses of HK\$55,729,000.

### OUTLOOK

The volatility of the global financial markets increased during the first three months of 2012. This was mainly because of fears of a global slowdown due to two major factors: the Eurozone sovereign debt crisis and concern over the US economy. The markets remain skeptical about the fiscal policies adopted by world leaders for the recovery of the global economy. Notwithstanding these challenges, Mainland China's economy is expected to be optimistic as the relevant fiscal imposed to enhance economic development momentum and further urbanization, which generate the domestic demand. In short, Mainland China is more likely to weather any further deterioration better than the western countries.

Looking ahead, following the strategic transformation of the Group, the Group has now integrated the value chain with the capability of designing, manufacturing, and distributing domestic and international proprietary watches, distributing non-proprietary watches, manufacturing mechanical movement, and manufacturing key watch components. Strongly rooted in Mainland China, the Group would gradually develop its business internationally and improved the management. It is the objective of the Group to grow steadily and lay a strong foundation for sustainable growth.

### 財務回顧

#### (1) 毛利

持續經營業務及已終止經營業務之毛利為844,039,000港元，較去年495,264,000港元上升70%。毛利率有輕微上升。

#### (2) 銷售及分銷費用

持續經營業務及已終止經營業務之銷售及分銷費用345,813,000港元較去年上升65%。該增幅與營業額增長貫徹一致。羅西尼產生141,371,000港元銷售及分銷費用，而依波精品產生145,720,000港元銷售及分銷費用。

#### (3) 行政費用

持續經營業務及已終止經營業務之行政費用238,538,000港元較去年上升51%。該增幅低於營業額增長。羅西尼及依波精品分別產生行政費用34,217,000港元及55,729,000港元。

### 展望

截至二零一二年首三個月內，環球金融市場的動盪加劇。主要受累於全球經濟衰退之兩個主要因素：歐元區主權債務危機，以及對美國經濟的擔憂。市場對世界各國領袖為全球經濟復蘇所採取的財政政策仍抱觀望態度。儘管面對該等挑戰，但中國經濟依然向好，中國政府實施穩健的財政及貨幣政策，將為中國經濟注入持續的發展動力，隨著城鎮化建設的推進，進一步促進了內需的消費增長，中國內地抵禦進一步衝擊的能力相信較西方國家為強。

展望未來，伴隨本集團策略性的經營戰略轉型，已形成了上、下游相結合的產業鏈，集自有中國知名手錶品牌和國際著名手錶品牌設計、製造及銷售為一體，以及分銷國際知名手錶品牌、機芯製造和高端手錶配件製造等相互協作的全新戰略格局。本集團紮根中國內地市場，逐步面向國際化發展，不斷提升管理水準，奉行持續穩定的發展策略，必將為可持續發展奠定堅實的基礎。

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

Our existing subsidiaries that focusing on both proprietary brands and non-proprietary brands would continue the impressive organic growth through product, distribution and market development from the first-tier cities to second- and third-tier cities. That relatively strong capability to develop and manufacture mechanical movement would further enhance the dominant position in the Mainland China watch industry. The Group would take the opportunity in the Mainland China markets to improve the brand image and generate the revenue and profit and strive to provide the best return for the stakeholders.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2011, the Group had approximately 3,000 full-time staff in Hong Kong and the PRC. The remuneration packages offered to the employees were determined and reviewed on an arm's length basis with reference to the market condition and individual performance. The Group also provides other benefits to its employees, including year end double pay, medical insurance and retirement benefits, and incentive bonus are offered with reference to the Group's operating results and employees' individual performance. All employees of the Group in Hong Kong have joined the provident fund schemes.

### APPRECIATION

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

Shang Jianguang  
Chief Executive Officer

Hong Kong, 26 March 2012

本集團現時專注於自主品牌及非自主品牌銷售，於一線城市並迅速擴展至二、三線城市，通過自身具有較強的機芯研發和製造實力，有望在新的一年里繼續達致令人滿意之銷售增長，以進一步鞏固本集團在中國內地手錶行業的領導地位。同時仍需不斷努力，充分把握中國市場商機，提升品牌形象，竭誠實現股東利益最大化，為廣大的投資者和股東帶來更加理想的回報。

### 僱員及薪酬政策

本集團於二零一一年十二月三十一日在香港及中國僱用約3,000名全職員工。僱員薪酬待遇乃按公平基準，參考市場情況及個別表現制定及檢討。本集團亦為僱員提供其他福利，包括年終雙糧、醫療保險及退休福利，並視乎本集團經營業績及僱員個人工作表現向彼等發放獎金花紅。本集團全體香港僱員均已參加公積金計劃。

### 致意

本集團於過去一年能有此佳績，全賴管理層及員工專心致志。本人謹藉此機會對本集團的僱員、客戶、往來銀行、專業顧問及股東鼎力支持致以衷心感謝。

行政總裁  
商建光

香港，二零一二年三月二十六日

## Directors and Senior Management

### 董事及高層管理人員

#### EXECUTIVE DIRECTORS 執行董事



HON Kwok Lung (Chairman)

Mr. Hon Kwok Lung, aged 57, is the Chairman of the Board of Directors of Citychamp Dartong Company Ltd. ("Citychamp Dartong"), the shares of which are listed on the Shanghai Stock Exchange in the PRC. Citychamp Dartong and its subsidiaries are principally engaged in manufacturing and sale of enamelled copper wires and property development in the Mainland China. Mr. Hon has extensive business experience in the Mainland China. Mr. Hon is a member of China Overseas Chinese Committee; Standing Committee of Jinlin Overseas Chinese Committee; Chinese People's Political Consultative Conference ("CPPCC"), Beijing; CPPCC, Hai Dian District Committee of Beijing; and CPPCC, Fu Zhou Committee. He joined the Board in April 2004.

#### 韓國龍 (主席)

韓國龍先生，現年五十七歲，是冠城大通股份有限公司（「冠城大通」）的主席，冠城大通的股份乃於中國上海證券交易所上市。冠城大通及其附屬公司在中國主要從事製造及銷售漆包銅線以及物業發展等業務。韓先生於中國商界累積豐富經驗，是中華全國歸國華僑聯合會委員、吉林省歸國華僑聯合會常委、中國人民政治協商會議北京市委員會委員、中國人民政治協商會議北京市海澱區委員會常委，以及中國人民政治協商會議福建省福州市委員會委員。彼於二零零四年四月加入本公司董事會。



SHANG Jianguang (Chief Executive Officer)

Mr. Shang Jianguang, aged 60 and graduated in Fuzhou University majoring in Chemistry, is a qualified senior engineer in the Mainland China. Prior to joining the Group, he assumed senior posts in various large companies, and was General Manager and Director of Min Xin Holdings Limited, a company listed on the main board of the Stock Exchange. He has extensive knowledge and experience in corporate and investment management. He joined the Board in November 2004.

#### 商建光 (行政總裁)

商建光先生，現年六十歲，畢業於福州大學化工專業，持有中國大陸之合資格高級工程師職稱。彼加入本集團前，曾在多家大機構任高級職位，並曾任閩信集團有限公司（一家於聯交所主板上市之公司）之總經理及董事。彼於企業管理、投資管理等方面擁有廣泛知識及豐富經驗。彼於二零零四年十一月加入本公司董事會。



SHI Tao

Mr. Shi Tao, aged 48, holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering from Wuhan University of Technology (formerly known as Wuhan Industrial University). Mr. Shi has years of business experience in the Mainland China. He was an Executive Director of New Capital International Investment Limited, a company listed on the main board of the Stock Exchange. He joined the Board in April 2004.

#### 石濤

石濤先生，現年四十八歲，持有清華大學工程學學士學位，並持有武漢理工大學（前稱武漢工業大學）工程碩士學位。石先生於中國商界累積多年經驗。彼曾任新資本國際投資有限公司（一家於聯交所主板上市之公司）執行董事。彼於二零零四年四月加入本公司董事會。

## Directors and Senior Management

## 董事及高層管理人員



## LAM Toi Man

Mr. Lam Toi Man, aged 54, has various years of experience in property development in the Mainland China. Mr. Lam has been the General Manager of Zhejiang Huashun Real Estate Investment Co., Ltd. and an Executive Director and the General Manager of Hangzhou Yuanhua Mart Construction Co., Ltd.. He joined the Board in April 2004. Mr. Lam is the brother-in-law of Mr. Hon Kwok Lung.

## 林代文

林代文先生，現年五十四歲，在中國物業發展方面累積多年經驗，曾任浙江華順房地產投資有限公司總經理及杭州元華商城建設有限公司執行董事及總經理。彼於二零零四年四月加入本公司董事會。林先生為韓國龍先生之妻舅。



## Bi Bo

Mr. Bi Bo, aged 33 and graduated from Xian Jiaotong University with a Bachelor's degree in Information Engineering in July 2001. He also received the degree of Master of Business Administration from Troy State University in May 2004, and the degree of Master of Science (Finance) from The Johns Hopkins University in May 2006. Prior to joining the Group, he was a senior actuarial assistant (supervisor) in Carefirst Bluecross Blueshield. He qualifies as an associate of the Society of Actuaries (ASA) in 2009. He joined the Board in August 2010.

## 畢波

畢波先生，現年三十三歲，於二零零一年七月畢業於西安交通大學，獲資訊工程工學學士學位。彼亦於二零零四年五月獲得特洛伊州立大學工商管理碩士學位，及於二零零六年五月獲得約翰霍普金斯大學理學(金融)碩士學位。於加入本集團前，彼曾任Carefirst Bluecross Blueshield高級精算助理(主管)。彼於二零零九年通過考試取得北美準精算師資格。彼於二零一零年八月加入本公司董事會。



## SIT Lai Hei

Ms. Sit Lai Hei, aged 35 and graduated in Fuzhou University taking Marketing as her major, is a qualified assistant engineer in Mainland China. She has been appointed as a Non-executive Director of the Company since November 2004 and has been re-designated as an Executive Director of the Company on 26 March 2012. Ms. Sit is also a Director of Citychamp Dartong, the shares of which are listed on the Shanghai Stock Exchange in the PRC. Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung, the Chairman of the Board and controlling shareholder of the Company. In addition, Ms. Sit's husband is a nephew of Mr. Lam Toi Man, a Executive Director of the Company.

## 薛黎曦

薛黎曦女士，現年三十五歲，畢業於福州大學市場營銷專業，持有中國大陸之助理工程師職稱。彼於二零零四年十一月起獲委任為本公司非執行董事，並於二零一二年三月二十六日獲職務調整為本公司執行董事。薛女士亦為冠城大通的董事，冠城大通的股份乃於中國上海證券交易所上市。薛女士為韓國龍先生(本公司董事會主席及控股股東)之媳婦。此外，薛女士之丈夫為林代文先生(本公司執行董事)之外甥。

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



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

**FUNG Tze Wa**

Mr. Fung Tze Wa, aged 55, is a Certified Public Accountant and a Director of an accounting firm in Hong Kong. Mr. Fung has various years of experience in auditing, taxation and company secretarial practice in Hong Kong. He obtained a Master degree in professional accounting from the Hong Kong Polytechnic University in 2000. He is a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the Chartered Association of Certified Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. He has also been appointed as the independent non-executive director of New Capital International Investment Limited since April 2004 and of Jiwa Bio-Pharm Holdings Limited since September 2004. Both companies' shares are listed on the Stock Exchange. He joined the Board in April 2004.

**馮子華**

馮子華先生，現年五十五歲，執業會計師及一間香港會計師事務所的董事。馮先生擁有多多年香港核數、稅務及公司秘書經驗，於二零零零年取得香港理工大學專業會計碩士學位。彼為香港會計師公會（「香港會計師公會」）、特許公認會計師公會、香港稅務學會及華人會計師及核數師公會之會員。彼亦分別自二零零四年四月及自二零零四年九月起獲委任為新資本國際投資有限公司及積華生物醫藥控股有限公司之獨立非執行董事，兩家公司之股份均於聯交所上市。彼於二零零四年四月加入本公司董事會。



**KWONG Chun Wai, Michael**

Dr. Kwong Chun Wai, Michael, aged 47, is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing, a member of the Hong Kong Logistics Association, a certified professional marketer of the Hong Kong Institute of Marketing and a business strategist specialising in the area of marketing and business administration. Dr. Kwong obtained a Bachelor of arts degree with honours in philosophy from the University of Nottingham in the United Kingdom in 1987 and a Doctorate degree in business administration from Newport University in the United States in 2001. Dr. Kwong has also been appointed as an independent non-executive director of New Capital International Investment Limited, a company whose shares are listed on the Stock Exchange, since November 2006. He joined the Board in April 2004.

**鄭俊偉**

鄭俊偉博士，現年四十七歲，國際專業管理學會資深會員、香港市務學會會員及香港物流協會會員、香港市務學會認許市務師以及專門於市場推廣及商業行政之業務策略師。鄭博士於一九八七年在英國諾定咸大學取得哲學榮譽文學士學位，並於二零零一年在美國 Newport University 取得工商管理博士學位。鄭博士亦自二零零六年十一月起獲委任為新資本國際投資有限公司之獨立非執行董事，該公司股份於聯交所上市。彼於二零零四年四月加入本公司董事會。



**LI Qiang**

Mr. Li Qiang, aged 46, holds a Master of Science degree and a PhD of Economics degree. Since March 2004, he is a senior consultant of Insurance Fund Management Regulatory Department of China Insurance Regulatory Commission. He has over 18 years of experience in the Mainland China financial market, including banking, securities and fund management. He joined the Board in November 2004.

**李強**

李強先生，現年四十六歲，持有理學碩士學位及經濟學博士學位。彼自二零零四年三月起，在中國保險監督管理委員會資金運用監管部任高級顧問。彼在中國大陸之金融市場，包括銀行、證券及基金管理方面具有逾十八年豐富經驗。彼於二零零四年十一月加入本公司董事會。

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

**SENIOR MANAGEMENT 高層管理人員**

**FONG Chi Wah**



Mr. Fong Chi Wah, aged 49, is the Chief Financial Officer and Secretary of the Company. Mr. Fong is an associate member of HKICPA, a fellow member of CPA Australia, a Chartered Financial Analyst and a member of the Hong Kong Institute of Directors. Mr. Fong has over 20 years of extensive experience in various sectors of the financial industry, including direct investment, project and structured finance, and capital markets with focus on the Mainland China and Hong Kong. Mr. Fong was a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. He joined the Company in September 2004.

**方志華**

方志華先生，現年四十九歲，本公司的集團財務總監及公司秘書。方先生為香港會計師公會會員、澳洲會計師公會資深會員、特許財務分析師及香港董事學會會員。方先生於中國及香港金融界直接投資、項目及結構融資及資本市場等各方面積逾二十年豐富經驗。方先生曾為Baring Capital (China) Management Limited之董事，並於ING Bank擔任多個管理職位。彼於二零零四年九月加入本公司。

**TAO Li**



Mr. Tao Li, aged 59, is the Vice President of the Company. He is also a Director and General Manager of several subsidiaries of the Company and in charge of the watch manufacturing and distribution businesses of the Group. Mr. Tao graduated from Beijing Foreign Trade College (currently known as China Foreign Economy and Trade University) in 1978 is a senior economist in Mainland China. He has over 28 years of experience in business administration, marketing and international trading. He has been working with the Group since 1991.

**陶立**

陶立先生，現年五十九歲，為本公司副總裁及若干附屬公司之董事兼總經理，主管本集團鐘錶製造及分銷業務。陶先生於一九七八年在北京對外貿易學院（現稱中國對外經貿大學）畢業，持有中國大陸之高級經濟師職稱。彼於商業管理、市場推廣及國際貿易方面擁有逾二十八年經驗，彼自一九九一年於本集團工作。

**YIN Weirong**



Mr. Yin Weirong, aged 55, is a qualified senior economist. He is the Vice President of the Company, he is also a Director and a Deputy General Manager of various subsidiaries of the Company. Mr. Yin was the Chief Representative of a reputable multinational company in the PRC and the General Manager of a large PRC international trust and investment corporation responsible for investment in industrial and financial projects. Having acquired over 31 years of corporate management developing markets in the PRC and overseas, he joined the Company in April 2007.

**尹偉榕**

尹偉榕先生，現年五十五歲，持有高級經濟師職稱，為本公司副總裁及若干附屬公司之董事兼常務副總經理。尹先生曾任中國大陸一間著名跨國性企業之首席代表，及一間中國大陸國際信託及投資公司工業、金融投資部總經理。彼在企業經營管理及國際、國內市場開發方面具有超過三十一年豐富經驗。彼於二零零七年四月加入本集團。

**HALIM Teguh**



Mr. Halim Teguh, aged 30 and graduated from Ohio State University majoring in accounting. He is a director of several subsidiaries of the Group engaged in the watch manufacturing and distribution. He joined the Group in October 2008. Mr. Halim is the son-in-law of Mr. Hon Kwok Lung, the Chairman of the Board and controlling shareholder of the Company.

**HALIM Teguh**

Halim Teguh先生，現年三十歲，畢業於Ohio State University會計系。彼為本集團若干從事手錶製造及分銷附屬公司之董事。彼於二零零八年十月加入本集團。Halim先生為本公司董事會主席兼控股股東韓國龍先生之女婿。

# Corporate Governance Report 2011

## 二零一一年企業管治報告

### CORPORATE GOVERNANCE PRACTICES

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

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Government Practices (“Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) for the year ended 31 December 2011 except for code provision E.1.2. Code provision E.1.2 stipulates that the Chairman of the board of directors should attend the annual general meeting. The Chairman of the board of directors will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so. The board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are properly regulated.

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

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conducts for securities transactions by directors of the Company. All the members of the board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2011.

### BOARD OF DIRECTORS

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

### 企業管治常規

本公司致力維持與市場慣例一致的企業管治準則水平。

截至二零一一年十二月三十一日止年度，除守則條文第E.1.2條外，本公司已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）的原則及遵守所有適用守則條文。守則條文第E.1.2條規定，董事會主席應出席股東週年大會。除遇上阻礙彼出席大會的突發或特殊情況外，董事會主席將盡力出席本公司未來的所有股東週年大會。董事會將不斷檢討及改進本公司的企業管治常規及準則，確保業務活動及決策流程受到妥善規管。

以下概述本公司的主要企業管治慣例。

### 董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易的操守準則。本公司經作出具體查詢後，獲全體董事會成員確認，彼等於截至二零一一年十二月三十一日止年度一直遵守標準守則載列的指定標準。

### 董事會

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

Corporate Governance Report 2011  
二零一一年企業管治報告

## COMPOSITION OF THE BOARD

The board comprises of five Executive Directors (one of whom is the Chairman and the other of whom is the Chief Executive Officer), one Non-executive Director and three Independent Non-executive Directors.

Profiles of directors are set out in the pages 25 to 27 of the Annual Report.

As at 31 December 2011, the board comprises the following members:

## 董事會之組成

董事會由五名執行董事(其中一名為主席，另外一名為行政總裁)，一名非執行董事以及三名獨立非執行董事組成。

各董事之履歷載於年報第25至第27頁。

於二零一一年十二月三十一日，董事會由以下成員組成：

Name of Director 董事名稱	Position 職位	Date of first appointment to the Board 首次獲委任加入董事會之日期	Date of last re-election as Director 上一次獲重選為董事之日期
HON Kwok Lung 韓國龍	Chairman/Executive Director 主席／執行董事	08/04/2004 二零零四年 四月八日	28/05/2010 二零一零年 五月二十八日
SHANG Jianguang 商建光	Chief Executive Officer/Executive Director 行政總裁／執行董事	18/11/2004 二零零四年 十一月十八日	27/05/2011 二零一一年 五月二十七日
SHI Tao 石濤	Executive Director 執行董事	08/04/2004 二零零四年 四月八日	27/05/2011 二零一一年 五月二十七日
LAM Toi Man 林代文	Executive Director 執行董事	08/04/2004 二零零四年 四月八日	27/05/2011 二零一一年 五月二十七日
BI Bo 畢波	Executive Director 執行董事	24/08/2010 二零一零年 八月二十四日	27/05/2011 二零一一年 五月二十七日
SIT Lai Hei 薛黎曦	Non-executive Director (re-designated as Executive Director on 26 March 2012) 非執行董事 (於二零一二年三月二十六日 獲職務調整為執行董事)	18/11/2004 二零零四年 十一月十八日	28/05/2010 二零一零年 五月二十八日
FUNG Tze Wa 馮子華	Independent Non-executive Director 獨立非執行董事	08/04/2004 二零零四年 四月八日	10/06/2009 二零零九年 六月十日
KWONG Chun Wai, Michael 鄺俊偉	Independent Non-executive Director 獨立非執行董事	08/04/2004 二零零四年 四月八日	10/06/2009 二零零九年 六月十日
LI Qiang 李強	Independent Non-executive Director 獨立非執行董事	18/11/2004 二零零四年 十一月十八日	28/05/2010 二零一零年 五月二十八日

## Corporate Governance Report 2011 二零一一年企業管治報告

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

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

除下文所述者外，董事會成員間並無任何關係：

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

### INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

### BOARD MEETINGS AND BOARD PRACTICES

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

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

### 獨立非執行董事

其中一名獨立非執行董事擁有適當專業會計資格及財務管理知識。

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

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

### 董事會會議及董事會常規

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

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

## Corporate Governance Report 2011

### 二零一一年企業管治報告

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

年內，本公司共舉行五次董事會大會，個別董事之出席率載列如下：

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

#### RE-ELECTION OF DIRECTORS

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

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

#### CONTINUING PROFESSIONAL DEVELOPMENT

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

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

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

#### 重選董事

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

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

#### 持續專業發展

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

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

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

Corporate Governance Report 2011  
二零一一年企業管治報告

**DELEGATION BY THE BOARD OF DIRECTORS  
AUDIT COMMITTEE**

The Audit Committee (the "AC") comprises the three Independent Non-executive Directors, Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang.

The composition and members of the AC complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the AC were adopted in 1999 and subsequently revised on 23 August 2005. In order to conform to the new provisions of the Code effecting on 1 April 2012, the board has adopted a new terms of reference of the AC on 26 March 2012, which have been included on the Stock Exchange's website and the Company's website.

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

The AC reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the financial statements for the year ended 31 December 2011.

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

**董事會之授權  
審核委員會**

審核委員會(「審核委員會」)成員包括三名獨立非執行董事馮子華先生(委員會主席)、鄺俊偉博士及李強先生。

審核委員會的組成及成員均符合上市規則第3.21條的規定。詳述審核委員會的權力及職責的書面職權範圍，已於一九九九年獲採納，其後於二零零五年八月二十三日獲修訂。為符合守則條文自二零一二年四月一日起生效的新規定，董事會已於二零一二年三月二十六日採納審核委員會的全新書面職權範圍，並已於聯交所網站及本公司網站登載。

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

審核委員會與管理層已審閱本集團採納的會計準則及慣例，並討論內部監控及財務申報事宜，包括審閱截至二零一一年十二月三十一日止年度財務報表。

年內，審核委員會共舉行兩次會議，個別成員的出席率載列如下：

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

## Corporate Governance Report 2011

### 二零一一年企業管治報告

#### REMUNERATION COMMITTEE

The Remuneration Committee (the "RC") comprises the three Independent Non-executive Directors, Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang and two Executive Directors, Mr. Hon Kwok Lung and Mr. Shang Jianguang.

The majority of the RC members are Independent Non-executive Directors. The RC make recommendations to the board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The RC also make recommendations to the board on the remuneration packages of individual executive directors and senior management. The RC ensures that no director or any of his/her associates is involved in deciding his/her own remuneration. In order to conform to the new provisions of the Code effecting on 1 April 2012, the board has adopted a new terms of reference of the RC on 26 March 2012, which have been included on the Stock Exchange's website and the Company's website.

The RC has met once on 29 March 2011 to review the main elements of the Company's remuneration policy for directors and senior management, and to review and approve the specific remuneration packages of all directors and senior management.

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

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

#### NOMINATION COMMITTEE

On 26 March 2012, the Company established a nomination committee (the "NC") with terms of reference in compliance with the new provisions of the Code effecting on 1 April 2012. The NC comprises the three Independent Non-executive Directors, Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang and two Executive Directors, Mr. Hon Kwok Lung and Mr. Shang Jianguang. Mr. Hon Kwok Lung has been appointed as the chairman of the NC.

#### 薪酬委員會

薪酬委員會(「薪酬委員會」)由三名獨立非執行董事馮子華先生(委員會主席)、鄺俊偉博士及李強先生，以及兩名執行董事韓國龍先生及商建光先生組成。

薪酬委員會大多數成員為獨立非執行董事。薪酬委員會就本公司所有董事及高級管理人員薪酬的整體政策及結構，以及就制定薪酬政策確立正規而具透明度程序，向董事會提出建議。薪酬委員會亦就個別執行董事及高級管理人員的薪酬組合向董事會提出建議。薪酬委員會須確保董事或其任何聯繫人士均不得參與釐定其本身薪酬。為符合守則條文自二零一二年四月一日起生效的新規定，董事會已於二零一二年三月二十六日採納薪酬委員會的全新書面職權範圍，並已於聯交所網站及本公司網站登載。

薪酬委員會曾於二零一一年三月二十九日舉行會議，以檢討本公司董事及高級管理人員薪酬政策的主要內容，並審閱及批准全體董事及高級管理人員的具體薪酬組合。

年內，薪酬委員會曾舉行一次會議，個別成員的出席率載列如下：

#### 提名委員會

於二零一二年三月二十六日，本公司成立提名委員會(「提名委員會」)，其書面職權範圍符合守則條文自二零一二年四月一日起生效的新規定。提名委員會由三名獨立非執行董事馮子華先生、鄺俊偉博士及李強先生，以及兩名執行董事韓國龍先生及商建光先生組成。韓國龍先生獲委任為提名委員會主席。

## Corporate Governance Report 2011 二零一一年企業管治報告

The majority of the NC members are Independent Non-executive Directors. The principal duties of the NC are to review the structure, size and composition of the board, identify and nominate individuals suitable qualified to become board members and make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors. The NC is also responsible for assess the independence of independent non-executive directors.

### CONTINUING TRAINING OF COMPANY SECRETARY

The company secretary has participated a variety of trainings organized by the professional accounting and company secretarial associations during the year.

### AUDITOR'S REMUNERATION

For the year ended 31 December 2011, the Company has paid an audit fee of HK\$1,670,000 in relation to the audit services for the financial statements for the year ended 31 December 2011. The audit fee was approved by the AC and endorsed by the board.

### INTERNAL CONTROLS

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

### DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2011, the directors:

- (a) selected suitable accounting policies and applied them consistently;
- (b) adopted appropriate Hong Kong Financial Reporting Standards (and Hong Kong Accounting Standards);
- (c) made adjustments and estimates that are prudent and reasonable; and
- (d) ensured that the financial statements were prepared on the going concern basis.

提名委員會大多數成員為獨立非執行董事。提名委員會的主要職責為檢討董事會的結構、規模及組成，識別及提名適當的合資格人士成為董事會成員，並就委任或重新委任董事及董事的繼任計劃向董事會提出建議。提名委員會亦負責評估獨立非執行董事的獨立性。

### 公司秘書持續培訓

公司秘書於年內已參與由專業會計及公司秘書協會所舉辦不同培訓。

### 核數師酬金

截至二零一一年十二月三十一日止年度，本公司就截至二零一一年十二月三十一日止年度財務報表之審核服務支付核數費用1,670,000港元。審核費用已獲審核委員會批准及董事會認可。

### 內部監控

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

### 董事責任聲明

董事負責編製各財政期間的賬目，該等賬目須真確反映本集團於該期間的事務、業績及現金流量。編製截至二零一一年十二月三十一日止年度財務報表時，董事：

- (a) 選用及貫徹應用適當會計政策；
- (b) 採納適當香港財務報告準則（及香港會計準則）；
- (c) 作出多項審慎合理的調整及估計；及
- (d) 確保按持續經營基準編製財務報表。

## Corporate Governance Report 2011 二零一一年企業管治報告

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

### INVESTOR RELATIONSHIP AND COMMUNICATION

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

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

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

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

董事亦有責任存管適當會計記錄，隨時合理準確披露本公司的財政狀況。

### 投資者關係及溝通

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

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

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

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

## Report of the Directors

### 董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2011.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 22 to the financial statements. Save as the discontinued enamelled copper wires business, there were no other significant changes to the Group's principal activities during the year.

#### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2011 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 50 to 175.

The directors recommended the payment of a final dividend of HK4.5 cents per share for the year ended 31 December 2011.

#### SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 176 and 177. This summary does not form part of the audited financial statements.

#### PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Company and of the Group during the year are set out in notes 18 and 19 to the financial statements, respectively. Further details of the Group's principal investment properties are set out on page 178 of the annual report.

#### SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 38 to the financial statements.

#### PRE-EMPTIVE RIGHTS

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

董事謹此提呈董事會報告以及本公司及本集團截至二零一一年十二月三十一日止年度之經審核財務報表。

#### 主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於財務報表附註22。除已終止漆包銅線業務外，本集團之主要業務於年內並無其他重大變動。

#### 業績及股息

本集團截至二零一一年十二月三十一日止年度之溢利以及本公司和本集團於當日的財務狀況載於財務報表第50至175頁。

董事建議就截至二零一一年十二月三十一日止年度派付末期股息每股4.5港仙。

#### 財務資料概要

本集團過去五個財政年度已刊發業績、資產、負債與非控股權益概要載於第176頁及第177頁，乃摘錄自經審核財務報表。該概要並不構成經審核財務報表其中部分。

#### 物業、廠房及設備以及投資物業

本公司及本集團物業、廠房及設備以及投資物業於年內的變動詳情，分別載於財務報表附註18及19內。本集團主要投資物業之進一步詳情載於年報第178頁。

#### 股本

本公司股本變動詳情，載於財務報表附註38。

#### 優先購買權

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

## Report of the Directors 董事會報告

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

In the year under review, the Company repurchased a total of 17,362,000 of its ordinary shares of HK\$0.10 each on the Stock Exchange at prices ranging from HK\$0.64 to HK\$1.05 per share, for a total consideration of HK\$17,253,000.

Apart from the above, there were no purchases, sales or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

### RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 40 to the financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

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

At 31 December 2011, the Company had reserves of HK\$978,694,000, being retained profits and share premium account, available for cash distribution and/or distribution in specie.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 28% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 43% of the total purchases.

The percentage of sales attributable to the Group's largest customer was 22%. The percentage of purchases attributable to the Group's largest supplier was 30%.

Sales to a joint venturer of the Group's jointly-controlled entity, of which three directors of the Company are also directors amounted to HK\$425,102,000 in 2011. The sales was based on the open market price.

### 購買、贖回或出售本公司上市證券

於回顧年內，本公司以每股0.64港元至1.05港元之價格於聯交所購回合共17,362,000股每股面值0.10港元之普通股，總代價為17,253,000港元。

除上述者外，年內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

### 儲備

本公司及本集團儲備於年內的變動詳情分別載於財務報表附註40及綜合權益變動表內。

### 可供分派儲備

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

於二零一一年十二月三十一日，本公司可供作現金及／或實物分派的儲備，即保留溢利及股份溢價賬為978,694,000港元。

### 主要客戶與供應商

於回顧年內，本集團五大客戶的銷售額佔年內總銷售額28%。本集團五大供應商的購貨額佔總購貨額43%。

本集團最大客戶應佔銷售百份比為22%。本集團最大供應商應佔採購百份比為30%。

於二零一一年，向本公司三名董事亦出任董事之本集團共同控制實體之一名合營方作出之銷售為425,102,000港元。銷售乃按公開市價進行。

Report of the Directors  
董事會報告

## DIRECTORS

The directors of the Company during the year were:

### EXECUTIVE DIRECTORS:

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

### NON-EXECUTIVE DIRECTOR:

Ms. Sit Lai Hei (re-designated as Executive Director on 26 March 2012)

### INDEPENDENT NON-EXECUTIVE DIRECTORS:

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

In accordance with Article 116 of the Articles of Association, Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

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

## DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 25 to 28 of the annual report.

## 董事

以下為本公司本年度在任之董事：

### 執行董事：

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

### 非執行董事：

薛黎曦女士(於二零一二年三月二十六日獲職務調整為執行董事)

### 獨立非執行董事：

馮子華先生  
鄭俊偉博士  
李強先生

根據組織章程細則第116條，馮子華先生、鄭俊偉博士及李強先生將在股東週年大會輪值告退，並合資格及願意重選連任。

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

## 董事及高層管理人員之履歷

本公司董事及本集團高層管理人員之履歷詳情載於年報第25至第28頁。

## Report of the Directors 董事會報告

### DIRECTORS' INTERESTS IN CONTRACTS

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

### DIRECTORS SERVICE CONTRACTS

Mr. Shang Jianguang, an Executive Director and the Chief Executive Officer of the Company, has a service contract with the Company for a term of three years commencing from 18 November 2011 and is subject to termination by either party by giving not less than three month's written notice.

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

Mr. Bi Bo has entered into a service agreement with the Company for an initial term of 2 years commencing from 24 August 2010 and is subject to termination by either party by giving not less than two months' written notice. The service agreement will continue for successive terms of one year unless terminated by not less than two months' written notice served by either party to the other.

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

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### 董事於合約中之權益

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

### 董事服務合約

本公司執行董事兼行政總裁商建光先生與本公司訂有服務合約，任期由二零一一年十一月十八日起為期三年，惟任何一方可向另一方發出不少於三個月書面通知終止該服務合約。

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

畢波先生與本公司訂有服務合約，自二零一零年八月二十四日起初步為期兩年，可由任何一方發出不少於兩個月書面通知以終止合約。除非任何一方向另一方發出兩個月書面通知終止，服務合約將繼續有效，並其後每次續期一年。

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

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

Report of the Directors  
董事會報告

## DIRECTORS REMUNERATION

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

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

At 31 December 2011, the interests or short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules, were as follows:

### LONG POSITIONS IN SHARES

Name of Director	董事姓名	Nature of interest 權益性質	Number of Shares held 所持股份數目	Percentage of shareholding 持股百分比
Hon Kwok Lung	韓國龍	Corporate (Note) 公司(附註)	2,599,951,515	62.80%
		Beneficial owner 實益擁有人	2,275,000	0.06%
Shang Jianguang	商建光	Beneficial owner 實益擁有人	5,200,000	0.13%
Shi Tao	石濤	Beneficial owner 實益擁有人	3,250,000	0.08%
Lam Toi Man	林代文	Beneficial owner 實益擁有人	2,275,000	0.06%
Fung Tze Wa	馮子華	Beneficial owner 實益擁有人	2,100,000	0.05%
Kwong Chun Wai, Michael	鄺俊偉	Beneficial owner 實益擁有人	1,039,000	0.03%

Note: 1,750,000,000 shares were held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung. 849,951,515 shares were held by Sincere View International Limited ("Sincere View"), which is owned as to 80% by Mr. Hon Kwok Lung and 20% by his wife, Ms. Lam Suk Ying.

## 董事酬金

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

## 董事及主要行政人員於股份及相關股份之權益及淡倉

於二零一一年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條規定存置之登記冊所記錄，董事及主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股本及相關股份中擁有之權益或淡倉或已根據上市規則項下上市發行人董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：

### 於股份之好倉

附註：1,750,000,000股股份由韓國龍先生全資擁有之朝豐有限公司(「朝豐」)持有。849,951,515股股份由信景國際有限公司(「信景」)持有，韓國龍先生及彼之妻子林淑英女士分別持有信景之80%及20%權益。

Report of the Directors  
董事會報告

## LONG POSITIONS IN SHARE OPTIONS OF THE COMPANY 於本公司認購股份權之好倉

Name of Director	董事姓名	Date of grant	Number of share options outstanding 尚未行使之認購股份權數目	Exercisable period	Exercise price per Share 每股股份之行使價 HK\$ 港元
Hon Kwok Lung	韓國龍	9/12/2008 二零零八年十二月九日	1,225,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至 二零一零年一月七日	0.325
Shang Jianguang	商建光	9/12/2008 二零零八年十二月九日	2,800,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至二 零一零年一月七日	0.325
Shi Tao	石濤	9/12/2008 二零零八年十二月九日	1,750,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至二 零一零年一月七日	0.325
Lam Toi Man	林代文	9/12/2008 二零零八年十二月九日	1,225,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至二 零一零年一月七日	0.325
Fung Tze Wa	馮子華	9/12/2008 二零零八年十二月九日	1,400,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至二 零一零年一月七日	0.325
Kwong Chun Wai, Michael	鄺俊偉	9/12/2008 二零零八年十二月九日	1,225,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至二 零一零年一月七日	0.325
Li Qiang	李強	9/12/2008 二零零八年十二月九日	3,500,000	9/12/2009 – 7/1/2019 二零零九年十二月九日至二 零一零年一月七日	0.325

Report of the Directors  
董事會報告

LONG POSITION IN ZHUHAI ROSSINI WATCH INDUSTRY LIMITED ("ROSSINI") (NOTE 1)

於珠海羅西尼錶業有限公司(「羅西尼」)之好倉(附註1)

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

Notes:

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

附註：

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

Save as disclosed above, as at 31 December 2011, no person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一一年十二月三十一日，概無任何人士於本公司或其任何相聯法團之股份及相關股份中擁有已根據證券及期貨條例第352條記錄之任何權益或淡倉，或已根據標準守則知會本公司及聯交所之任何權益或淡倉。

**DIRECTORS RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

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

**董事購買股份或債券之權利**

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

Report of the Directors  
董事會報告

## SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2011, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

## 主要股東於股份及相關股份之權益

於二零一一年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之權益登記冊所記錄，下列人士持有本公司已發行股本5%或以上權益：

		Notes	No. of Shares	Percentage of existing issued capital 佔現有已發行股本之百分比
		附註	股份數目	
Sincere View International Limited	信景國際有限公司		849,951,515	20.53%
Full Day Limited	朝豐有限公司		1,750,000,000	42.27%
Hon Kwok Lung	韓國龍	(1)	2,602,226,515	62.86%
Lam Suk Ying	林淑英	(1)	2,602,226,515	62.86%
Keywise Capital Management (HK) Limited	凱思博投資管理(香港)有限公司		417,940,000	10.10%
Zhang Qing	Zhang Qing	(2)	80,000,000	1.93%

Notes:

- (1) Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of 2,602,226,515 shares (2,599,951,515 shares held by Sincere View and Full Day and 2,275,000 shares held by Mr. Hon Kwok Lung himself).

Save as disclosed above, Mr. Hon Kwok Lung is additionally interested in 1,225,000 shares, representing approximately 0.03% of the issued share capital of the Company. These shares represent the number of share options outstanding pursuant to options granted to him on 9 December 2008 under the Share Option Scheme.

- (2) Mr. Zhang Qing holds 80,000,000 shares of the Company and 160,000,000 optional subscription shares ("Optional Subscription Share") based on the DI form filed by Mr. Zhang Qing on 2 September 2011. Assuming that the Optional Subscription Shares are exercised in full, Mr. Zhang Qing's holding will represent, approximately 5.80% of the issued share capital of the Company as at 31 December 2011 and approximately 5.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Optional Subscription Shares.

附註：

- (1) 韓國龍先生及林淑英女士被視為於同一批2,602,226,515股股份中擁有權益(當中2,599,951,515股股份由信景及朝豐持有，而2,275,000股股份則由韓國龍先生本身持有)。

除上述所披露者外，韓國龍先生於額外1,225,000股股份(佔本公司已發行股本約0.03%)中擁有權益。該等股份代表根據認購股份權計劃於二零零八年十二月九日授予彼之認購股份權當中，尚未行使認購股份權之數目。

- (2) Zhang Qing先生持有80,000,000股本公司股份，而根據Zhang Qing先生於二零一一年九月二日呈交之披露權益表格，彼擁有160,000,000股期權認購股份(「期權認購股份」)。假設期權認購股份悉數行使，Zhang Qing先生所持有之股份，將佔本公司於二零一一年十二月三十一日已發行股本約5.80%，以及佔經配發及發行期權認購股份所擴大之本公司已發行股本約5.58%。

Report of the Directors  
董事會報告

Save as disclosed above, as at 31 December 2011, no person, other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### CONNECTED TRANSACTION

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

### SHARE OPTION SCHEME

Particulars of the share option schemes of the Company are set out in note 39 to the consolidated financial statements.

The following table discloses movements in the Company's share options for the year ended 31 December 2011:

除上文披露者外，於二零一一年十二月三十一日，除其權益載於上文「董事及主要行政人員於股份及相關股份之權益及淡倉」一節之本公司董事及主要行政人員外，概無任何人士於本公司股份及相關股份中登記擁有須根據證券及期貨條例第336條予以記錄之權益或淡倉。

### 關連交易

本集團於年內並無進行任何上市規則項下之關連交易。

### 認購股份權計劃

本公司認購股份權計劃詳情載於綜合財務報表附註39。

下表披露本公司認購股份權於截至二零一一年十二月三十一日止年度之變動：

Name or category of participants	參與者姓名或類別	Number of share options 認購股份權數目		
		At 1 January 2011 於二零一一年 一月一日	Exercised during the year 於年內行使	At 31 December 2011 於二零一一年 十二月三十一日
<b>Executive directors</b>	<b>執行董事</b>			
Mr. Hon Kwok Lung	韓國龍先生	2,450,000	(1,225,000)	1,225,000
Mr. Shang Jianguang	商建光先生	5,600,000	(2,800,000)	2,800,000
Mr. Shi Tao	石濤先生	3,500,000	(1,750,000)	1,750,000
Mr. Lam Toi Man	林代文先生	2,450,000	(1,225,000)	1,225,000
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>			
Mr. Fung Tze Wa	馮子華先生	2,450,000	(1,050,000)	1,400,000
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	2,450,000	(1,225,000)	1,225,000
Mr. Li Qiang	李強先生	3,500,000	—	3,500,000
Sub-total	小計	22,400,000	(9,275,000)	13,125,000
<b>Other eligible employees In aggregate</b>	<b>其他合資格僱員 合計</b>	45,430,000	(21,195,000)	24,235,000
<b>Other eligible persons In aggregate</b>	<b>其他合資格人士 合計</b>	60,080,000	(26,565,000)	33,515,000
<b>Total</b>	<b>總計</b>	127,910,000	(57,035,000)	70,875,000

## Report of the Directors 董事會報告

### DIRECTORS INTERESTS IN A COMPETING BUSINESS

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

### SUFFICIENCY OF PUBLIC FLOAT

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

### CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has applied the principles and complied with the code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2011, except for the deviations from code provisions E.1.2 of the Code as explained in the Company's interim report for the period ended 30 June 2011.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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

### AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three Independent Non-executive Directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial matters including the review of the audited financial statements for the year ended 31 December 2011.

### 董事於競爭業務之權益

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

### 足夠公眾持股量

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

### 企業管治常規守則

董事認為，除本公司截至二零一一年六月三十日止期間之中期報告所闡釋偏離守則條文第E.1.2條外，本公司於截至二零一一年十二月三十一日止年度已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）之原則及遵守當中守則條文。

### 證券交易的標準守則

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

### 審核委員會

本公司已遵照上市規則第3.21條成立審核委員會，以審閱及監督有關本集團財務申報程序及內部監控。審核委員會由本公司三名獨立非執行董事組成。審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論審計、內部監控及財務事宜，包括審閱截至二零一一年十二月三十一日止年度之經審核財務報表。

Report of the Directors  
董事會報告

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

The Company has established a nomination committee (the “Nomination Committee”) on 26 March 2012 in compliance with the Listing Rules, terms of reference of which have been adopted by the Board of the Company are consistent with the requirements of the Code. The Remuneration Committee currently comprises the three Independent Non-executive Directors, Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang, the Chairman of the Board, Mr. Hon Kwok Lung and the Chief Executive Officer, Mr. Shang Jianguang. Mr. Hon Kwok Lung has been appointed as the chairman of the Nomination Committee.

## AUDITOR

The financial statements in respect of the previous financial years since 2006 were audited by Grant Thornton, now known as JBPB & Co. Due to a merger of the businesses of Grant Thornton and BDO Limited (“BDO”) to practise in the name of BDO, Grant Thornton resigned on 24 November 2010 and BDO was appointed as auditor of the Company effective from 21 December 2010. The financial statements for the year ended 31 December 2010 and 2011 were audited by BDO.

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

ON BEHALF OF THE BOARD

Hon Kwok Lung  
Chairman

Hong Kong  
26 March 2012

## 薪酬委員會

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

## 提名委員會

本公司已於二零一二年三月二十六日按照上市規則成立提名委員會(「提名委員會」)，本公司董事會採納之職權範圍與守則之規定一致。薪酬委員會現由三名獨立非執行董事馮子華先生、鄭俊偉博士、李強先生、董事會主席韓國龍先生及行政總裁商建光先生組成。韓國龍先生獲委任為提名委員會主席。

## 核數師

自二零零六年起，以往財政年度之財務報表均由均富會計師行(現稱莊栢會計師行)審核。由於均富會計師行與香港立信德豪會計師事務所有限公司(「立信德豪」)進行業務合併，並以立信德豪之名義執業，均富會計師行已於二零一零年十一月二十四日辭任，立信德豪獲委任為本公司核數師，自二零一零年十二月二十一日起生效。截至二零一零年及二零一一年十二月三十一日止年度之財務報表均由立信德豪審核。

本公司將於應屆股東週年大會提呈有關續聘立信德豪為本公司核數師之決議案。

代表董事會

主席  
韓國龍

香港  
二零一二年三月二十六日

## Independent Auditor's Report

### 獨立核數師報告



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

We have audited the consolidated financial statements of China Haidian Holdings Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 50 to 175, which comprise the consolidated and company statements of financial position as at 31 December 2011, 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.

致中國海澱集團有限公司列位股東  
*(於開曼群島註冊成立之有限公司)*

本核數師已審核載於第50至175頁中國海澱集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此財務報表包括於二零一一年十二月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 董事對綜合財務報表之責任

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

### AUDITOR'S RESPONSIBILITY

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

### 核數師之責任

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

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.

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

## Independent Auditor's Report 獨立核數師報告

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**BDO Limited**  
*Certified Public Accountants*  
**Au Yiu Kwan**  
Practising Certificate Number P05018  
Hong Kong

26 March 2012

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

本核數師相信，本核數師取得之審核憑證就審核意見提供充分及恰當之基礎。

### 意見

本核數師認為，綜合財務報表根據香港財務報告準則真實與公平地反映 貴公司及 貴集團於二零一一年十二月三十一日之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定適當編製。

**香港立信德豪會計師事務所有限公司**  
*執業會計師*  
**歐耀均**  
執業證書編號P05018  
香港

二零一二年三月二十六日

## Consolidated Statement of Comprehensive Income

## 綜合全面收入表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

			2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>Continuing operations:</b>	<b>持續經營業務：</b>			
Revenue	收入	7	1,465,276	800,604
Cost of sales	銷售成本		(637,042)	(307,030)
<b>Gross profit</b>	<b>毛利</b>		<b>828,234</b>	<b>493,574</b>
Other income and financial income	其他收入及財務收入	8	21,027	10,492
Selling and distribution expenses	銷售及分銷費用		(343,908)	(205,511)
Administrative expenses	行政費用		(234,144)	(150,211)
Gain on fair value changes in financial assets at fair value through profit or loss, net	按公平值計入溢利或虧損之金融資產公平值變動之收益淨額		10,947	6,669
Excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries	可識別淨資產之公平值超過收購附屬公司成本之差額	44	46,904	—
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	19	5,675	13,004
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	25(a)	6,551	5,172
Share of profit of associates	應佔聯營公司溢利		1,991	6,979
(Loss)/Gain on disposals of associates	出售聯營公司之(虧損)/收益	12.2, 24(a)	(4,952)	177,711
Finance costs	財務費用	9	(4,331)	(1,811)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	10	<b>333,994</b>	<b>356,068</b>
Income tax expense	所得稅開支	11	(68,240)	(82,349)
<b>Profit after income tax from continuing operations</b>	<b>持續經營業務除所得稅後溢利</b>		<b>265,754</b>	<b>273,719</b>
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>			
Profit for the year from discontinued operations	已終止經營業務之本年度溢利	12.3	16,036	7,063
<b>Profit for the year</b>	<b>本年度溢利</b>		<b>281,790</b>	<b>280,782</b>
<b>Other comprehensive income</b>	<b>其他全面收入</b>			
– Exchange gain on translation of financial statements of foreign operations	– 換算海外業務財務報表產生之匯兌收益		14,570	28,948
– Transfer of exchange fluctuation reserve to profit or loss on disposal of a jointly controlled entity	– 於出售一家共同控制實體時撥回外匯波動儲備至溢利或虧損		(17,496)	—
– Changes in fair value of available-for-sale financial assets	– 可供出售金融資產公平值變動	25(a)	(305,401)	(327,623)
<b>Other comprehensive income for the year</b>	<b>本年度其他全面收入</b>		<b>(308,327)</b>	<b>(298,675)</b>
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>		<b>(26,537)</b>	<b>(17,893)</b>

Consolidated Statement of Comprehensive Income  
綜合全面收入表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>Profit for the year attributable to:</b>	<b>以下人士應佔本年度溢利：</b>	13		
Owners of the Company	本公司擁有人		255,874	271,566
Non-controlling interests	非控股權益		25,916	9,216
			<u>281,790</u>	<u>280,782</u>
<b>Total comprehensive income for the year attributable to:</b>	<b>以下人士應佔本年度全面收入總額：</b>			
Owners of the Company	本公司擁有人		(54,105)	(27,672)
Non-controlling interests	非控股權益		27,568	9,779
			<u>(26,537)</u>	<u>(17,893)</u>
<b>Earnings per share attributable to owners of the Company</b>	<b>本公司擁有人應佔每股盈利</b>	15		
<b>From continuing and discontinued operations</b>	<b>由持續經營業務及已終止經營業務</b>			
– Basic	– 基本		HK cents 6.19 港仙	HK cents 7.42 港仙
– Diluted	– 攤薄		HK cents 6.11 港仙	HK cents 7.21 港仙
<b>From continuing operations</b>	<b>由持續經營業務</b>			
– Basic	– 基本		HK cents 5.80 港仙	HK cents 7.23 港仙
– Diluted	– 攤薄		HK cents 5.73 港仙	HK cents 7.02 港仙
<b>From discontinued operations</b>	<b>由已終止經營業務</b>			
– Basic	– 基本		HK cent 0.39 港仙	HK cent 0.19 港仙
– Diluted	– 攤薄		HK cent 0.38 港仙	HK cent 0.19 港仙

## Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2011 於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	18	228,939	87,777
Investment properties	投資物業	19	93,387	87,712
Prepaid land lease payments	預付土地租賃款項	20	28,235	27,980
Goodwill	商譽	21	621,382	621,382
Interests in associates	所佔聯營公司權益	24	164	158
Available-for-sale financial assets	可供出售金融資產	25	807,696	1,113,095
Intangible assets	無形資產	26	55,944	10,397
Prepayments and deposits	預付款項及按金	27	5,290	2,397
Deferred tax assets	遞延稅項資產	37	1,295	1,250
			<u>1,842,332</u>	<u>1,952,148</u>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	28	956,273	428,831
Trade and bill receivables	應收賬款及票據	29	244,284	113,762
Prepaid land lease payments	預付土地租賃款項	20	730	667
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	27	175,527	160,969
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之 金融資產	30	107,803	91,764
Cash and cash equivalents	現金及現金等價物	32	351,276	837,872
			<u>1,835,893</u>	<u>1,633,865</u>
Non-current asset held for sale	持作出售之非流動資產	12.6	–	43,729
Assets of a disposal group classified as held for sale	分類為持作出售之出售組別資產	12.5	–	257,344
			<u>1,835,893</u>	<u>1,934,938</u>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bill payables	應付賬款及票據	33	194,448	123,696
Other payables and accruals	其他應付款及應計費用	34	221,214	135,846
Dividend payables	應付股息		252	644
Tax payables	應付稅項		41,044	86,726
Borrowings	借貸	35	86,171	35,353
Due to related companies	應付有關連公司欠款	36	157	26,230
			<u>543,286</u>	<u>408,495</u>
Liabilities of a disposal group classified as held for sale	分類為持作出售之出售組別負債	12.5	–	164,704
			<u>543,286</u>	<u>573,199</u>
<b>Net current assets</b>	<b>流動資產淨值</b>		<u>1,292,607</u>	<u>1,361,739</u>
<b>Total assets less current liabilities/Net assets</b>	<b>總資產減流動負債／資產淨值</b>		<u>3,134,939</u>	<u>3,313,887</u>

Consolidated Statement of Financial Position  
綜合財務狀況表

As at 31 December 2011 於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>EQUITY</b>	<b>權益</b>			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	38	413,975	409,007
Proposed dividend	擬派股息		186,289	143,153
Reserves	儲備	40	2,458,125	2,732,622
			<u>3,058,389</u>	<u>3,284,782</u>
Non-controlling interests	非控股權益		76,550	29,105
<b>Total equity</b>	<b>權益總額</b>		<u><u>3,134,939</u></u>	<u><u>3,313,887</u></u>

Hon Kwok Lung  
韓國龍  
Director  
董事

Shang Jianguang  
商建光  
Director  
董事

## Statement of Financial Position

## 財務狀況表

As at 31 December 2011 於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	18	1,749	3,559
Interests in subsidiaries	所佔附屬公司權益	22	1,306,121	921,407
			<u>1,307,870</u>	<u>924,966</u>
<b>Current assets</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	27	3,766	3,301
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之 金融資產	30	52,671	44,670
Due from disposal group	應收出售組別款項	31	—	232
Cash and cash equivalents	現金及現金等價物	32	89,411	403,182
			<u>145,848</u>	<u>451,385</u>
Non-current assets held for sale	持作出售之非流動資產	12.6	—	93,551
			<u>145,848</u>	<u>544,936</u>
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款及應計費用	34	14,358	18,896
Dividend payables	應付股息		251	644
Borrowings	借貸	35	13,000	13,000
Due to a related company	應付有關連公司欠款	36	—	9,060
			<u>27,609</u>	<u>41,600</u>
<b>Net current assets</b>	<b>流動資產淨值</b>		<u>118,239</u>	<u>503,336</u>
<b>Net assets</b>	<b>資產淨值</b>		<u>1,426,109</u>	<u>1,428,302</u>
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	38	413,975	409,007
Proposed dividend	擬派股息	14	186,289	143,153
Reserves	儲備	40	825,845	876,142
<b>Total equity</b>	<b>權益總額</b>		<u>1,426,109</u>	<u>1,428,302</u>

Hon Kwok Lung  
韓國龍  
Director  
董事

Shang Jianguang  
商建光  
Director  
董事

## Consolidated Statement of Cash Flows

### 綜合現金流量表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from operating activities of continuing and discontinued operations			
Profit before income tax			
Continuing operations		333,994	356,068
Discontinued operations	12.3	4,635	7,793
Total		338,629	363,861
Adjustments for:			
Interest income		(9,314)	(2,148)
Finance costs		9,770	9,704
Excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries	44	(46,904)	–
Dividend income from available-for-sale financial assets	25(a)	(6,551)	(5,172)
Dividend income from financial assets at fair value through profit or loss	8	(716)	(657)
Losses on write off of property, plant and equipment, net		–	178
Net surplus on revaluation of investment properties	19	(5,675)	(13,004)
Depreciation		25,625	19,667
Amortisation of prepaid land lease payments		846	829
Amortisation of intangible assets	26	1,877	1,336
Share of profit of associates		(1,991)	(6,979)
Equity-settled share-based compensation		2,983	7,631
Loss/(Gain) on disposals of associates	12.2, 24(a)	4,952	(177,711)
Gain on derivative financial instruments		(625)	(272)
Reversal of impairment losses on trade receivables		–	(73)
Provision for obsolete inventories		–	1,953
Operating profit before working capital changes		312,906	199,143
Increase in inventories		(357,473)	(198,421)
Increase in trade and bill receivables		(174,549)	(22,056)
Increase in prepayments, deposits and other receivables		(11,569)	(129,912)
Increase in financial assets at fair value through profit or loss		(16,039)	(9,282)
Increase in trade and bill payables		61,062	49,511
Increase in other payables and accruals		53,877	38,905
Decrease in amounts due to related companies		(26,073)	–
Cash used in operations		(157,858)	(72,112)
Interest received		9,314	2,148
Interest paid		(9,770)	(9,704)
Income tax paid		(113,387)	(126,652)
Net cash used in operating activities		(271,701)	(206,320)

## Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>Cash flows from investing activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之投資活動產生之現金流量</b>		
Dividends received from available-for-sale financial assets	25(a)	6,551	5,172
Dividends received from financial assets at fair value through profit or loss	8	716	657
Purchases of property, plant and equipment		(80,347)	(35,864)
Purchases of prepaid land lease payments		–	(12,689)
Purchases of intangible assets	26	(10,366)	(11,494)
Net cash outflow from acquisition of subsidiaries	44	(209,475)	–
Repayments from an associate		–	272,727
Proceeds from disposals of associates	12.2, 24(a)	40,768	211,353
Net cash inflow from disposals of a jointly controlled entity	12.4	53,704	–
Proceeds from disposals of property, plant and equipment		–	74
Acquisition of non-controlling interests		(2,445)	–
Net cash (used in)/generated from investing activities		(200,894)	429,936
<b>Cash flows from financing activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之融資活動產生之現金流量</b>		
Dividends paid to owners of the Company		(186,840)	(224,626)
Dividends paid to non-controlling interests		(9,584)	(6,504)
Increase in bank loans		84,061	22,241
Net proceeds from placement of shares		9,900	554,315
Proceeds from shares issued under share option scheme		18,530	16,394
Repurchases of ordinary shares		(17,253)	–
Capital contribution from non-controlling interests		31,906	9,348
Net cash (used in)/generated from financing activities		(69,280)	371,168
Net (decrease)/increase in cash and cash equivalents		(541,875)	594,784
Cash and cash equivalents at 1 January		872,642	253,617
Effect of foreign exchange rate changes, net		20,509	24,241
Cash and cash equivalents at 31 December		351,276	872,642
Analysis of balances of cash and cash equivalents Cash and bank balances	現金及現金等價物結餘分析 現金及銀行結餘	351,276	872,642
Remaining Group	餘下組別	351,276	837,872
Disposal Group	出售組別	–	34,770
		351,276	872,642

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益											Non-controlling interests 非控股權益		Total equity 權益總額	
		Share capital 股本	Share premium account* 溢價賬	Share option reserve* 股份認購儲備	Other reserve* 其他儲備	Goodwill arising on consolidation* 產生之商譽	Statutory reserve* 法定儲備	Exchange fluctuation reserve* 外匯波動儲備	Investment revaluation reserve* 重估儲備	Retained profits* 保留溢利	Proposed dividend 擬派股息	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	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2010	於二零一零年一月一日	354,268	447,848	16,440	-	(15,300)	23,970	23,855	756,929	1,188,524	145,250	2,941,784	16,482	2,958,266		
<b>Transactions with owners</b>	<b>與擁有人交易</b>															
Placement of shares during the year	年內配售股份	49,695	489,460	-	15,160	-	-	-	-	-	-	554,315	-	554,315		
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份所得款項	5,044	11,350	-	-	-	-	-	-	-	-	16,394	-	16,394		
Exercise of share options	行使認購股份權	-	7,650	(7,650)	-	-	-	-	-	-	-	-	-	-		
Recognition of equity-settled share-based compensation	確認以股本結算之股份補償	-	-	7,631	-	-	-	-	-	-	-	7,631	-	7,631		
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	-	-	9,348	9,348		
Dividends paid to non-controlling interests	向非控股權益派付股息	-	-	-	-	-	-	-	-	-	-	-	(6,504)	(6,504)		
Payments of final 2009 dividend (note 14.2)	派付二零零九年末期股息(附註14.2)	-	(6,259)	-	-	-	-	-	-	(145,250)	(151,509)	-	-	(151,509)		
Payments of interim 2010 dividend (note 14.1)	派付二零一零年中期股息(附註14.1)	-	(56,161)	-	-	-	-	-	-	-	(56,161)	-	-	(56,161)		
<b>Total transactions with owners</b>	<b>與擁有人交易總額</b>	<b>54,739</b>	<b>446,040</b>	<b>(19)</b>	<b>15,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(145,250)</b>	<b>370,670</b>	<b>2,844</b>	<b>373,514</b>			
<b>Comprehensive income</b>	<b>全面收入</b>															
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	271,566	-	271,566	9,216	280,782		
<b>Other comprehensive income</b>	<b>其他全面收入</b>															
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表產生之匯兌收益	-	-	-	-	-	-	28,385	-	-	-	28,385	563	28,948		
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	-	-	(327,623)	-	-	(327,623)	-	(327,623)		
<b>Total comprehensive income</b>	<b>全面收入總額</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,385</b>	<b>(327,623)</b>	<b>271,566</b>	<b>(27,672)</b>	<b>9,779</b>	<b>(17,893)</b>			
Proposed final 2010 dividend (note 14.1)	擬派二零一零年末期股息(附註14.1)	-	(49,327)	-	-	-	-	-	-	(93,826)	143,153	-	-	-		
Appropriations to statutory reserve	法定儲備基金撥款	-	-	-	-	-	3,244	-	-	(3,244)	-	-	-	-		
Balance at 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日之結餘	409,007	844,561	16,421	15,160	(15,300)	27,214	52,240	429,306	1,363,020	143,153	3,284,782	29,105	3,313,887		
<b>Transactions with owners</b>	<b>與擁有人交易</b>															
Placement of shares during the year	年內配售股份	1,000	1,368	-	7,532	-	-	-	-	-	-	9,900	-	9,900		
Repurchases of ordinary shares	購回普通股	(1,736)	(15,517)	-	-	-	-	-	-	-	-	(17,253)	-	(17,253)		
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份所得款項	5,704	12,826	-	-	-	-	-	-	-	-	18,530	-	18,530		
Exercise of share options	行使認購股份權	-	8,656	(8,656)	-	-	-	-	-	-	-	-	-	-		
Recognition of equity-settled share-based compensation	確認以股本結算之股份補償	-	-	2,983	-	-	-	-	-	-	-	2,983	-	2,983		
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	-	-	31,906	31,906		
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	-	-	-	-	-	-	-	(2,445)	(2,445)		
Dividends paid to non-controlling interests	向非控股權益派付股息	-	-	-	-	-	-	-	-	-	-	-	(9,584)	(9,584)		
Payments of final 2010 dividend (note 14.2)	派付二零一零年末期股息(附註14.2)	-	(1,891)	-	-	-	-	-	-	(143,153)	(145,044)	-	-	(145,044)		
Payments of interim 2011 dividend (note 14.1)	派付二零一一年中期股息(附註14.1)	-	(41,404)	-	-	-	-	-	-	-	(41,404)	-	-	(41,404)		
<b>Total transactions with owners</b>	<b>與擁有人交易總額</b>	<b>4,968</b>	<b>(35,962)</b>	<b>(5,673)</b>	<b>7,532</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(143,153)</b>	<b>(172,288)</b>	<b>19,877</b>	<b>(152,411)</b>			

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

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益										Non-controlling interests 非控股權益		Total equity 權益總額	
		Share capital 股本	Share premium account* 溢價賬	Share option reserve* 股份權儲備	Other reserve* 其他儲備	Goodwill arising on consolidation* 產生之商譽	Statutory reserve* 法定儲備基金	Exchange fluctuation reserve* 外匯波動儲備	Investment revaluation reserve* 重估儲備	Retained profits* 保留溢利	Proposed dividend 擬派股息	Total 總計			Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Comprehensive income	全面收入														
Profit for the year	本年度溢利	-	-	-	-	-	-	-	255,874	-	255,874	25,916	281,790		
Other comprehensive income	其他全面收入														
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表產生之匯兌收益	-	-	-	-	-	-	12,918	-	-	12,918	1,652	14,570		
Transfer to profit or loss on disposal of a jointly controlled entity (note 12.4)	於出售共同控制實體時轉撥至溢利或虧損(附註12.4)	-	-	-	-	-	-	(17,496)	-	-	(17,496)	-	(17,496)		
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	-	-	(305,401)	-	(305,401)	-	(305,401)		
<b>Total comprehensive income</b>	<b>全面收入總額</b>	-	-	-	-	-	-	(4,578)	(305,401)	255,874	-	(54,105)	27,568	(26,537)	
Release of statutory reserve upon disposal of a jointly controlled entity	出售共同控制實體時解除法定儲備基金	-	-	-	-	-	(946)	-	946	-	-	-	-		
Proposed final 2011 dividend (note 14.1)	擬派二零一一年末期股息(附註14.1)	-	(16,194)	-	-	-	-	-	(170,095)	186,289	-	-	-		
<b>Balance at 31 December 2011</b>	<b>於二零一一年十二月三十一日之結餘</b>	<b>413,975</b>	<b>792,405</b>	<b>10,748</b>	<b>22,692</b>	<b>(15,300)</b>	<b>26,268</b>	<b>47,662</b>	<b>123,905</b>	<b>1,449,745</b>	<b>186,289</b>	<b>3,058,389</b>	<b>76,550</b>	<b>3,134,939</b>	

\* These reserve accounts comprise the consolidated reserves of HK\$2,458,125,000 (2010: HK\$2,732,622,000) in the consolidated statement of financial position.

\* 該等儲備賬目組成綜合財務狀況表內之綜合儲備2,458,125,000港元(二零一零年: 2,732,622,000港元)。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 1. GENERAL INFORMATION

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

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

- Manufacture and distribution of watches and timepieces
- Property investments
- Distribution of yachts

In December 2010, the Group was committed to a plan to sell its 49% equity interest in a jointly-controlled entity, namely Fuzhou Dartong Machinery and Electronic Company Limited ("Fuzhou Dartong"), and its 25.58% equity interest in an associate, namely Jiangsu Dartong M&E Co., Limited ("Jiangsu Dartong"), both of which are also principally engaged in the manufacture and distribution of enamelled copper wires. As management considered that the disposals of Fuzhou Dartong and Jiangsu Dartong were highly probable as at 31 December 2010, in accordance with HKFRS 5, the Group had reclassified:

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

### 1. 一般資料

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

年內，本公司及其附屬公司(統稱「本集團」)之主要業務包括：

- 鐘錶及時計產品製造及分銷
- 物業投資
- 遊艇分銷

於二零一零年十二月，本集團落實計劃出售其於一家共同控制實體福州大通機電有限公司(「福州大通」)之49%股權及一家聯營公司江蘇大通機電有限公司(「江蘇大通」)之25.58%股權，兩者均主要從事漆包銅線製造及分銷業務。由於管理層認為，於二零一零年十二月三十一日，出售福州大通及江蘇大通之可能性極高。根據香港財務報告準則第5號，本集團已將：

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**1. GENERAL INFORMATION (Continued)**

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

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

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

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

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

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

In June and July 2011, the Group has completed the disposal of its 49% equity interests in Fuzhou Dartong and the disposal of its 25.58% equity interest in Jiangsu Dartong. Details of the disposal of Fuzhou Dartong and Jiangsu Dartong are set out in note 12.

**1. 一般資料(續)**

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

漆包銅線製造及分銷業務於下文稱為已終止漆包銅線業務。

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

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

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

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

於二零一一年六月及七月，本集團已完成出售其於福州大通之49%股本權益及其於江蘇大通之25.58%股本權益。出售福州大通及江蘇大通之詳情載於附註12。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**1. GENERAL INFORMATION (Continued)**

Other than the Discontinued Enamelled Copper Wire Business as described above and the acquisition of the subsidiaries as described in note 44 to the financial statements, there were no other significant changes in the Group's operations during the year. The Group's principal places of the business are in Hong Kong and the People's Republic of China (the "PRC").

The financial statements for the year ended 31 December 2011 were approved for issue by the board of directors on 26 March 2012.

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

**(A) ADOPTION OF NEW/REVISED HKFRSs – EFFECTIVE 1 JANUARY 2011**

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2011:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised)	Related Party Disclosures

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

**1. 一般資料(續)**

除上述之已終止經營漆包銅線業務及財務報表附註44所述收購附屬公司外，本集團之業務經營於本年度並無其他重大變動。本集團之主要營業地點位於香港及中華人民共和國（「中國」）。

董事會於二零一二年三月二十六日批准刊發截至二零一一年十二月三十一日之年度之財務報表。

**2. 採納香港財務報告準則(「香港財務報告準則」)**

**(A) 採納新訂／經修訂香港財務報告準則－於二零一一年一月一日生效**

於本年度，本集團首次應用以下由香港會計師公會頒佈之新準則、修訂及詮釋（統稱「新香港財務報告準則」），該等準則與本集團於二零一一年一月一日開始之年度期間之財務報表相關及有效：

香港財務報告準則 (修訂本)	二零一零年香港財務報告 準則之改良
香港會計準則第24號 (經修訂)	關連人士披露

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

**(A) ADOPTION OF NEW/REVISED HKFRSs – EFFECTIVE 1 JANUARY 2011 (Continued)**

**HKFRS 3 (Amendments) – Business Combinations**

As part of the improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests (“NCI”) at either fair value or the NCI’s proportionate share in the recognised amounts of the acquiree’s identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation. Other components of NCI are measured at their acquisition date fair value unless another measurement basis is required by HKFRSs. The Group has amended its accounting policies for measuring NCI but the adoption of the amendment has had no impact on the Group’s financial statements.

**HKAS 24 (Revised) – Related Party Disclosures**

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition. The adoption of HKAS 24 (Revised) has no impact on the Group’s reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

**2. 採納香港財務報告準則(「香港財務報告準則」)(續)**

**(A) 採納新訂／經修訂香港財務報告準則－於二零一一年一月一日生效(續)**

**香港財務報告準則第3號(修訂本)－業務合併**

作為二零一零年頒佈之香港財務報告準則之改善部分，香港財務報告準則第3號已作出修訂，以澄清按公平值或按非控股權益(「非控股權益」)在被收購方可識別資產淨值中已確認款項之所佔比例份額計量非控股權益的選擇，限制為現時擁有權益的工具，並賦予其持有人權利，於清盤時按比例分佔被收購方之資產淨值。除非香港財務報告準則規定須採用其他計量基準，否則非控股權益之其他組成部分均以收購日期之公平值計量。本集團已修訂其有關計量非控股權益之會計政策，採納有關修訂本對本集團之財務報表並無影響。

**香港會計準則第24號(經修訂)－關連人士披露**

香港會計準則第24號(經修訂)對關連人士之釋義作出修訂並澄清其涵義。有關修訂可能會導致獲識別為報告實體之關連人士之該等人士出現變更。本集團已根據經修訂之釋義重新評估其關連人士之識別。採納香港會計準則第24號(經修訂)對本集團於所呈列任何期間之已申報溢利或虧損、全面收入總額或權益並無任何重大影響。

香港會計準則第24號(經修訂)亦引進適用於關連人士交易的簡化披露規定，當中本集團與對手方受政府、政府機關或類似法團的共同控制、聯手控制或重大影響。由於本集團並非政府關連實體，故該等新披露與本集團並不相關。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一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.

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets <sup>1</sup>
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets <sup>2</sup>
Amendments to HKAS 1 (Revised) HKFRS 9	Presentation of Items of Other Comprehensive Income <sup>3</sup> Financial Instruments <sup>5</sup>
HKFRS 10	Consolidated Financial Statements <sup>4</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>4</sup>
HKFRS 13	Fair Value Measurement <sup>4</sup>
HKAS 27 (2011)	Separate Financial Statements <sup>4</sup>
HKAS 19 (2011)	Employee Benefits <sup>4</sup>
HKAS 28 (2011)	Investments in Associates and Joint Ventures <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2011

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2012

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2015

2. 採納香港財務報告準則(「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

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

香港財務報告準則第7號之修訂	披露—金融資產轉讓 <sup>1</sup>
香港會計準則第12號之修訂	遞延稅項—收回相關資產 <sup>2</sup>
香港會計準則第1號之修訂(經修訂)	其他全面收入項目之呈列 <sup>3</sup>
香港財務報告準則第9號	金融工具 <sup>5</sup>
香港財務報告準則第10號	綜合財務報表 <sup>4</sup>
香港財務報告準則第12號	披露於其他實體之權益 <sup>4</sup>
香港財務報告準則第13號	公平值計量 <sup>4</sup>
香港會計準則第27號(二零一一年)	獨立財務報表 <sup>4</sup>
香港會計準則第19號(二零一一年)	僱員福利 <sup>4</sup>
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 <sup>4</sup>

<sup>1</sup> 自二零一一年七月一日或之後開始之年度期間生效

<sup>2</sup> 自二零一二年一月一日或之後開始之年度期間生效

<sup>3</sup> 自二零一二年七月一日或之後開始之年度期間生效

<sup>4</sup> 自二零一三年一月一日或之後開始之年度期間生效

<sup>5</sup> 自二零一五年一月一日或之後開始之年度期間生效

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

For the year ended 31 December 2011 截至二零一一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 7 – Disclosures – Transfers of Financial Assets

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

##### Amendments to HKAS 12 – Deferred Tax – Recovery of Underlying Assets

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

##### 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 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.

##### 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 de-recognition of financial assets and financial liabilities.

### 2. 採納香港財務報告準則(「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7號之修訂－披露－金融資產轉讓

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

##### 香港會計準則第12號之修訂－遞延稅項－收回相關資產

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

##### 香港會計準則第1號之修訂(經修訂)－其他全面收入項目之呈列

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益的項目，分為該等可能於日後重新分類至溢利或虧損的項目(例如可供出售金融資產之重估)及該等未必會重新分類至溢利或虧損的項目(例如物業、廠房及設備之重估)。其他全面收益項目所繳納的稅項會按相同基準進行分配及披露。

##### 香港財務報告準則第9號－金融工具

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一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. 採納香港財務報告準則(「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股模式。當投資者有權控制被投資方(不論實際上有否行使該權力)、對來自被投資方之浮動回報享有之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中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。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一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.

**2. 採納香港財務報告準則(「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令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金融項目及非金融項目，並引入公平值計量等級。此計量等級中三個層級之定義一般與香港財務報告準則第7號「金融工具：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出售資產所收取或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金融資產及負債之規定，而應採用買賣差價中在該等情況下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。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一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)  
HKAS 19 (2011) – Employee Benefits

HKAS 19 (2011) abandons the corridor approach with the result that changes in defined benefit obligations and the fair value of plan assets are recognised in the period in which they occur. The revised standard requires the changes in the Group’s net defined benefit liability (or asset) to be separated into three components: service cost (including current and past service cost and settlements) recognised in profit or loss; net interest on the net defined benefit liability recognised in profit or loss; and re-measurements of the defined benefit liability (or asset) recognised in other comprehensive income. The revised standard distinguishes between short-term and long-term employee benefits based on the expected date of settlement. The previous standard used the term “due to be settled”. This change may result in more plans being classified as long-term employee benefit plans that will need to be accounted for in a similar way to defined benefit plans. HKAS 19 (2011) provides additional guidance on the definition of termination benefits. Benefits that are conditional on future service being provided including those that increase if additional service is provided are not termination benefits. The revised standard requires that a liability for termination benefits is recognised on the earlier of the date when the entity can no longer withdraw the offer of those benefits and the date the entity recognises any related restructuring costs. This could lead to later recognition of voluntary termination benefits in some cases. The amendments will generally be applied retrospectively with two exceptions.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncement.

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

2. 採納香港財務報告準則(「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19號(二零一一年)－僱員福利

香港會計準則第19號(二零一一年)廢除緩衝區法，使定額福利責任出現變化，而計劃資產之公平值則於彼等出現期間確認。經修訂準則規定將本集團之定額福利負債(或資產)淨額之變動分為三部分：於溢利或虧損確認之服務成本(包括目前及過往服務成本及結算)；於溢利或虧損確認之界定福利負債淨額之利息淨額；及重新計量於其他全面收入確認之界定福利負債(或資產)。經修訂準則基於預計結算日期將短期及長期僱員福利區分。過往準則使用「尚待結算」一詞。此變動可令更多計劃被分類為長期僱員福利計劃，並將需要按與界定福利計劃類似之方式列賬。香港會計準則第19號(二零一一年)就界定終止福利提供額外指引。須視乎日後所提供服務而提供之福利(包括就提供額外服務而增加之福利)並非終止福利。經修訂準則規定終止福利之負債於實體不能取消提供該等福利時及實體確認任何有關重組成本當日(以較早者為準)確認。此舉導致自願終止福利於某些情況下會稍遲確認。除兩種情況外，修訂一般會追溯應用。

本公司董事預計，本集團於頒佈生效日期後開始之首個期間之會計政策採納所有頒佈。

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

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

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 3. BASIS OF PREPARATION

#### 3.1 STATEMENT OF COMPLIANCE

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

#### 3.2 BASIS OF MEASUREMENT

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

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

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

#### 3.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

### 3. 編製基準

#### 3.1 合規聲明

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

#### 3.2 計量基準

財務報表乃根據歷史成本法編製，惟投資物業、分類為可供出售金融工具及按公平價值計入溢利或虧損之金融工具，以及衍生金融工具按公平價值列賬。下文之會計政策詳盡描述其計量基準。

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

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

#### 3.3 功能及呈列貨幣

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 BUSINESS COMBINATION AND BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (see note 4.2 below) made up to 31 December each year.

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

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

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

#### 4. 主要會計政策

##### 4.1 業務合併及綜合基準

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

附屬公司於控制權轉移至本集團當日綜合列賬，於失去控制權當日解除綜合列賬。

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

收購附屬公司或業務採用收購法列賬。一項收購之成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購可識別資產及所承擔負債則主要按收購當日公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量，而所產生之收益或虧損則於損益賬內確認。本集團可按逐筆交易基準選擇以被收購方之可識別資產淨值公平值或應佔比例計算該附屬公司之非控股權益。除香港財務報告準則規定須使用另一計量基準外，所有其他非控股權益均按公平值計量。除非收購相關成本乃於發行股本工具時產生，否則所產生之收購相關成本列作開支，在此情況下，成本於股本扣除。

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.1 BUSINESS COMBINATION AND BASIS OF CONSOLIDATION (Continued)**

Contingent consideration balances arising from business combinations whose acquisition dates preceded 1 January 2010 (i.e. the date the Group first applied HKFRS 3 (2008)) have been accounted for in accordance with the transition requirements in the standard. Such balances are not adjusted upon first application of the standard. Subsequent revisions to estimates of such consideration are treated as adjustments to the cost of these business combinations and are recognised as part of goodwill.

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

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

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

**4. 主要會計政策(續)****4.1 業務合併及綜合基準(續)**

收購日期為二零一零年一月一日(即本集團首次應用香港財務報告準則第3號(二零零八年)之日)前的業務合併所產生的或然代價結餘已根據該準則的過渡規定入賬。有關結餘於首次應用該準則時並未作調整。其後對有關代價估計的修訂作為對該等業務合併成本的調整處理，並被確認為商譽的一部分。

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

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.2 SUBSIDIARIES

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

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

### 4.3 JOINTLY CONTROLLED ENTITIES

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

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

## 4. 主要會計政策(續)

### 4.2 附屬公司

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

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

### 4.3 共同控制實體

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

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.3 JOINTLY CONTROLLED ENTITIES (Continued)**

In the Company's statement of financial position, investment in jointly controlled entities is stated at cost less any impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable. Accounting policies on impairment of jointly controlled entities are described in note 4.6 below.

**4.4 ASSOCIATES**

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

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

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

**4. 主要會計政策(續)****4.3 共同控制實體(續)**

於本公司財務狀況表上，於共同控制實體之投資按成本扣除減值虧損列值。共同控制實體之業績按已收及應收股息列賬。有關共同控制實體減值之會計政策於下文附註4.6詳述。

**4.4 聯營公司**

聯營公司為本集團可對其行使重大影響，且並非附屬公司或共同控制實體的實體。重大影響指參與被投資方之財務及經營政策決定之權力，但並非根據該等政策實施控制或共同控制。

於綜合財務報表中，於聯營公司之投資首先按成本確認，其後以權益法入賬。根據權益法，本集團於聯營公司之權益乃按成本列賬，並按本集團於收購後應佔聯營公司資產淨值之變動作出調整，惟已分類為持作出售資產(或計入分類為持作出售之出售組別)除外。損益計入本集團於收購後應佔權益、聯營公司於年內之稅後業績，包括有關年內確認於聯營公司之投資之任何減值虧損。

本集團與聯營公司間之交易而產生之未變現收益最多按本集團於聯營公司之權益數額對銷。當本集團與聯營公司間資產銷售之未變現虧損按權益法撥回時，相關資產亦按本集團之角度進行減值測試。倘聯營公司所用會計政策並非為本集團於同類情況下(如為必要)就類似交易及事件所採用者，則於本集團為應用權益法而使用聯營公司之財務報表時作出調整，致使該聯營公司之會計政策與本集團所採用者一致。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.4 ASSOCIATES (Continued)

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

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. At each reporting date, the Group determines whether there is any objective evidence that investment in associate is impaired. Accounting policies on impairment of investment in associates are described in note 4.6 below.

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

##### 4.5 GOODWILL

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as an excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries.

The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the business combination or investment.

#### 4. 主要會計政策(續)

##### 4.4 聯營公司(續)

倘本集團佔聯營公司虧損相等於或超過於聯營公司之權益，則本集團不再確認進一步之損失，惟本集團已代聯營公司招致法律或推定責任或支付款項則除外。就此而言，本集團於聯營公司之權益為按權益法計算之投資賬面值，連同組成本集團於聯營公司之淨投資主要部份之本集團長期權益。

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

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

##### 4.5 商譽

商譽是指：

- (i) 轉入代價公平價值之總額，任何於被收購者之非控股股東權益及本集團之前被收購者持有權益的公平值；超過
- (ii) 於收購日計量被收購者之可認定資產及負債淨公平值之數額。

當(ii)大於(i)時，該超出之部分會即時於損益確認為可識別淨資產之公平值超出收購附屬公司成本之差額。

業務合併之成本為交易當日給予之資產、產生或承擔之負債和本集團發行資本工具之公平值總額，連同直接有關該業務合併或投資之任何成本。

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

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.5 GOODWILL (Continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is tested annually for impairment, and whenever there is an indication that the unit may be impaired (see note 4.6). In respect of associates or jointly controlled entities, the carrying amount of goodwill, if any, is included in the carrying amount of the Group's interests in the associate or jointly controlled entity and is assessed for impairment as part of the interests in the associate or jointly controlled entity.

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

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

#### 4.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

### 4. 主要會計政策(續)

#### 4.5 商譽(續)

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

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

其後出售附屬公司、聯營公司或共同控制實體時，在釐定出售損益金額時，包括已資本化商譽金額。與二零零一年一月一日前進行的業務合併、於聯營公司或共同控制實體的投資有關的商譽繼續持作儲備，直到與商譽有關的業務合併、聯營公司或共同控制實體獲出售或與商譽有關的現金產生單位出現減值時，乃於累計溢利扣除。

#### 4.6 非金融資產的減值

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

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.6 IMPAIRMENT OF NON-FINANCIAL ASSETS (Continued)

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

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

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

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

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

#### 4. 主要會計政策(續)

##### 4.6 非金融資產的減值(續)

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

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

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

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.7 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).
- (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).
- (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).

## 4. 主要會計政策(續)

### 4.7 有關連人士

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本公司或本公司母公司的主要管理層成員。

(b) 倘符合下列任何條件，即實體與本集團(報告實體)有關連：

- (i) 該實體與本公司屬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間有關連)。
- (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。
- (vi) 實體受(a)所識別人土控制或受共同控制。
- (vii) 於(a)(i)所識別人土對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.7 RELATED PARTIES (Continued)

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.

##### 4.8 PROPERTY, PLANT AND EQUIPMENT

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as an expense in profit or loss in the year in which they are incurred.

#### 4. 主要會計政策(續)

##### 4.7 有關連人士(續)

某一人士之近親指預期可影響該人士與實體進行買賣或於買賣時受該人士影響的有關家屬成員，並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的受養人。

##### 4.8 物業、廠房及設備

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

資產成本包括其購買價及任何使其投入擬定用途之運作狀況及地點之直接應佔成本。

其後成本僅在項目相關之未來經濟效益可能流入本集團及能夠可靠計量項目成本時，始在適當情況下計入資產賬面值或確認為獨立資產。維修及保養等所有其他成本，均於產生之年度於損益確認為開支。

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

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.8 PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

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

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

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

### 4. 主要會計政策(續)

#### 4.8 物業、廠房及設備(續)

折舊按估計可使用年期以直線法撇銷成本減估計餘值計算，年利率如下：

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

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

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 INVESTMENT PROPERTIES

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

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

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

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

### 4.10 OPERATING LEASES

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

## 4. 主要會計政策(續)

### 4.9 投資物業

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

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

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

投資物業公平值變動或銷售產生之收益或虧損於產生期間計入損益。

### 4.10 經營租約

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 4.10 OPERATING LEASES (Continued)

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

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

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

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

## 4. 主要會計政策(續)

## 4.10 經營租約(續)

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

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

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 主要會計政策(續)

### 4.11 INTANGIBLE ASSETS

#### (i) Acquired intangible assets

Intangible assets acquired separately or from business combination are mainly supplier and distribution network and brand name, which are initially recognised at cost. For intangible assets have finite useful lives, they are carried at cost less accumulated amortisation and any impairment loss. Amortisation is provided on straight-line method over their estimated useful lives of 10 years. Intangible asset with an indefinite useful life is not amortised.

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

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

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

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

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

### 4.11 無形資產

#### (i) 已收購無形資產

獨立收購或自業務合併的無形資產主要為供應商及分銷網絡及品牌名稱，初步以成本確認。就使用年期有限之無形資產而言，其以成本減累計攤銷及減值虧損列賬。攤銷按直線法於10年之估計使用年期作出撥備。具無限可使用年期之無形資產毋需攤銷。

#### (ii) 內部產生之無形資產(研發成本)

內部開發產品之支出如能夠證實以下各項，則可撥充資本：

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

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

不符合上述標準之開發支出及內部項目在研究階段之支出乃於產生時於損益中確認。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.11 INTANGIBLE ASSETS (Continued)**

## (iii) Impairment

Accounting policy for impairment of intangible assets have been set out in note 4.6 above.

**4.12 FINANCIAL ASSETS**

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

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

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

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

**4. 主要會計政策(續)****4.11 無形資產(續)**

## (iii) 減值

無形資產減值之會計政策載於上述附註4.6。

**4.12 金融資產**

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

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

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

4.12 FINANCIAL ASSETS (Continued)

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

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

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

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

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's accounting policies in note 4.19.

4. 主要會計政策(續)

4.12 金融資產(續)

- (i) 按公平值計入溢利或虧損之金融資產

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

倘若符合以下準則，金融資產則可於初步確認時指定作按公平值計入溢利或虧損：

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

初步確認後，計入此類別之金融資產按公平值計量，而公平值變動在損益確認。公平值參考活躍市場交易決定公平值，倘無活躍市場則運用評估。公平值溢利或虧損並不包括就此等金融資產賺取之任何股息或利息。股息及利息收入根據附註4.19之本集團會計政策確認。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 4.12 FINANCIAL ASSETS (Continued)

## (ii) Loans and receivables

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

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

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

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

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

## 4. 主要會計政策(續)

## 4.12 金融資產(續)

## (ii) 貸款及應收款項

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

## (iii) 可供出售金融資產

當中包括並不合格歸類為其他金融資產類別之非衍生金融資產。

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

4.12 FINANCIAL ASSETS (Continued)

Impairment of financial assets

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

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

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

4. 主要會計政策(續)

4.12 金融資產(續)

金融資產減值

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

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

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.12 FINANCIAL ASSETS (Continued)****Impairment of financial assets (Continued)**

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

**(i) Financial assets carried at amortised cost**

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

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the year in which the reversal occurs.

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

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

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

**4. 主要會計政策(續)****4.12 金融資產(續)****金融資產減值(續)**

倘存在任何該等證明，則減值虧損按以下方式計量及確認：

**(i) 按攤銷成本列賬之金融資產**

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

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

**(ii) 可供出售金融資產**

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.12 FINANCIAL ASSETS (Continued)

##### Impairment of financial assets (Continued)

##### (iii) Financial assets carried at cost

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

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

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

#### 4. 主要會計政策(續)

##### 4.12 金融資產(續)

##### 金融資產減值(續)

##### (iii) 按成本列賬之金融資產

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

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

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

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

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.13 FINANCIAL LIABILITIES

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

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs as set out in note 4.22.

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss. Other than derivative financial instruments which are detailed in note 4.14 below, measurements of the financial liabilities are as follows.

##### (i) Borrowings

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

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

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

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

### 4. 主要會計政策(續)

#### 4.13 金融負債

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

金融負債在本集團訂立工具合約條文時確認，所有與利息相關之開支均按本集團有關借貸成之會計政策確認載列於附註4.22。

倘有關合約訂明之責任已履行、註銷或屆滿，則剔除確認金融負債。

倘一項現有金融負債被相同借款人按重大不同之條款提供之另一項債項取代，或現有負債條款被重大修改，該取代或修改會被視作剔除確認原有負債及確認一項新負債處理，且各賬面值間之差額會於損益確認。除下文附註4.14所詳述衍生金融工具外，金融負債之計量如下：

##### (i) 借貸

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

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

##### (ii) 應付賬款及其他應付款及應付有關連公司欠款

上述項目初步按公平值確認，其後按攤銷成本減結算款項以實際利率法列賬。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) 4. 主要會計政策(續)

4.14 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

4.15 INVENTORIES

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

4.16 CASH AND CASH EQUIVALENTS

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

4.14 衍生金融工具

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

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

4.15 存貨

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

4.16 現金及現金等價物

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.17 PROVISIONS AND CONTINGENT LIABILITIES**

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

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

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

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

**4.18 INCOME TAXES**

Income tax comprises current and deferred tax.

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

**4. 主要會計政策(續)****4.17 撥備及或然負債**

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

所有撥備均於各報告日進行檢討，並作出調整以反映當時最佳估計。

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

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

**4.18 所得稅**

所得稅包括即期稅項及遞延稅項。

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.18 INCOME TAXES (Continued)

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

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

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

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

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

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

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

#### 4. 主要會計政策(續)

##### 4.18 所得稅會計處理(續)

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

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

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

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

遞延稅項資產或負債之變動均於損益內確認，或倘與於權益中直接扣除或計入之項目(倘與於其他全面收入扣除或計入或直接於權益扣除或計入之項目有關)有關，則計入權益。

即期稅項資產及負債於以下情況按淨額呈列：

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.18 INCOME TAXES (Continued)**

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

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

**4.19 REVENUE RECOGNITION**

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

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

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

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

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

**4. 主要會計政策(續)****4.18 所得稅會計處理(續)**

本集團於於以下情況按淨額呈列遞延稅項資產及遞延稅項負債：

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

**4.19 收入確認**

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

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

經營租賃的租金收入於有關租賃期間按直線法確認。

利息收入為未償還本金以時間基準按適用利率計算。

股息於確立收取股息權利時確認。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.20 EMPLOYEE BENEFITS

Retirement benefits to employees are provided through defined contribution plans and defined retirement benefit plans.

#### Defined contribution plans

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

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

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

## 4. 主要會計政策(續)

### 4.20 僱員福利

僱員退休福利透過定額供款計劃撥備。

#### 定額供款計劃

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

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

本集團於中國經營業務之附屬公司須參與有關中國地方政府機關管理之退休福利計劃。該等附屬公司規定須按工資若干百分比向中央退休計劃供款。計劃負責向已退休僱員支付全部退休金之責任，除僱主供款外，本集團就實際退休款項或其他退休後福利並無責任。計劃供款於根據中國規則應付時在損益內扣除。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 4.20 EMPLOYEE BENEFITS (Continued)

## Defined benefit retirement plans

The Group's net obligation in respect of defined benefit retirement plans of certain foreign subsidiaries is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the end of reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligation. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on straight-line method over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

In calculating the Group's obligations in respect of a plan, actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are fully recognised in other comprehensive income in the year in which they occur.

Where the calculation of the Group's net obligations results in a negative amount, the asset recognised is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

## Short-term employee benefits

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

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

## 4. 主要會計政策(續)

## 4.20 僱員福利(續)

## 定額福利退休計劃

本集團就有關若干海外附屬公司之定額福利退休計劃之淨債務乃按僱員於現時及過往所提供之服務估計其賺取之未來收益而為每項計劃獨立計算。該收益以貼計算其現值，並扣除所有計劃內資產之公平值。貼現率為期限與本集團債務相若之優質企業債券於結算日之孳息率。由合資格精算師以預計單位貸記法執行計算。

倘一項計劃所提供之福利提升，關乎僱員以往服務的福利增加部分於平均年內以直線法確認為開支，直至福利歸屬為止。倘屬即時既定福利，則於當期於損益確認開支。

就一項計劃計算本集團之債務，由經驗調整所產生的精算盈虧以及精算假設的變動出現於年內在其他收入內全數確認。

倘計算本集團之淨債務出現負數時，資產淨值僅限於任何未確認之精算過失及過往服務成本及未來由計劃之退款或未來減少就計劃供款之現值。

## 短期僱員福利

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

病假及產假等非累積有薪假期於提取假期時方予確認。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.21 SHARE-BASED EMPLOYEE COMPENSATION

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

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

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

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

##### 4.22 CAPITALISATION OF BORROWING COSTS

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

#### 4. 主要會計政策(續)

##### 4.21 僱員股份補償

本集團為其僱員設立股本結算以股份為基礎的補償計劃。

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

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

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

##### 4.22 資本化借貸成本

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.23 FOREIGN CURRENCY**

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

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

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

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

**4. 主要會計政策(續)****4.23 外幣換算**

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

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

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

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.24 SEGMENT REPORTING

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

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

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

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

- expenses related to share-based payments
- share of profit or loss of associates accounted for using equity method and gain or loss on disposal of associates
- excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries
- finance costs
- income tax
- corporate income and expenses which are not directly attributable to the business activities of any operating segment

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

#### 4. 主要會計政策(續)

##### 4.24 分類報告

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

本集團已確定以下的報告分類：(a)鐘錶及時計產品製造及分銷；(b)物業投資；及(c)分銷遊艇。

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

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

- 有關股份付款之開支
- 以權益法列賬之應佔聯營公司溢利或虧損及出售聯營公司之收益或虧損
- 可識別淨資產之公平值超出收購附屬公司成本之差額
- 財務費用
- 所得稅
- 並非直接計入任何經營分類業務活動之公司收入及開支

在計算經營分類經營業績時，並無包括在內。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.24 SEGMENT REPORTING (Continued)**

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

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

No asymmetrical allocations have been applied to reportable segments.

**4.25 SHARE CAPITAL**

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

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

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued any consideration received net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

**4. 主要會計政策(續)****4.24 分類報告(續)**

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

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

並無就可報告分類作出不均分配。

**4.25 股本**

普通股分類為權益。股本採用已發行股份之面值釐定。

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

倘任何集團公司購買本公司之權益股本，包括任何直接應佔增加成本(扣除稅項)已付代價於本公司擁有人應佔權益內扣除，直至股份獲註銷或重新發行為止。倘此普通股其後重新發行，則任何已收代價(減去任何直接應佔的新增交易成本及相關所得稅影響)已計入本公司擁有人應佔權益中。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

4.26 NON-CURRENT ASSETS HELD FOR SALE AND  
DISPOSAL GROUPS

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

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

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

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

4. 主要會計政策(續)

4.26 持作出售之非流動資產及出售組別

於下列情況下，非流動資產及出售組別會歸類為持作出售：

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

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

於歸類為持作出售後，非流動資產(包括出售集團之非流動資產)不予折舊。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

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

**ESTIMATED IMPAIRMENT OF GOODWILL**

The Group tests on an annual basis whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 4.5. The recoverable amounts of the CGUs have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. Details in impairment assessment are set out in note 21 to the financial statements.

**PROVISION AGAINST SLOW-MOVING INVENTORIES**

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

**5. 關鍵會計判斷及估計不確定因素之主要來源**

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

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

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

**商譽估計減值**

本集團每年根據附註4.5所述會計政策測試商譽有否減值。現金產生單位之可收回金額按所計算之公平值釐定。該等計算須採用預期現金產生單位所產生未來現金流量之判斷及估計、現金流量預測時間表以及適合貼現率，以計算現值。減值評估詳情載於財務報表附註21。

**滯銷存貨撥備**

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

DEPRECIATION AND AMORTISATION

The Group depreciates and amortises its property, plant and equipment and intangible assets with definite useful life using straight-line method over their respective estimated useful lives, starting from the date on which the assets are put into productive use. The estimated useful lives reflect the directors' estimate of the period that the Group intends to derive future economic benefits from the use of these assets.

VALUATION OF SHARE OPTIONS GRANTED

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

ESTIMATED IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

5. 關鍵會計判斷及估計不確定因素之主要來源(續)

折舊及攤銷

本集團採用直線法按估計可用年期為物業、廠房及設備計算折舊及攤銷，自資產投入生產日期起計算。估計可用年期反映董事預計本集團擬自衍生未來經濟利益之期間。

已授出認購股份權估值

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

應收賬款及其他應收款之估計減值

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

非金融資產減值

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

### INCOME TAXES

The Group is subject to income taxes in Hong Kong, the PRC and other tax jurisdiction in which the Group operates. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the payments of related taxes. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### FAIR VALUE OF INVESTMENT PROPERTIES

The Group's investment properties are stated at fair value (note 19) in accordance with the accounting policy stated in note 4.9. The fair values of these investment properties are determined by Chung, Chan & Associates and Asset Appraisal Limited, independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market.

## 6. SEGMENT INFORMATION

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

- (a) manufacture and distribution of watches and timepieces;
- (b) property investments; and
- (c) distribution of yachts.

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

As mentioned in note 1, since 2010, the Group has planned to dispose of the Discontinued Enamelled Copper Wire Business. In accordance with HKFRS 5, the Discontinued Enamelled Copper Wire Business for the years ended 31 December 2011 and 2010 were classified as discontinued operations in the Group's financial statements. Further details regarding the results of the Discontinued Enamelled Copper Wire Business are set out in note 12.3.

Inter-segment sales are charged at prevailing market prices.

## 5. 關鍵會計判斷及估計不確定因素之主要來源(續)

### 所得稅

本集團須繳納香港、中國及其他本集團經營業務之稅務司法權區之所得稅。於決定就所得稅撥備之金額及就有關稅項付款之時間時，需要作出重大判斷。就預計稅項確認負債時，本集團按有否額外稅項即將到期應付而估計。倘此等事項之最後稅項結果與初步記錄金額不同，該差額將影響作出該項決定期間之所得稅及遞延稅項撥備。

### 投資物業之公平值

本集團之投資物業根據附註4.9所載會計政策按公平值(附註19)呈列。投資物業之公平值由獨立專業認可估值師衡量行及資產評值有限公司釐定。有關估值根據若干假設作出，有關假設涉及不確定因素，可能與實際結果大不相同。於作出判斷時，已合理考慮主要基於報告日現有市況作出之假設。此等估計定期與實際市場資料及市場之實際交易比較。

## 6. 分類資料

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

- (a) 鐘錶及時計產品製造及分銷；
- (b) 物業投資；及
- (c) 遊艇分銷。

此等經營分類之監控及策略決定按經調整分類經營業績作出。

誠如附註1所述，自二零一零年本集團已計劃出售已終止漆包銅線業務。根據香港財務報告準則第5號，截至二零一零年及二零一一年十二月三十一日止年度之已終止漆包銅線業務於本集團之財務報表中被分類為已終止經營業務。有關已終止漆包銅線業務業績之其他詳情，載於財務報表附註12.3。

分類間銷售按現行市場價格收費。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)  
2011

6. 分類資料(續)  
二零一一年

		Watches and timepiece 鐘錶及 時計產品 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Yacht 遊艇 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and income:	分類收入及收益：				
Sales to external customers	向外界客戶銷售	1,420,168	15,300	29,808	1,465,276
Other income and financial income	其他收入及財務收入	10,135	8,075	1	18,211
Total	總計	1,430,303	23,375	29,809	1,483,487
Segment results	分類業績	336,182	10,182	(5,401)	340,963
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				(43,605)
Share of profit of associates	應佔聯營公司溢利				297,358
Loss on disposal of an associate	出售一家聯營公司虧損				1,991
Excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries	可識別淨資產之公平值超過收購附屬公司成本之差額				(4,952)
Finance costs	財務費用				46,904
Equity-settled share-based compensation	以股本結算之股份補償				(4,331)
Profit before income tax	除所得稅前溢利				(2,976)
Income tax expense	所得稅開支				333,994
Profit for the year from continuing operations	持續經營業務之本年度溢利				(68,240)
Profit for the year from discontinued operations (note 12.3)	已終止經營業務之本年度溢利(附註12.3)				265,754
Profit for the year	本年度溢利				16,036
Segment assets	分類資產	1,798,304	100,379	58,781	1,957,464
Goodwill	商譽				621,382
Interests in associates	所佔聯營公司權益				164
Available-for-sale financial assets	可供出售金融資產				807,696
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產				107,803
Unallocated corporate assets	未分配公司資產				183,716
Total assets	資產總額				3,678,225
Segment liabilities	分類負債	396,357	16,861	319	413,537
Borrowings	借貸				86,171
Due to related companies	應付有關連公司欠款				157
Unallocated corporate liabilities	未分配公司負債				43,421
Total liabilities	負債總額				543,286
Other segment information	其他分類資料				
Interest income	利息收入	(363)	-	(1)	(364)
Depreciation and amortisation of prepaid land lease payments	折舊及預付土地租賃款項攤銷	16,514	1,613	46	18,173
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	(5,675)	-	(5,675)

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

		Watches and timepiece 鐘錶及 時計產品 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Yacht 遊艇 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and income:	分類收入及收益：				
Sales to external customers	向外界客戶銷售	776,216	10,016	14,372	800,604
Other income and financial income	其他收入及財務收入	3,148	1,814	920	5,882
<b>Total</b>	<b>總計</b>	<b>779,364</b>	<b>11,830</b>	<b>15,292</b>	<b>806,486</b>
Segment results	分類業績	213,161	13,545	169	226,875
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				(46,055)
Share of profit of associates	應佔聯營公司溢利				180,820
Gain on disposal of associate	出售聯營公司收益				6,979
Finance costs	財務費用				177,711
Equity-settled share-based compensation	以股本結算之股份補償				(1,811)
Profit before income tax	除所得稅前溢利				(7,631)
Income tax expense	所得稅開支				356,068
Profit for the year from continuing operations	持續經營業務之本年度溢利				(82,349)
Profit for the year from discontinued operations (note 12.3)	已終止經營業務之本年度溢利(附註12.3)				273,719
Profit for the year	本年度溢利				7,063
Segment assets	分類資產	776,230	88,664	61,397	280,782
Goodwill	商譽				926,291
Interests in associates	所佔聯營公司權益				621,382
Available-for-sale financial assets	可供出售金融資產				158
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產				1,113,095
Non-current assets held for sale	持作出售的非流動資產				91,764
Assets of a disposal group classified as held for sale	分類為持作出售之出售組別資產				43,729
Unallocated corporate assets	未分配公司資產				257,344
<b>Total assets</b>	<b>資產總額</b>				<b>833,323</b>
Segment liabilities	分類負債	233,741	15,398	887	250,026
Borrowings	借貸				35,353
Due to related companies	應付有關連公司欠款				26,230
Liabilities of a disposal group classified as held for sale	分類為持作出售之出售組別負債				164,704
Unallocated corporate liabilities	未分配公司負債				96,886
<b>Total liabilities</b>	<b>負債總額</b>				<b>573,199</b>
Other segment information	其他分類資料				
Interest income	利息收入	(294)	-	(3)	(297)
Depreciation and amortisation of prepaid land lease payments	折舊及預付土地租賃款項攤銷	8,749	2,309	31	11,089
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	(13,004)	-	(13,004)

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 6. SEGMENT INFORMATION (Continued)

Management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office. The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

## 6. 分類資料(續)

管理層認為本集團之所在地為香港，即本集團之主要營業地點。本集團來自外界客戶之收入及非流動資產(除金融工具及遞延稅項資產以外)按以下地區劃分：

		Revenue from external customers (including continuing and discontinued operations) 來自外界客戶收入 (包括持續經營及 已終止經營業務)		Non-current assets 非流動資產	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Hong Kong (domicile)	香港(所在地)	30,127	14,492	27,766	24,589
PRC	中國	1,884,801	1,480,647	876,534	799,586
Europe	歐洲	55,391	1,584	129,041	13,628
		<u>1,970,319</u>	<u>1,496,723</u>	<u>1,033,341</u>	<u>837,803</u>

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

客戶地區以貨物及服務運送地點為準；非流動資產地區以資產實際所在地點為準。

In 2011, the revenue from the Group's largest customer included in Discontinued Enamelled Copper Wire Business amounted to HK\$425,102,000 or 22% (2010: HK\$581,476,000 or 39%) of the Group's total revenue (including continuing and discontinued operations).

於二零一一年，來自集團最大客戶收入為數425,102,000港元或佔集團總收入(包括持續經營及已終止經營業務)之22%(二零一零年：581,476,000港元或39%)計入已終止漆包銅線業務。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**7. REVENUE**

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Continuing operations	持續經營業務		
Sales of goods	貨品銷售	1,449,976	790,588
Gross rental income	租金收入總額	15,300	10,016
		<u>1,465,276</u>	<u>800,604</u>

**7. 收入**

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

**8. OTHER INCOME AND FINANCIAL INCOME**

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Continuing operations	持續經營業務		
Bank interest income	銀行利息收入	9,314	1,675
Dividend income from financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產之股息收入	716	657
Exchange gain	匯兌收益	689	5,142
Sales of scrap materials and parts	廢料及零件銷售	2,835	1,457
Sub-lease income	分租收入	864	991
Sundry income	雜項收入	6,609	570
		<u>21,027</u>	<u>10,492</u>

**8. 其他收入及財務收入****9. FINANCE COSTS**

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Continuing operations	持續經營業務		
Interest charged on bank and other loans wholly repayable within five years	須於五年內悉數償付之銀行及其他貸款利息	4,331	1,811

**9. 財務費用**

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 10. PROFIT BEFORE INCOME TAX

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

## 10. 除所得稅前溢利

除所得稅前溢利已扣除/(計入)下列各項：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Cost of inventories recognised as expense	確認為開支之存貨成本	637,042	307,030
Depreciation (note a)	折舊(附註a)	22,057	12,573
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	721	588
Amortisation of intangible assets	無形資產攤銷	1,877	1,336
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約項下 最低租賃款項	18,625	18,511
Auditor's remuneration	核數師酬金	1,670	1,580
Gross rental income	租金收入總額	(15,300)	(10,016)
Less: direct operating expenses	減：直接經營開支	2,250	1,920
Net rental income	租金收入淨額	(13,050)	(8,096)
Exchange loss	匯兌虧損	2,742	1,848
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	-	113
Loss/(Gain) on disposals of associates (note b)	出售聯營公司之虧損/(收益)(附註b)	4,952	(177,711)

Note:

- (a) Depreciation expense of HK\$1,894,000 (2010: HK\$3,918,000) has been included in cost of sales, HK\$3,290,000 (2010: HK\$1,056,000) in selling and distribution expenses and HK\$16,873,000 (2010: HK\$7,599,000) in administrative expenses.
- (b) During the year ended 31 December 2011, the Group disposed of its 25.58% equity interests in an associate, Jiangsu Dartong and a loss on disposal of HK\$4,952,000 has been recognised accordingly. During the year ended 31 December 2010, the Group disposed of its 30% equity interests in an associate, Shenzhen Guanyang Real Estate Co., Limited ("Guanyang Real Estate") and a gain on disposal of HK\$177,711,000 was recognised accordingly. Details of the disposals of Jiangsu Dartong and Guanyang Real Estate are set out in notes 12.2 and 24(a) respectively.

附註：

- (a) 折舊支出1,894,000港元(二零一零年：3,918,000港元)已計入銷售成本3,290,000港元(二零一零年：1,056,000港元)計入銷售及分銷費用以及16,873,000港元(二零一零年：7,599,000港元)計入行政費用。
- (b) 截至二零一一年十二月三十一日止年度，本集團出售其於一家聯營公司江蘇大通之25.58%股本權益，並已據此確認出售虧損4,952,000港元。截至二零一零年十二月三十一日止年度，本集團出售其於一家聯營公司深圳冠洋房地產有限公司(「冠洋房地產」)之30%股本權益，並已據此確認出售收益177,711,000港元。出售江蘇大通及冠洋房地產之詳情分別載於附註12.2及24(a)。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 11. INCOME TAX EXPENSE

For both the years ended 31 December 2011 and 2010, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 25% (2010: 13% and 25%). Overseas tax is calculated at the rates applicable in the respective jurisdictions.

## 11. 所得稅開支

於截至二零一零年及二零一一年十二月三十一日止兩個年度，於香港產生之估計應課稅溢利按稅率16.5%作出香港利得稅撥備。於中國成立之附屬公司須按介乎15%至25%（二零一零年：13%至25%）之所得稅率繳稅。海外稅項按相關司法權區適用稅率計算。

		2011		2010	
		二零一一年		二零一零年	
		Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
		持續經營業務	已終止經營業務	持續經營業務	已終止經營業務
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Current tax for the year	年內即期稅項				
Hong Kong	香港	9,600	—	8,184	—
PRC	中國	58,504	879	88,057	730
Under/(Over) provision in respect of prior years	過往年度撥備不足／(超額撥備)				
PRC	中國	136	—	(13,892)	—
Total income tax expense	所得稅開支總額	68,240	879	82,349	730

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 11. INCOME TAX EXPENSE (Continued)

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

### 11. 所得稅開支(續)

所得稅開支與按適用稅率計算之會計溢利對賬如下：

		2011		2010	
		二零一一年		二零一零年	
		Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
		持續經營業務	已終止經營業務	持續經營業務	已終止經營業務
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Profit before income tax	除所得稅前溢利	333,994	4,635	356,068	7,793
Tax calculated at the rates applicable to the tax jurisdictions concerned	按有關稅項司法權區之適用稅率計算之稅項	60,577	1,112	85,817	974
Tax effect of income not taxable	毋須課稅收入之稅務影響	(14,030)	(269)	(5,290)	(342)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	8,640	36	11,038	98
Under/(Over)-provision in respect of prior years	過往年度不足/ (超額)撥備	136	—	(13,892)	—
Utilisation of tax losses not recognised	動用未確認稅項虧損	(530)	—	—	—
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	13,447	—	4,676	—
Total income tax expense	所得稅開支總額	68,240	879	82,349	730

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**12. NON-CURRENT ASSET HELD FOR SALE/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS****12.1 DISCONTINUED ENAMELLED COPPER WIRES BUSINESS**

As mentioned in note 1, since 2010, the Group had planned to dispose of its 49% equity interest in its jointly controlled entity, namely Fuzhou Dartong. In accordance with HKFRS 5, the Group reclassified the assets and liabilities of Fuzhou Dartong (the "Disposal Group") as at 31 December 2010 as assets/liabilities of a disposal group classified as held for sale in the Group's consolidated statement of financial position. In addition, the Discontinued Enamelled Copper Wire Business represented separate major line of business, and the operations and cash flows of which can be clearly distinguished from the rest of the Group.

In June 2011, the disposal of 49% equity interests in Fuzhou Dartong was completed. Therefore, as at 31 December 2011, the Group has no assets/liabilities of a disposal group classified as held for sale in the consolidated statement of financial position.

Details of the Discontinued Enamelled Copper Wire Business for the years ended 31 December 2011 and 2010 are set out in note 12.3, and details of the assets/liabilities of a disposal group classified as held for sale as at 31 December 2010 are set out in note 12.5.

In the Company's statement of financial position, the interest in Fuzhou Dartong as at 31 December 2010 has also been reclassified as and included in non-current assets held for sale. Details of the Company's non-current assets held for sale as at 31 December 2010 are set out in note 12.6.

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

誠如附註1所述，自二零一零年以來，本集團承諾出售其共同控制實體福州大通之49%股本權益。根據香港財務報告準則第5號，於二零一零年十二月三十一日，本集團將福州大通之資產及負債（「出售組別」），在本集團之綜合財務狀況表中重新分類為持作出售之出售組別資產／負債。此外，已終止漆包銅線業務為獨立主要業務，以及其業務及現金流量可與本集團其他業務清晰地界定。

於二零一一年六月，本集團已完成出售其於福州大通之49%股本權益。因此於二零一一年十二月三十一日，本集團之綜合財務狀況表中概無分類為持作出售之出售組別資產／負債。

截至二零一零年及二零一一年十二月三十一日止年度之已終止漆包銅線業務的詳情載於附註12.3，而於二零一零年十二月三十一日分類為持作出售之出售組別資產／負債的詳情載於附註12.5。

於本公司財務狀況表中，於二零一零年十二月三十一日在福州大通的權益已重新分類，並計入持作出售之非流動資產項下。於二零一零年十二月三十一日，本公司持作出售非流動資產之詳情載於附註12.6。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

**12.2 INTEREST IN AN ASSOCIATE RECLASSIFIED AS NON-CURRENT ASSET HELD FOR SALE**

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

In July 2011, the disposal of its 25.58% equity interests in Jiangsu Dartong was completed. Therefore, the Group has no non-current assets held for sale in their statement of financial position as at 31 December 2011.

An analysis of the Group's loss on disposal of an associate, Jiangsu Dartong for the year ended 31 December 2011 is as follows:

		HK\$'000 千港元
Cash consideration from disposal of Jiangsu Dartong	出售江蘇大通之現金代價	40,768
Less: Carrying amount of interests in Jiangsu Dartong upon disposal	減：於出售時江蘇大通權益之賬面值	<u>(45,720)</u>
Loss on disposal of Jiangsu Dartong	出售江蘇大通之虧損	<u>(4,952)</u>

The cash consideration of HK\$40,768,000 collected from the disposal of Jiangsu Dartong has been fully received by the Group during the year.

Details of the Group's and the Company's non-current assets held for sale as at 31 December 2010 are set out in note 12.6.

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

**12.2 一家聯營公司之權益重新分類為持作出售非流動資產**

誠如附註1所述，自二零一零年以來，本集團承諾出售其於一家聯營公司江蘇大通之25.58%股本權益。根據香港財務報告準則第5號，於二零一零年十二月三十一日，於江蘇大通之權益已列入本集團財務狀況表之持作出售之非流動資產內。

於二零一一年七月，本集團已完成出售其於江蘇大通之25.58%股本權益。因此，於二零一一年十二月三十一日，本集團財務狀況表概無持作出售之非流動資產。

截至二零一一年十二月三十一日止年度，本集團出售一家聯營公司江蘇大通之虧損分析如下：

		HK\$'000 千港元
Cash consideration from disposal of Jiangsu Dartong	出售江蘇大通之現金代價	40,768
Less: Carrying amount of interests in Jiangsu Dartong upon disposal	減：於出售時江蘇大通權益之賬面值	<u>(45,720)</u>
Loss on disposal of Jiangsu Dartong	出售江蘇大通之虧損	<u>(4,952)</u>

年內，本集團已悉數收取出售江蘇大通之現金代價40,768,000港元。

於二零一零年十二月三十一日，本集團及本公司持作出售非流動資產之詳情載於附註12.6。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

12.3 An analysis of the Group's results of the Discontinued Enamelled Copper Wire Business for the years ended 31 December 2011 and 2010 is as follows:

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

12.3 截至二零一一年及二零一零年十二月三十一日止年度，本集團已終止漆包銅線業務之業績分析載列如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收入	505,043	696,119
Cost of sales	銷售成本	<u>(489,238)</u>	<u>(694,429)</u>
Gross profit	毛利	15,805	1,690
Other income and financial income	其他收入及財務收入	568	25,221
Selling and distribution expenses	銷售及分銷費用	(1,905)	(3,628)
Administrative expenses	行政費用	(4,394)	(7,597)
Finance costs – interest on bank loans wholly repayable within five years	財務費用－須於五年內悉數償還之銀行貸款利息	<u>(5,439)</u>	<u>(7,893)</u>
Profit before income tax	除所得稅前溢利	4,635	7,793
Gain on disposal of Fuzhou Dartong (note 12.4)	出售福州大通收益(附註12.4)	12,280	–
Income tax expense	所得稅開支	<u>(879)</u>	<u>(730)</u>
Profit for the year	本年度溢利	<u>16,036</u>	<u>7,063</u>
Operating cash outflows	經營現金流出	(28,375)	(3,284)
Investing cash outflows	投資現金流出	–	(3,091)
Financing cash inflows	融資現金流入	<u>33,243</u>	<u>11,764</u>
Net cash inflows	現金流入淨額	<u>4,868</u>	<u>5,389</u>

Employee benefit expense of the discontinued operations for the year of HK\$3,472,000 (2010: HK\$7,611,000) included wages and salaries of HK\$3,018,000 (2010: HK\$6,383,000) and pension cost of HK\$454,000 (2010: HK\$1,228,000).

本年度已終止經營業務之僱員福利開支為3,472,000港元(二零一零年：7,611,000港元)包括工資及薪金3,018,000港元(二零一零年：6,383,000港元)及退休金成本454,000港元(二零一零年：1,228,000港元)。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

12.4 Gain on disposal of the discontinued operation, i.e. the jointly controlled entity, namely Fuzhou Dartong, for the year ended 31 December 2011 was analysed as follows:

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

12.4 截至二零一一年十二月三十一日止年度，出售已終止經營業務(即共同控制實體福州大通)之收益分析如下：

		HK\$'000 千港元
Net assets disposed of:	所出售之資產淨值：	
Property, plant and equipment	物業、廠房及設備	115,825
Prepaid land lease payments	預付土地租賃款項	10,945
Inventories	存貨	36,710
Trade and bill receivables	應收賬款及票據	116,648
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	3,144
Derivative financial instruments	衍生金融工具	81
Cash and cash equivalents	現金及現金等價物	39,638
Trade and bill payables	應付賬款及票據	(76,187)
Other payables and accruals	其他應付款及應計費用	(3,081)
Tax payables	應付稅項	(1,974)
Borrowings	借貸	(143,191)
		98,558
Release of exchange fluctuation reserve upon disposal	於出售時撥回外匯波動儲備	(17,496)
		81,062
Less: Proceeds from disposal of Fuzhou Dartong	減：出售福州大通之所得款項	(93,342)
Gain on disposal of Fuzhou Dartong	出售福州大通收益	12,280
		HK\$'000 千港元
Net cash inflow arising on disposal of Fuzhou Dartong:	出售福州大通產生之現金流入淨額：	
Cash consideration received	已收取之現金代價	93,342
Less: Cash and cash equivalents disposal of	減：出售之現金及現金等價物	(39,638)
Net cash inflow	現金流入淨額	53,704

The cash consideration of HK\$93,342,000 from disposal of Fuzhou Dartong has been fully received by the Group during the year.

年內，本集團已悉數收取出售福州大通之現金代價93,342,000港元。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

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

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

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

		HK\$'000 千港元
Assets of a disposal group classified as held for sale: 分類為持作出售之出售組別資產：		
Property, plant and equipment (note 18)	物業、廠房及設備(附註18)	115,497
Prepaid land lease payments (note 20)	預付土地租賃款項(附註20)	10,809
Inventories	存貨	31,871
Trade and bill receivables	應收賬款及票據	61,042
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	3,355
Cash and cash equivalents	現金及現金等價物	34,770
		<u>257,344</u>
Liabilities of a disposal group classified as held for sale: 分類為持作出售之出售組別負債：		
Trade and bill payables	應付賬款及票據	51,078
Other payables and accruals	其他應付款及應計費用	2,574
Tax payables	應付稅項	560
Derivative financial instruments	衍生金融工具	544
Borrowings	借貸	109,948
		<u>164,704</u>

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

12.6 於二零一零年十二月三十一日，持作出售之非流動資產分析如下：

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

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated profit attributable to owners of the Company of HK\$255,874,000 (2010: HK\$271,566,000), a loss of HK\$12,784,000 (2010: HK\$62,685,000) has been dealt with in the financial statements of the Company.

### 14. DIVIDENDS

#### 14.1 DIVIDEND ATTRIBUTABLE TO THE YEAR

Interim dividend of HK1 cent per share (2010: HK1.5 cents)	中期股息每股1港仙 (二零一零年：1.5港仙)	41,404	56,161
Proposed final dividend of HK4.5 cents per share (2010: HK3.5 cents)	擬派末期股息每股4.5港仙 (二零一零年：3.5港仙)	186,289	143,153
		<u>227,693</u>	<u>199,314</u>

The final dividend declared after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of retained profits and share premium for the year ended 31 December 2011.

#### 14.2 DIVIDEND ATTRIBUTABLE TO THE PREVIOUS FINANCIAL YEAR, APPROVED AND PAID DURING THE YEAR

Final dividend in respect of the previous financial year, of HK3.5 cents per share (2010: HK4.1 cents)	過往財政年度末期股息 每股3.5港仙 (二零一零年：4.1港仙)	145,044*	151,509
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\* The amount of actual final 2010 dividend paid was HK\$145,044,000 as a result of the increase in ordinary shares. During the year, 54,055,000 (2010: 45,855,000) new ordinary shares were issued as a consequence of exercise of share options (2010: 106,815,620 new ordinary shares were issued from a share placement) before the closure of members' register on 23 May 2011. All these ordinary shares issued are entitled to the final 2010 dividend.

### 13. 本公司擁有人應佔溢利

本公司擁有人應佔綜合溢利255,874,000港元(二零一零年：271,566,000港元)中，包括已於本公司財務報表處理之虧損12,784,000港元(二零一零年：62,685,000港元)。

### 14. 股息

#### 14.1 本年度應佔股息

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
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於報告日後宣派之末期股息並無於報告日確認為負債，惟已反映為截至二零一一年十二月三十一日止年度之保留溢利及股份溢價撥款。

#### 14.2 年內批准及派付過往財政年度應佔股息

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
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\* 由於普通股增加，已付二零一零年實際末期股息金額為145,044,000港元。年內，於二零一一年五月二十三日暫停辦理股份過戶登記前，54,055,000股(二零一零年：45,855,000股)新普通股因行使認購股份權而發行(二零一零年：106,815,620股新普通股因配售股份而發行)，而所有該等已發行普通股均有權收取二零一零年末期股息。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 15. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share attributable to owners of the Company are based on the following data:

## 15. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share:	計算每股基本及攤薄盈利所依據之本公司擁有人應佔溢利：		
Continuing operations	持續經營業務	239,838	264,503
Discontinued operations	已終止經營業務	16,036	7,063
		<u>255,874</u>	<u>271,566</u>
Total profit from continuing and discontinued operations	持續經營及已終止經營業務溢利總額	<u>255,874</u>	<u>271,566</u>
		2011 二零一一年 Number of shares 股份數目 '000 千股	2010 二零一零年 Number of shares 股份數目 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of shares for the purpose of calculating basic earnings per share	計算每股基本盈利所依據之加權平均股數	4,132,582	3,658,250
Effect of dilutive potential shares: – share options issued by the Company	潛在股份之攤薄影響： – 本公司發行之認購股份權	55,232	107,233
		<u>4,187,814</u>	<u>3,765,483</u>
Weighted average number of shares for the purpose of calculating diluted earnings per share	計算每股攤薄盈利所依據之加權平均股數	<u>4,187,814</u>	<u>3,765,483</u>

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

16. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

16.1 EMPLOYEE BENEFIT EXPENSE

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Wages and salaries	工資及薪金	239,513	109,808
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃	9,955	10,408
Equity-settled share-based compensation	以股本結算之股份補償	2,316	4,174
		<u>251,784</u>	<u>124,390</u>

16.2 DEFINED BENEFIT PENSION PLANS

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Accounts payable under defined benefit retirement plans	定額退休福利計劃下應付賬款	<u>9,411</u>	<u>–</u>

Defined benefit retirement plans as at 31 December 2011 primarily resulted from the acquisition of Eterna AG Uhrenfabrik and its subsidiaries (together "Eterna Group") in June 2011.

The Group makes contributions to the defined benefit plan that provide post – retirement benefits for employees upon retirement. Under the schemes, the employees in Switzerland are entitled to retirement benefits based on the plan assets accumulated on attainment of the retirement age and a fixed annual rate. Since there is potential down-side risk for the employer to pay additional contributions in case the plan has a deficit, Swiss plans are classified as defined benefit plans.

The latest independent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2011 by Martin Schnider, a member of the Institute of Actuaries in Switzerland, using the projected unit credit method.

16. 僱員福利開支(包括董事酬金)

16.1 僱員福利開支

16.2 定額退休福利計劃

於二零一一年十二月三十一日之定額退休福利計劃主要來自於二零一一年六月收購Eterna AG Uhrenfabrik及其附屬公司(統稱「綺年華集團」)。

本集團向定額福利計劃作出供款，為僱員於退休時提供退休後福利。根據計劃，於瑞士的僱員可享有退休福利，乃根據達到退休年齡及固定年率所累計的計劃資產釐定。一旦計劃出現赤字，僱主須支付額外供款，導致潛在損失風險，因此瑞士計劃分類為定額福利計劃。

計劃資產的最新獨立精算估值及定額福利責任現值乃由瑞士之Institute of Actuaries一位會員Martin Schnider於二零一一年十二月三十一日使用進行預測單位入賬方法進行。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 16. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### 16.2 DEFINED BENEFIT PENSION PLANS (Continued)

(a) The amounts recognised in the consolidated statement of financial position are as follows:

		2011 二零一一年 HK\$'000 千港元
Present value of funded obligations	注資責任現值	118,765
Fair value of planned assets	計劃資產公平值	<u>(109,354)</u>
Present value of unfunded obligations	未注資責任現值	<u>9,411</u>

(b) Movement in the present value of funded obligations for the year:

		2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	122,189
Current service costs	現時服務成本	4,003
Interest cost	利息成本	3,010
Contributions by plan participants	計劃參與者供款	2,109
Actuarial losses	精算虧損	(1,861)
Benefits paid	已付福利	<u>(10,685)</u>
At 31 December	於十二月三十一日	<u>118,765</u>

## 16. 僱員福利開支(包括董事酬金)(續)

### 16.2 定額退休福利計劃(續)

(a) 綜合財務狀況表確認之金額如下：

(b) 年內注資責任現值變動如下：

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**16. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)**      **16. 僱員福利開支(包括董事酬金)(續)**

**16.2 DEFINED BENEFIT PENSION PLANS (Continued)**

**16.2 定額退休福利計劃(續)**

(c) Movement in the fair value of plan assets for the year:

(c) 年內計劃資產公平值變動如下：

		2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	116,797
Expected return on plan assets	計劃資產之預期回報	4,590
Actuarial losses	精算虧損	(6,492)
Contributions by the employer	僱主供款	2,109
Contributions by plan participants	計劃參與者供款	2,109
Contribution by third parties	第三者供款	926
Benefit paid	已付福利	<u>(10,685)</u>
At 31 December	於十二月三十一日	<u>109,354</u>

(d) The amounts recognised in profit or loss are as follows:

(d) 於損益確認之金額如下：

		2011 二零一一年 HK\$'000 千港元
Current service cost	現時服務成本	4,003
Contribution by third parties	第三者供款	(926)
Interest cost	利息成本	3,010
Expected return on plan assets	計劃資產之預期回報	<u>(4,590)</u>
		<u>1,497</u>
Actual return on plan assets	計劃資產之實際回報	<u>1,902</u>

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 16. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### 16.2 DEFINED BENEFIT PENSION PLANS (Continued)

(e) Current period information

## 16. 僱員福利開支(包括董事酬金)(續)

### 16.2 定額退休福利計劃(續)

(e) 當前資料

		2011 二零一一年 HK\$'000 千港元
Present value of defined benefit obligation	定額福利責任現值	118,765
Fair value of plan assets	計劃資產公平值	(109,354)
Deficit in the plan	計劃赤字	<u>9,411</u>
Experience adjustments arising on plan liabilities	計劃負債所產生之經驗調整	1,861
Experience adjustments arising on plan assets	計劃資產所產生之經驗調整	<u>(6,492)</u>

(f) The principal actuarial assumptions used for accounting purposes at 31 December are as follows:

(f) 於十二月三十一日就會計目的用於主要精算假設如下：

		2011 二零一一年 %
Discount rate applied to pension obligations	應用於退休責任的貼現率	2.5
Expected rate of return on plan assets	計劃資產的預期回報率	4
Future salary increases	未來薪金升幅	<u>1.5</u>

The expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on the historical return trends and analysed predictions of the market for the asset in the next year.

預期回報率乃是計劃資產所持之各個項目之加權平均指數之預期回報率。董事評估之預期回報乃參照過往之回報趨勢及分析員就下個年度對市場資產之預測。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

17. DIRECTORS' REMUNERATION AND SENIOR  
MANAGEMENT'S EMOLUMENTS

17.1 DIRECTORS' EMOLUMENTS  
2011

17. 董事酬金及高層管理人員酬金

17.1 董事酬金  
二零一一年

	Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 HK\$'000 千港元	Contributions to pension scheme 退休計劃 供款 HK\$'000 千港元	Equity-settled share-based compensation 以股本結算 之股份補償 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Executive directors 執行董事</b>					
Mr. Hon Kwok Lung 韓國龍先生	–	1,690	12	58	1,760
Mr. Shang Jianguang 商建光先生	–	5,179	72	133	5,384
Mr. Shi Tao 石濤先生	–	1,690	6	83	1,779
Mr. Lam Toi Man 林代文先生	–	1,430	12	58	1,500
Mr. Bi Bo 畢波先生	–	1,421	6	–	1,427
<b>Non-executive director 非執行董事</b>					
Ms. Sit Lai Hei (Note) 薛黎曦女士(附註)	200	–	–	–	200
<b>Independent non-executive directors 獨立非執行董事</b>					
Mr. Fung Tze Wa 馮子華先生	200	–	–	58	258
Dr. Kwong Chun Wai, Michael 鄺俊偉博士	150	–	–	58	208
Mr. Li Qiang 李強先生	150	–	–	58	208
	<u>700</u>	<u>11,410</u>	<u>108</u>	<u>506</u>	<u>12,724</u>

Note: Ms. Sit Lai Hei, previously a non-executive director of the Company, has been re-designated as an executive director of the Company with effect from 26 March 2012.

附註：本公司前非執行董事薛黎曦女士已於二零一二年三月二十六日由非執行董事獲職務調整為執行董事。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

17.1 DIRECTORS' EMOLUMENTS (Continued)  
2010

## 17. 董事酬金及高層管理人員酬金(續)

17.1 董事酬金(續)  
二零一零年

	Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK\$'000 千港元	Contributions to pension scheme 退休計劃供款 HK\$'000 千港元	Equity-settled share-based compensation 以股本結算之股份補償 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Executive directors</b> <b>執行董事</b>					
Mr. Hon Kwok Lung 韓國龍先生	–	1,690	12	149	1,851
Mr. Shang Jianguang 商建光先生	–	4,085	68	341	4,494
Mr. Shi Tao 石濤先生	–	1,690	–	214	1,904
Mr. Lam Toi Man 林代文先生	–	1,430	12	149	1,591
Mr. Bi Bo (Appointed on 24 August 2010) 畢波先生 (於二零一零年 八月二十四日 獲委任)	–	504	–	–	504
<b>Non-executive director</b> <b>非執行董事</b>					
Ms. Sit Lai Hei 薛黎曦女士	200	–	–	–	200
<b>Independent non-executive directors</b> <b>獨立非執行董事</b>					
Mr. Fung Tze Wa 馮子華先生	200	–	–	149	349
Dr. Kwong Chun Wai, Michael 鄺俊偉博士	150	–	–	149	299
Mr. Li Qiang 李強先生	150	–	–	149	299
	<u>700</u>	<u>9,399</u>	<u>92</u>	<u>1,300</u>	<u>11,491</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2010: Nil).

No emolument was paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2010: Nil).

年內並無董事豁免或同意豁免任何酬金安排(二零一零年：無)。

本集團並無向董事支付酬金，作為其加入本集團或加入本集團後之獎勵或離職補償(二零一零年：無)。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**17. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)****17.2 FIVE HIGHEST PAID INDIVIDUALS**

During the year, the five individuals whose emoluments were the highest in the Group included five (2010: four) directors whose emoluments are reflected in the analysis presented in note 17.1. Emoluments payable to the remaining one individual during the year ended 31 December 2010 were as follows.

**17. 董事酬金及高層管理人員酬金(續)****17.2 五名最高酬金人士**

年內本集團之五名最高酬金人士中五名(二零一零年:四名)為董事,彼等之酬金已反映於上文附註17.1分析。應付截至二零一零年十二月三十一日止年度餘下一名人士之酬金如下:

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

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 18. PROPERTY, PLANT AND EQUIPMENT GROUP

18. 物業、廠房及設備  
本集團

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	CIP 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日							
Cost	成本	89,715	6,721	100,091	24,087	17,656	–	238,270
Accumulated depreciation	累計折舊	(11,989)	(4,740)	(21,207)	(14,144)	(6,387)	–	(58,467)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>77,726</b>	<b>1,981</b>	<b>78,884</b>	<b>9,943</b>	<b>11,269</b>	<b>–</b>	<b>179,803</b>
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度							
Opening net carrying amount	年初賬面淨值	77,726	1,981	78,884	9,943	11,269	–	179,803
Additions	添置	17	7,048	6,290	13,918	4,071	4,520	35,864
Reclassification to assets of a disposal group classified as held for sale (note 12.5)	分類為持作出售之出售組別資產之重新分類(附註12.5)	(49,855)	–	(62,086)	(1,349)	(777)	(1,430)	(115,497)
Disposals	出售	–	–	(49)	(66)	(137)	–	(252)
Depreciation	折舊	(3,822)	(1,197)	(7,075)	(4,008)	(3,565)	–	(19,667)
Exchange realignment	匯兌調整	2,640	689	2,764	979	348	106	7,526
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>26,706</b>	<b>8,521</b>	<b>18,728</b>	<b>19,417</b>	<b>11,209</b>	<b>3,196</b>	<b>87,777</b>
At 31 December 2010	於二零一零年十二月三十一日							
Cost	成本	39,101	14,690	26,521	35,810	21,091	3,196	140,409
Accumulated depreciation	累計折舊	(12,395)	(6,169)	(7,793)	(16,393)	(9,882)	–	(52,632)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>26,706</b>	<b>8,521</b>	<b>18,728</b>	<b>19,417</b>	<b>11,209</b>	<b>3,196</b>	<b>87,777</b>
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度							
Opening net carrying amount	年初賬面淨值	26,706	8,521	18,728	19,417	11,209	3,196	87,777
Additions	添置	14	723	9,091	12,517	14,965	39,141	76,451
Acquisition of subsidiaries (note 44)	收購附屬公司(附註44)	53,038	–	20,897	6,888	219	13,376	94,418
Depreciation	折舊	(3,128)	(1,570)	(5,157)	(6,639)	(5,563)	–	(22,057)
Exchange realignment	匯兌調整	(5,104)	66	(1,625)	(156)	204	(1,035)	(7,650)
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>71,526</b>	<b>7,740</b>	<b>41,934</b>	<b>32,027</b>	<b>21,034</b>	<b>54,678</b>	<b>228,939</b>
At 31 December 2011	於二零一一年十二月三十一日							
Cost	成本	88,321	15,608	55,044	54,037	39,747	54,678	307,435
Accumulated depreciation	累計折舊	(16,795)	(7,868)	(13,110)	(22,010)	(18,713)	–	(78,496)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>71,526</b>	<b>7,740</b>	<b>41,934</b>	<b>32,027</b>	<b>21,034</b>	<b>54,678</b>	<b>228,939</b>

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT  
(Continued)  
COMPANY

## 18. 物業、廠房及設備(續)

本公司

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日				
Cost	成本	3,193	1,530	8,490	13,213
Accumulated depreciation	累計折舊	(2,033)	(1,090)	(4,770)	(7,893)
Net carrying amount	賬面淨值	1,160	440	3,720	5,320
Year ended 31 December 2010	截至二零一零年 十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	1,160	440	3,720	5,320
Additions	添置	81	228	–	309
Depreciation	折舊	(360)	(156)	(1,554)	(2,070)
Closing net carrying amount	年終賬面淨值	881	512	2,166	3,559
At 31 December 2010	於二零一零年 十二月三十一日				
Cost	成本	1,700	1,654	8,075	11,429
Accumulated depreciation	累計折舊	(819)	(1,142)	(5,909)	(7,870)
Net carrying amount	賬面淨值	881	512	2,166	3,559
Year ended 31 December 2011	截至二零一一年 十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	881	512	2,166	3,559
Additions	添置	–	58	–	58
Depreciation	折舊	(375)	(168)	(1,325)	(1,868)
Closing net carrying amount	年終賬面淨值	506	402	841	1,749
At 31 December 2011	於二零一一年 十二月三十一日				
Cost	成本	1,615	1,776	8,438	11,829
Accumulated depreciation	累計折舊	(1,109)	(1,374)	(7,597)	(10,080)
Net carrying amount	賬面淨值	506	402	841	1,749

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

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 18. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) The costs of the Group's land and buildings are held under the following lease terms:

Short-term leases	短期租約
Medium-term leases	中期租約
Long-term leases	長期租約

As at 31 December 2011, none of the Group's buildings has been pledged. As at 31 December 2010, certain of the Group's buildings with a carrying amount of HK\$833,000 have been pledged to secure certain bank facilities granted to the Group (note 35).

- (b) At 31 December 2011, the Group has not yet obtained the title certificates for certain leasehold buildings in the PRC with an aggregate carrying value of approximately HK\$1,090,000 (2010: HK\$2,067,000). The Group's legal advisors have confirmed that the Group has legally obtained the rights to use the buildings. The directors are now in process of obtaining the title certificates from the relevant government authorities.

### 19. INVESTMENT PROPERTIES – GROUP

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Changes to the carrying amounts presented in the statement of financial position can be summarised as follows:

Carrying amount at 1 January	於一月一日之賬面值	87,712	74,708
Net surplus on revaluation of investment properties	投資物業重估之盈餘淨額	5,675	13,004
Carrying amount at 31 December	於十二月三十一日之賬面值	93,387	87,712

### 18. 物業、廠房及設備(續)

附註：

- (a) 本集團土地及樓宇的成本乃按下列租期持有：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 港元
Short-term leases	2,895	2,791
Medium-term leases	83,415	35,009
Long-term leases	2,011	1,301
	<u>88,321</u>	<u>39,101</u>

於二零一一年十二月三十一日，本集團並沒有樓宇已作抵押。於二零一零年十二月三十一日，本集團賬面值為833,000港元之若干樓宇已抵押，以為本集團取得若干銀行融資(附註35)。

- (b) 於二零一一年十二月三十一日，本集團尚未就其於中國賬面總值約1,090,000港元(二零一零年：2,067,000港元)之若干租賃樓宇取得任何業權證明。本集團法律顧問確認，本集團已取得有關樓宇之合法使用權，董事正在向有關政府機關申請業權證明。

### 19. 投資物業—本集團

所有本集團就賺取租金或資本增值而以經營租約持有之物業權益，乃按公平值模式計量，並分類及入賬為投資物業。

於財務狀況表呈列之賬面值變動概述如下：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Carrying amount at 1 January	87,712	74,708
Net surplus on revaluation of investment properties	5,675	13,004
Carrying amount at 31 December	<u>93,387</u>	<u>87,712</u>

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 19. INVESTMENT PROPERTIES – GROUP (Continued)

The carrying amounts of the Group's investment properties situated in Hong Kong and the PRC held under medium-term leases are analysed as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Hong Kong	香港	19,000	18,800
PRC	中國	74,387	68,912
		<u>93,387</u>	<u>87,712</u>

Investment properties were revalued at 31 December 2011 by Asset Appraisal Limited and Chung, Chan & Associate, independent, professionally qualified valuers, at HK\$93,387,000 (2010: HK\$87,172,000) in aggregate on market approach by reference to market prices for similar properties. Asset Appraisal Limited is a member of Hong Kong Institutes of Surveyors, and Chung, Chan & Associates is a member of Royal Institution of Chartered Surveyors. Both have appropriate qualifications and recent experiences in the valuation of similar properties.

At 31 December 2011, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying value of HK\$38,800,000 (2010: HK\$38,500,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these investment properties. The directors are now in process of obtaining the title certificates from the relevant government authorities.

At 31 December 2011, investment properties in Hong Kong with an aggregate carrying value of HK\$19,000,000 (2010: HK\$18,800,000) have been pledged to secure banking facilities granted to the Group (note 35).

## 19. 投資物業 – 本集團(續)

本集團位於香港及中國以中期租賃持有之投資物業之賬面值分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Hong Kong	香港	19,000	18,800
PRC	中國	74,387	68,912
		<u>93,387</u>	<u>87,712</u>

投資物業於二零一一年十二月三十一日由獨立專業認可估值師資產評估顧問有限公司及衡量行參考同類物業市價後採用市場法重估為合共93,387,000港元(二零一零年：87,172,000港元)，資產評估顧問有限公司為香港測量師學會成員，衡量行則為英國皇家特許測量師學會成員。兩者均於同類物業估值方面具備適當資格及近期經驗。

於二零一一年十二月三十一日，本集團並未就賬面總值38,800,000港元(二零一零年：38,500,000港元)之投資物業取得相關所有權證。本集團法律顧問確認，本集團為該等投資物業之正式合理業主。董事現正向相關政府機關取得所有權證。

於二零一一年十二月三十一日，賬面總值19,000,000港元(二零一零年：18,800,000港元)之若干投資物業已抵押，以為本集團取得銀行融資(附註35)。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**20. PREPAID LAND LEASE PAYMENTS – GROUP**

These represent interests in leasehold land and land use rights in the PRC held under medium-term leases. Changes to the carrying amounts are summarised as follows:

**20. 預付土地租賃款項 – 本集團**

此等款項代表於中國根據中期租約持有之租賃土地及土地使用權之權益。呈列之賬面值變動概述如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	28,647	26,386
Additions	添置	–	12,689
Reclassification to assets of a disposal group classified as held for sale (note 12.5)	分類為持作出售之出售組別資產 重新分類(附註12.5)	–	(10,809)
Amortisation during the year	年內攤銷	(721)	(829)
Exchange realignment	匯兌調整	1,039	1,210
Carrying amount at 31 December	於十二月三十一日之賬面值	28,965	28,647
Less: Current portion	減：即期部分	(730)	(667)
Non-current portion	非即期部分	28,235	27,980

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 21. GOODWILL – GROUP

Goodwill of HK\$621,382,000, arose in 2008, related to the acquisition of Jia Cheng Investment Limited (“Jia Cheng”) and its subsidiaries (collectively referred to as the “Jia Cheng Group”). Jia Cheng is an investment holding company with an indirect 91% equity interest, held through its wholly owned subsidiary Actor Investments Limited, in the issued share capital of Zhuhai Rossini Watch Industry Limited (“Rossini”). Rossini is principally engaged in manufacturing and distribution of watches and timepieces. Goodwill of HK\$621,382,000 was allocated to the CGUs for manufacturing and distribution of watches and timepieces. Net carrying amount of goodwill is summarised as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 January and 31 December	於一月一日及十二月三十一日		
Gross carrying amount	賬面總值	621,382	621,382
Accumulated impairment	累計減值	–	–
Net carrying amount	賬面淨值	<u>621,382</u>	<u>621,382</u>

A valuation was carried out by Asset Appraisal Limited to assess the recoverable amount of the goodwill arising from the acquisition of the Jia Cheng Group. The recoverable amounts of the CGU have been determined from value-in-use calculations based on cash flow projections from formally approved budgets covering a detailed five-year budget plan, followed by an extrapolation of expected cash flow at the growth rates which do not exceed the long-term growth rate for the business in which the CGU operates.

The key assumptions applied in the value-in-use calculations are as follows:

		2011 二零一一年	2010 二零一零年
Growth rates within five-year budget plan	五年預算計劃內之增長率	0% 28.06%	15.27% 28.41%
Discount rate	貼現率	16.38%	13.14%

## 21. 商譽 – 本集團

二零零八年產生之商譽621,382,000港元與收購佳城投資有限公司(「佳城」)及其附屬公司(統稱為「佳城集團」)有關。佳城為一間投資控股公司，透過其全資附屬公司安達投資有限公司間接持有珠海羅西尼錶業有限公司(「羅西尼」)已發行股本91%股權。羅西尼主要業務為手錶製造及分銷。商譽621,382,000港元已分配至製造及分銷鐘錶及時計之現金產生單位。商譽賬面淨值分析概述如下：

資產評估顧問有限公司進行商業企業價值估值，以評估收購佳城集團所產生之商譽之可收回款額。上述現金產生單位之可收回款額按使用價值計算釐定，涵蓋一項詳盡五年預算計劃，再按下述增長率推斷預期現金流量，並無超出現金產生單位所經營之業務之長遠增長率。

計算使用價值之主要假設如下：

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**21. GOODWILL – GROUP (Continued)**

The Group's management's key assumptions for the Group include stable profit margins, which have been determined based on the past performance and its expectations for the market share after taking into consideration of published market forecasts included in industry reports. The discount rate used is pre-tax and reflect specific risks relating to the relevant segment. On the other hand, the Group's management is not aware of any other probable changes that would necessitate changes in its key estimates.

Goodwill arising from business combinations prior to 2001 had been eliminated against the consolidated reserves. As at 31 December 2011, the carrying amount of goodwill in the consolidated reserves was HK\$15,300,000 (2010: HK\$15,300,000).

**22. INTERESTS IN SUBSIDIARIES – COMPANY**

Unlisted investments, at cost	非上市投資，成本值
Due from subsidiaries	應收附屬公司
Less: Provision for impairment	減：減值撥備

Amounts due from subsidiaries are unsecured, interest-free and are not expected to be repaid within the next twelve months. These balances are classified as non-current assets accordingly.

**21. 商譽 – 本集團(續)**

本集團管理層就本集團之主要假設包括穩定邊際溢利，乃經計及於業內報告所公佈市場預測後，按過往表現及其市場佔有率預測釐定。所用貼現率為反映相關分部特定風險之除稅前比率。另一方面，本集團管理層現時並不知悉有任何其他可能變動需要對其主要估計作出變動。

於二零零一年前業務合併產生之商譽已於綜合儲備對銷。於二零一一年十二月三十一日，於綜合儲備內之商譽賬面值為15,300,000港元(二零一零年：15,300,000港元)。

**22. 所佔附屬公司權益 – 本公司**

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
793,184	793,174
816,640	431,936
1,609,824	1,225,110
(303,703)	(303,703)
<u>1,306,121</u>	<u>921,407</u>

應收附屬公司欠款乃無抵押、免息及預期毋須於未來十二個月償還，故該等餘額分類為非流動資產。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

22. INTERESTS IN SUBSIDIARIES – COMPANY  
(Continued)

Particulars of the principal subsidiaries at 31 December 2011 are as follows:

## 22. 所佔附屬公司權益 – 本公司(續)

於二零一一年十二月三十一日主要附屬公司詳情如下:

Name 名稱	Place/country of incorporation 註冊成立 地點/國家	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held 所持已發行普通/ 繳入股本百分比		Principal activities and place of operation 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Qingapen Limited 晴嘉投資有限公司	Hong Kong 香港	HK\$2 2港元	100 100	– –	Property investment in the PRC 於中國投資物業
China Haidian Commercial Network Services Limited 中國海澱商業網絡服務有限公司	Hong Kong 香港	HK\$2 2港元	100 100	– –	Property investment in the PRC 於中國投資物業
Haidian-Creation International Limited Haidian-Creation International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100 100	– –	Investment holding in Hong Kong 於香港投資控股
Sure Best Management Limited 港益管理有限公司	Hong Kong 香港	HK\$1 1港元	100 100	– –	Property investment in Hong Kong 於香港投資物業
EBOHR Luxuries International Co., Limited 依波精品(深圳)有限公司	PRC 中國	HK\$36,000,000 36,000,000港元	–	100	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及 時計產品
Seti Timber Industry (Shenzhen) Co., Ltd. 森帝木業(深圳)有限公司	PRC 中國	US\$45,525,800 45,525,800美元	–	100	Investment holding in PRC 於中國投資控股
Shenzhen Seti Trading Development Company Limited 深圳市森帝貿易發展有限公司	PRC 中國	RMB500,000 人民幣500,000元	–	100	Investment holding in the PRC 於中國投資控股
Jia Cheng Investment Limited 佳城投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100 100	– –	Investment holding in Hong Kong 於香港投資控股

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

22. INTERESTS IN SUBSIDIARIES – COMPANY  
(Continued)

## 22. 所佔附屬公司權益 – 本公司(續)

Name 名稱	Place/country of incorporation 註冊成立 地點/國家	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held 所持已發行普通/ 繳入股本百分比		Principal activities and place of operation 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Actor Investments Limited 安達投資有限公司	Hong Kong 香港	HK\$10,000 10,000港元	–	100	Investment holding in Hong Kong 於香港投資控股
Zhuhai Rossini Watch Industry Limited 珠海羅西尼錶業有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	–	91	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及 時計產品
PAMA Precision Manufacturing Limited 深圳市帕瑪精品制造有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	–	100	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及 時計產品
Ocean Montres SA Ocean Montres SA	Switzerland 瑞士	CHF100,000 100,000瑞士法郎	–	89	Manufacture and distribution of watches and timepieces in Switzerland 於瑞士製造及分銷鐘錶及 時計產品
Shenzhen Permanence Commerce Co., Limited 深圳市恒譽嘉時貿易有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	–	100	Distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及 時計產品
Zhuhai Rossini Glasses Industry Limited 珠海羅西尼眼鏡有限公司	PRC 中國	RMB1,000,000 人民幣1,000,000元	–	91	Distribution of glasses in the PRC 於中國分銷眼鏡
Swiss Chronometric AG Swiss Chronometric AG	Switzerland 瑞士	CHF2,000,000 2,000,000瑞士法郎	–	100	Manufacture and distribution of watches and timepieces in Switzerland 於瑞士製造及分銷鐘錶及 時計產品

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

22. INTERESTS IN SUBSIDIARIES – COMPANY  
(Continued)

## 22. 所佔附屬公司權益 – 本公司(續)

Name 名稱	Place/country of incorporation 註冊成立 地點/國家	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held 所持已發行普通/ 繳入股本百分比		Principal activities and place of operation 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Ruihuang (Chongqing) Watch Company Limited 瑞皇(重慶)鐘錶有限公司	PRC 中國	RMB30,000,000 人民幣30,000,000元	–	51	Distribution of watches and timepieces in the PRC 於中國分銷鐘錶及 時計產品
Eterna AG Uhrenfabrik	Switzerland 瑞士	CHF6,000,000 6,000,000瑞士法郎	–	100	Manufacture and distribution of watches and timepieces in Switzerland 於瑞士製造及分銷鐘錶及 時計產品
Eterna Uhren GmbH, Kronberg	Germany 德國	EUR205,000 205,000歐羅	–	100	Manufacture and distribution of watches and timepieces in Germany 於德國製造及分銷鐘錶及 時計產品
Guangdong Juxin Watch Co., Limited 廣東鉅信鐘錶有限公司	PRC 中國	RMB15,000,000 人民幣15,000,000元	–	51	Distribution of watches and timepieces in the PRC 於中國分銷鐘錶及 時計產品
Liaoning Hengjia Horologe Co., Limited 遼寧恒嘉鐘錶有限公司	PRC 中國	RMB25,500,000 人民幣25,500,000元	–	51	Distribution of watches and timepieces in the PRC 於中國分銷鐘錶及 時計產品
Guangzhou Five Sheep Watch Co., Limited 廣州五羊錶業有限公司	PRC 中國	RMB78,000,000 人民幣78,000,000元	–	100	Manufacture and distribution of watches and timepieces in the PRC 於中國分銷鐘錶及 時計產品

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

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 22. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

Name 名稱	Place/country of incorporation 註冊成立 地點/國家	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held		Principal activities and place of operation 主要業務及營業地點
			Directly	Indirectly	
			直接	間接	
Eterna (Asia) Limited	Hong Kong	HK\$10	–	70	Distribution of watches and timepieces in Hong Kong
Eterna (Asia) Limited	香港	10港元	–	70	於香港分銷鐘錶及 時計產品

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The Group also holds a 51% equity interest in Shunde Everbright Sunto Computer Co. Limited ("Sunto"), a company established in the PRC through which the Group had intended to be engaged in the manufacture and the sale of computer casing products with third parties. The directors of the Company are of the opinion that Sunto is still in a management dead-lock, and the recoverability of the Group's investment in Sunto and the amount due from Sunto of HK\$60.5 million in aggregate is doubtful. Accordingly, the Group's interest in Sunto was fully provided since 1998. In addition, Sunto was put under a compulsory winding up pursuant to a court order issued in 2001 and the winding up process had not yet been completed up to the date of issue of these financial statements. The Group will not make any further investment in Sunto.

### 23. INTERESTS IN A JOINTLY-CONTROLLED ENTITY – COMPANY

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

The disposal was completed in June 2011, details of which are set out in note 12.4.

### 22. 所佔附屬公司權益 – 本公司(續)

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部份之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

本集團亦持有於中國成立之順德市光大順通電腦有限公司(「順通」)51%股本權益。本集團原擬透過該公司聯同第三方，參與製造及銷售電腦機箱產品。本公司董事會認為順通之管理仍然陷於僵局，所以本集團於順通之投資及應收順通欠款合共60,500,000港元能否收回均存疑問。因此，本集團於順通之權益已自一九九八年作出全面撥備。此外，順通根據於二零零一年頒佈之一項法院命令被強制清盤，清盤程序於截至本財務報表刊發日期尚未完成。本集團不會對順通作出任何進一步投資。

### 23. 所佔一家共同控制實體權益 – 本公司

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

出售已於二零一一年六月完成，詳情載於附註12.4。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

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

Name 名稱	Place/country of incorporation 註冊成立 地點/國家	Percentage of ownership interest 擁有權益 百分比	Percentage of voting power 投票權 百分比	Percentage of profit sharing 應佔溢利 百分比	Principal activities and place of operation 主要業務及營業地點
Fuzhou Dartong	PRC	49	50	49	Manufacture and distribution of enamelled copper wire in the PRC
福州大通	中國	49	50	49	於中國製造及分銷漆包銅線

Details of the aggregate amounts of Fuzhou Dartong's assets and liabilities as at 31 December 2010 are set out in note 12.5. The income and expenses related to the Group's interests in Fuzhou Dartong for the year ended 31 December 2011 up to the date of disposal and year ended 31 December 2010 are set out in note 12.3.

23. 所佔一家共同控制實體權益 – 本公司(續)

於二零一零年十二月三十一日，共同控制實體之詳情如下：

於二零一零年十二月三十一日，福州大通的資產及負債總額載於附註12.5。截至二零一一年十二月三十一日止年度至出售日期及截至二零一零年十二月三十一日止年度與本集團於福州大通之權益有關的收入及開支載於附註12.3。

24. INTERESTS IN ASSOCIATES

24. 所佔聯營公司權益

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 January	於一月一日	158	70,550	–	29,336
Share of profit of associates	應佔聯營公司溢利	–	6,979	–	–
Disposal of an associate (note a)	出售一家聯營公司 (附註a)	–	(33,642)	–	–
Reclassified to non-current assets held for sale (note b)	持作出售之非流動 資產重新分類 (附註b)	–	(43,729)	–	(29,336)
Exchange realignment	匯兌調整	6	–	–	–
		<u>164</u>	<u>158</u>	<u>–</u>	<u>–</u>

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 24. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (a) As described in note 10(b), in 2010, the Group had disposed of its 30% equity interests in an associate, Guanyang Real Estate for a cash consideration of RMB186,000,000 (equivalent to HK\$211,353,000). A gain on disposal of HK\$177,711,000 was recognised accordingly, details of which are analysed as follows:

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

The disposal proceeds of HK\$211,353,000 had been fully received by the Group in 2010. In addition to the disposal as described above, the purchaser agreed to assume the liabilities due to the Group by Guanyang Real Estate of RMB240,000,000. In 2010, this balance had also been fully received by the Group.

- (b) As mentioned in notes 1 and 12.2 above, in 2010, the Group and the Company planned to dispose of its 25.58% equity interest in its associate, namely Jiangsu Dartong. In accordance with HKFRS 5, as at 31 December 2010, interests in Jiangsu Dartong were reclassified to non-current assets held for sale in the statement of financial position of the Group and the Company (note 12.6). The disposal of Jiangsu Dartong has been completed in July 2011.

Particulars of the associate at 31 December 2011 are as follows:

Name 名稱	Particulars of equity held 持有權益資料	Country of incorporation 註冊成立國家	Percentage of interest held 持有權益所佔 百分比	Principal activities 主要業務
Changzhou Zhongxing Department Store Co., Limited 常州中興百貨有限公司	Paid up capital of RMB182,000 繳入股本 人民幣182,000元	PRC 中國	36.40% (2010: 36.40%) 36.40% (二零一零年： 36.40%)	Dormant 暫無業務

## 24. 所佔聯營公司權益(續)

附註：

- (a) 誠如財務報表附註10(b)所述，於二零一零年，本集團出售其於一家聯營公司冠洋房地產之30%股本權益，現金代價為人民幣186,000,000元(相等於211,353,000港元)。出售收益177,711,000港元已獲確認，分析詳情如下：

	HK\$'000 千港元
出售冠洋房地產所得款項	211,353
減：截至出售時於冠洋房地產權益之賬面值	(33,642)
	177,711

於二零一零年，本集團已悉數收取出售所得款項211,353,000港元。除上述出售外，買方同意承擔冠洋房地產應付本集團之負債人民幣240,000,000元。於二零一零年，本集團亦已悉數收取此餘額。

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

於二零一一年十二月三十一日，聯營公司之資料如下：

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 24. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information of the Group's associates extracted from their management account for the year ended 31 December 2011 is as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Assets	資產	5,249	468,515
Liabilities	負債	(4,975)	(294,841)
Revenue	收入	-	1,758,198
Profit for the year	本年度溢利	-	29,349

## 25. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Listed equity investment, at fair value (note a)	上市股本投資，公平值(附註a)	807,617	1,113,018
Unlisted equity investment, at cost	非上市股本投資，成本值		
- 合肥光大木材工業有限公司	- 合肥光大木材工業有限公司		
("Hefei Everbright") (note b)	("合肥光大")(附註b)	3,477	3,477
- Others (note c)	- 其他(附註c)	79	77
Less: Provision for impairment	減：減值撥備	(3,477)	(3,477)
		79	77
Total	總計	807,696	1,113,095

## 24. 所佔聯營公司權益(續)

以下為摘錄自本集團聯營公司截至二零一一年十二月三十一日止年度之管理賬目之財務資料概要：

## 25. 可供出售金融資產－本集團

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

Notes:

- (a) During the year, Citychamp Dartong Company Limited (referred to "Citychamp" and its shares referred to as Citychamp Shares) declared a cash dividend of RMB0.5 (2010: RMB0.5) for every 10 Citychamp Shares. A dividend income totalling HK\$6,551,000 (2010: HK\$5,172,000) was recognised by the Group in the profit or loss for the year.

Particulars of the available-for-sale financial assets of which the carrying amount of the Group's interest exceeded 10% of the total assets of the Group are as follows:

Name 名稱	Country of incorporation 註冊成立國家	Particulars of issued shares held 所持已發行 股份詳情	Number of shares held by the Group 集團所持股份數目	Percentage of ownership interest attributable to the Group 本集團所佔 擁有權益之 百分比
Citychamp Dartong Company Limited 冠城大通股份有限公司	PRC 中國	Ordinary A Share A股普通股	108,743,161 (2010: 108,743,161) 108,743,161 (二零一零年： 108,743,161)	14.78% (2010: 14.78%) 14.78% (二零一零年： 14.78%)

During the year, the decrease in fair value of Citychamp Shares of HK\$305,401,000 (2010: HK\$327,623,000) has been dealt with in other comprehensive income and the investment revaluation reserve.

- (b) The Group held an equity interest of 25.5% in Hefei Everbright, a joint venture company established in the PRC in 2003. Having regard to the deteriorating financial positions of Hefei Everbright, the directors are in the opinion that the investment in Hefei Everbright is not likely to be recoverable and accordingly, an impairment loss of HK\$3,477,000 was recognised in 2005. As the financial position of Hefei Everbright remained deteriorated during the year, there was no change in the accumulated impairment as at 31 December 2011. No fair value information is disclosed for this investment because its fair value cannot be measured reliably.
- (c) These are investments in unlisted private entities incorporated in the PRC. Its fair value information is not disclosed because the related fair value cannot be measured reliably.

## 25. 可供出售金融資產 – 本集團(續)

附註：

- (a) 於本年度，冠城大通股份有限公司(「冠城」，其股份稱為冠城股份)就每10股冠城股份宣派現金股息人民幣0.5元(二零一零年：人民幣0.5元)。本集團於年內已確認總額為6,551,000港元(二零一零年：5,172,000港元)之股息收入。

本集團於可供出售金融資產之權益賬面值超過本集團資產總值之10%詳情如下：

年內，冠城股份公平值減少305,401,000港元(二零一零年：327,623,000港元)已於其他全面收入及投資重估儲備內處理。

- (b) 本集團持有合肥光大25.5%股本權益，該公司為於二零零三年在中國成立之一家合營公司。基於合肥光大之財務狀況轉壞，董事認為不大可能收回於合肥光大之投資，故在二零零五年度綜合損益表中確認減值虧損3,477,000港元。由於合肥光大在本年度之財務狀況繼續轉壞，故於二零一一年十二月三十一日之累計減值並無變動。由於合肥光大投資之公平值未能可靠計量，故並無披露其公平值資料。
- (c) 此為中國成立之私人公司之非上市股本證券投資。由於有關公平值未能可靠計量，故並無披露其公平值資料。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

26. INTANGIBLE ASSETS – GROUP

26. 無形資產 – 本集團

		Supplier and distribution networks 供應商及 分銷網絡 HK\$'000 千港元	Brand name 品牌 HK\$'000 千港元	Total 總計
At 1 January 2010	於二零一零年一月一日			
Cost	成本	–	–	–
Accumulated amortisation	累計攤銷	–	–	–
Net carrying amount	賬面淨值	–	–	–
Year ended 31 December 2010	截至二零一零年十二月三十一日 止年度			
Opening carrying amount	年初賬面值	–	–	–
Additions	添置	11,494	–	11,494
Amortisation	攤銷	(1,336)	–	(1,336)
Exchange realignment	匯兌調整	239	–	239
Closing carrying amount	年終賬面值	10,397	–	10,397
At 31 December 2010	於二零一零年十二月三十一日			
Cost	成本	11,765	–	11,765
Accumulated amortisation	累計攤銷	(1,368)	–	(1,368)
Net carrying amount	賬面淨值	10,397	–	10,397
Year ended 31 December 2011	截至二零一一年十二月三十一日 止年度			
Opening carrying amount	年初賬面值	10,397	–	10,397
Additions	添置	10,366	–	10,366
Acquisition of subsidiaries (note 44)	收購附屬公司(附註44)	–	36,700	36,700
Amortisation	攤銷	(1,877)	–	(1,877)
Exchange realignment	匯兌調整	358	–	358
Closing carrying amount	年終賬面值	19,244	36,700	55,944
At 31 December 2011	於二零一一年十二月三十一日			
Cost	成本	22,467	36,700	59,167
Accumulated amortisation	累計攤銷	(3,223)	–	(3,223)
Net carrying amount	賬面淨值	19,244	36,700	55,944

The brand name as at 31 December 2011 primarily resulted from the acquisition of Eterna Group during the year, details of which are set out in note 44 to the financial statement. The directors have assessed the useful life of the brand name is indefinite. The directors have measured the fair value of brand name at the acquisition date of Eterna Group with reference to a valuation performed by Asset Appraisal Limited. The valuation was based on royalty relief method, a commonly applied approach to value brand name.

於二零一一年十二月三十一日之品牌主要來自於年內收購綺年華集團，收購之詳情載於財務報表附註44。董事已評估品牌之可使用年期為無限。董事參考資產評估顧問有限公司於綺年華集團收購日進行之估值為品牌之公平值計量。該估值以慣常應用方式－特許權費減免法進行。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Other receivables	其他應收款	118,402	88,008	1,776	1,350
Prepayments	預付款項	60,406	70,152	313	274
Deposits	按金	2,009	5,206	1,677	1,677
Carrying amount at 31 December	於十二月三十一日之 賬面值	180,817	163,366	3,766	3,301
Less: Current portion	減：即期部分	(175,527)	(160,969)	(3,766)	(3,301)
Non-current portion	非即期	5,290	2,397	–	–

28. INVENTORIES – GROUP

28. 存貨 – 本集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Raw materials	原材料	171,929	136,360
Work-in-progress	在製品	37,693	22,362
Finished goods and merchandise	製成品及商品	746,651	270,109
		956,273	428,831

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

29. TRADE AND BILL RECEIVABLES – GROUP

29. 應收賬款及票據 – 本集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade and bill receivables	應收賬款及票據	245,926	115,346
Less: Provision for impairment	減：減值撥備	<u>(1,642)</u>	<u>(1,584)</u>
Trade and bill receivables – net	應收賬款及票據 – 淨額	<u>244,284</u>	<u>113,762</u>

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of one to two months (2010: one to two months) for major customers. Each customer has a maximum credit limit. Trade debtors with balances that are more than three months overdue are required to settle all outstanding balances before any further credit is granted. In view of the aforementioned and the fact that the Group's trade receivables relate to a wide range of customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Impairment losses in respect of trade and bill receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

除若干客戶需要預先付款外，本集團與其客戶訂立之買賣條款主要為記賬方式，主要客戶一般可獲一至兩個月（二零一零年：一至兩個月）之信貸期。每個客戶設有信貸上限。逾期三個月以上之應收賬款債務人，於獲授出任何進一步信貸前須清還所有未償還餘額。鑑於上述事項及本集團應收賬款涉及大量不同之客戶，故並無高度集中信貸風險。應收賬款並不計息。

應收賬款及票據之減值虧損記入撥備賬，除非本集團確認不大可能收回有關款項，在此情況下，減值虧損直接於應收賬款扣減。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**29. TRADE AND BILL RECEIVABLES – GROUP (Continued)**

The directors of the Company consider that as trade and bill receivables are expected to be recovered within one year, their fair values are not materially different from their carrying amounts because these balances have short maturity periods on their inception. Movement in the provision for impairment of trade and bill receivables is as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 January	於一月一日	1,584	2,102
Amount written off	撇銷金額	–	(505)
Reversal of impairment loss	減值虧損撥回	–	(73)
Exchange realignment	匯兌調整	58	60
		<u>1,642</u>	<u>1,584</u>
At 31 December	於十二月三十一日	<u>1,642</u>	<u>1,584</u>

At each reporting date, the Group reviews trade and bill receivables for evidence of impairment on both an individual and collective basis. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific impairment provision of HK\$1,642,000 (2010: HK\$1,584,000) is recognised during the year. The Group does not hold any collateral over these balances.

Ageing analysis of trade and bill receivables as at the reporting date, based on invoice date, and net of provisions, is as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1 to 3 months	1至3個月	219,731	103,499
4 to 6 months	4至6個月	20,310	6,595
Over 6 months	超過6個月	4,243	3,668
		<u>244,284</u>	<u>113,762</u>

**29. 應收賬款及票據 – 本集團(續)**

本公司董事認為應收賬款及票據預期於一年內收回，由於該等結餘於開始時所訂之到期時期短，其公平值與賬面值並無重大差異。應收賬款及票據減值撥備變動如下：

於各報告日，本集團按個別及集體基準審閱應收賬款及票據之減值證據。個別已減值應收款與財務有困難之客戶有關，管理層估計，預期僅可收回部分應收款。因此，已確認特別減值撥備1,642,000港元(二零一零年：1,584,000港元)。本集團並無就該等結餘持有任何抵押品。

應收賬款及票據(扣除撥備)按照發票日期於報告日之賬齡分析如下：

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

29. TRADE AND BILL RECEIVABLES – GROUP  
(Continued)

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Neither past due nor impaired	尚未逾期或減值	145,076	76,702
1–90 days past due	已逾期1至90日	73,402	29,648
91–180 days past due	已逾期91至180日	21,563	5,816
Over 180 days past due	已逾期超過180日	4,243	1,596
		<u>99,208</u>	<u>37,060</u>
		<u>244,284</u>	<u>113,762</u>

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, management believes that no additional impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

並無減值之應收賬款賬齡分析如下：

並無逾期或減值之應收款與多名客戶有關，該等客戶最近並無拖欠記錄。

已逾期但並無減值之應收款與若干於本集團擁有良好付款記錄之獨立客戶有關。根據過往經驗，管理層相信，由於信貸質素並無重大變化，加上有關結餘仍被視為可悉數收回，故毋需就該等結餘作出額外減值撥備。

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH  
PROFIT OR LOSS

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Listed equity investments in Hong Kong, at market value	香港上市股票投資， 市值	<u>107,803</u>	<u>91,764</u>	<u>52,671</u>	<u>44,670</u>

Financial assets at fair value through profit or loss are held for trading purposes.

30. 按公平值計入溢利或虧損之金融資產

按公平值計入溢利或虧損之金融資產乃持有作買賣用途。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**31. DUE FROM DISPOSAL GROUP – COMPANY**

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

**32. CASH AND CASH EQUIVALENTS****31. 應收出售組別款項 – 本公司**

應收出售組別款項為無抵押、免息及須按要求償還。

**32. 現金及現金等價物**

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	351,276	837,872	89,411	403,182

Cash at bank earns interest at the floating rates based on the daily bank deposits rates.

銀行現金按每日銀行存款利率計算之浮動利率計息。

Included in cash and cash equivalents of the Group are the amount of HK\$225,769,000 (2010: HK\$426,581,000) denominated in RMB which are placed with the banks in the PRC. RMB is not freely convertible into other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB into foreign currencies through the banks authorised to conduct foreign exchange business.

本集團現金及現金等價物包括為數225,769,000港元(二零一零年：426,581,000港元)以人民幣為單位存於中國之銀行之款額。人民幣不得自由兌換為其他貨幣。根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可在獲授權於中國進行外匯業務之銀行將人民幣兌換為外幣。

**33. TRADE AND BILL PAYABLES – GROUP**

Ageing analysis of trade and bill payables as at the reporting dates, based on the invoice dates, is as follows:

**33. 應付賬款及票據 – 本集團**

應付賬款及票據按照發票日期於報告日之賬齡分析如下：

		2011	2010
		二零一一年 HK\$'000 千港元	二零一零年 HK\$'000 千港元
1 to 3 months	1至3個月	154,151	121,557
4 to 6 months	4至6個月	17,253	1,314
Over 6 months	超過6個月	23,044	825
		<u>194,448</u>	<u>123,696</u>

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 34. OTHER PAYABLES AND ACCRUALS

### 34. 其他應付款及應計費用

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Accruals	應計費用	27,060	32,295	2,237	2,790
Other payables	其他應付款	194,154	103,551	12,121	16,106
		<u>221,214</u>	<u>135,846</u>	<u>14,358</u>	<u>18,896</u>

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

其他應付款為無抵押、不計息及須按要求償還。

### 35. BORROWINGS

### 35. 借貸

		Effective interest rates 實際利率	Group 本集團		Company 本公司	
			2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current 流動						
Bank borrowings 銀行借貸	Floating 浮息	2.77%–7.79%	<u>86,171</u>	<u>35,353</u>	<u>13,000</u>	<u>13,000</u>

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

於報告日，本集團銀行借貸以下列各項作抵押：

- (i) corporate guarantee provided by intergroup companies for bank borrowings as at 31 December 2011 (2010: Nil);
- (ii) a legal charge over certain of the Group's buildings situated in the PRC with a carrying amount of HK\$833,000 for bank borrowings as at 31 December 2010 (Note 18a), and
- (iii) a legal charge over certain of the Group's investment properties with carrying amounts of HK\$19,000,000 (2010: HK\$18,800,000) (Note 19).

- (i) 集團內各公司就銀行借貸於二零一一年十二月三十一日所提供之公司擔保(二零一零年：無)；
- (ii) 於二零一零年十二月三十一日，賬面值為833,000港元之本集團中國樓宇之法定押記(附註18a)；及
- (iii) 本集團若干賬面值為19,000,000港元(二零一零年：18,800,000港元)投資物業之法定押記(附註19)。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**35. BORROWINGS (Continued)**

The carrying amounts of the borrowings approximate to their fair value. As at 31 December 2011, the borrowings were repayable as follows:

**35. 借貸(續)**

借貸之賬面值與其公平值相若。於二零一一年十二月三十一日，本集團之借貸須於以下年期償還：

	Group 本集團		Company 本公司	
	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year 一年內	86,171	35,353	13,000	13,000

**36. DUE TO RELATED COMPANIES**

The amounts due to related companies are unsecured, interest-free and repayable on demand.

**36. 應付有關連公司欠款**

應付有關連公司欠款為無抵押、免息及須按要求償還。

**37. DEFERRED TAX**

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates prevailing in the jurisdictions in which the Group operates.

**37. 遞延稅項**

遞延稅項就暫時差額按負債法採用本集團業務所在司法權區現行適用稅率作全數撥備。

Details of the Group's deferred tax assets/(liabilities) recognised and movements are as follows:

遞延稅項資產/(負債)變動載列如下：

		Provision for inventories 存貨撥備 HK\$'000 千港元	Revaluation of intangible assets 重估無形資產 HK\$'000 千港元	Revaluation of property, plant and equipment 重估物業、 廠房及設備 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 January 2010	於二零一零年一月一日	1,207	-	-	-	1,207
Exchange realignment	匯兌調整	43	-	-	-	43
At 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日及 二零一一年一月一日	1,250	-	-	-	1,250
Acquisition of subsidiaries (note 44)	收購附屬公司(附註44)	-	(8,441)	(230)	8,671	-
Exchange realignment	匯兌調整	45	975	27	(1,002)	45
At 31 December 2011	於二零一一年 十二月三十一日	1,295	(7,466)	(203)	7,669	1,295

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 37. DEFERRED TAX (Continued)

For the purpose of presentation in statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	1,295	1,250
Deferred tax liabilities	遞延稅項負債	—	—
		<u>1,295</u>	<u>1,250</u>

As at 31 December 2011, the Group has tax losses arising in Hong Kong of HK\$186,008,000 (2010: HK\$183,141,000), subject to the agreement of Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as these losses were incurred by the companies that have been loss-making for some time.

As at 31 December 2011, the Group has tax losses in Switzerland of HK\$637,310,000 (2010: Nil), subject to the agreement of tax bureau in Switzerland, that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets of HK\$7,669,000 have been recognised in respect of these losses to the extent of deferred tax liabilities recognised as at 31 December 2011 in respect of revaluation of non-current assets as a result of the acquisition of subsidiaries in 2011. Deferred tax assets have not been recognised in respect of the remaining portion of the unused tax losses as these were incurred by the subsidiaries that have been loss-making for some time. These unused tax losses will expire at various dates from 2012 to 2017.

During the year, there was no significant unrecognised deferred tax liability that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders during the year.

### 37. 遞延稅項(續)

為於財務狀況表中呈報，若干遞延稅項資產及負債已予抵銷。以下為用於財務報告之遞延稅項結餘分析：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
遞延稅項資產	1,295	1,250
遞延稅項負債	—	—
	<u>1,295</u>	<u>1,250</u>

於二零一一年十二月三十一日，本集團於香港產生稅項虧損186,008,000港元(二零一零年：183,141,000港元)，有待與稅務局協議，可用作抵銷產生虧損公司之日後應課稅溢利。由於產生稅項虧損之公司已錄得虧損一段時間，故並無就該等虧損確認任何遞延稅項資產。

於二零一一年十二月三十一日，本集團於瑞士產生稅項虧損637,310,000港元(二零一零年：無)，有待瑞士稅務局協議，可用作抵銷產生虧損公司之日後應課稅溢利。就該等虧損於二零一一年十二月三十一日確認於二零一一年進行收購附屬公司時重估非流動資產遞延稅項負債已獲確認7,669,000港元遞延稅項資產。由於該等未動用稅項虧損餘下部份乃由一直蒙受虧損多時之附屬公司產生，故並無就該等虧損確認任何遞延稅項資產。該等未動用稅項虧損將分別於二零一二年至二零一七年屆滿。

於年內，概無任何因本集團若干附屬公司之未匯出盈利產生之應付稅項而出現重大未確認遞延稅項負債，原因為即使該等款額匯出，本集團亦毋需承擔額外稅項之責任。

年內，本公司並無因向其股東支付股息而須承擔任何所得稅責任。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 37. DEFERRED TAX (Continued)

As at 31 December 2011, deferred taxation has not been provided in the financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries amounted to HK\$564,533,000 (2010: HK\$347,879,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

### 37. 遞延稅項(續)

於二零一一年十二月三十一日，財務報表並無就中國附屬公司所賺取溢利應佔之暫時差額564,533,000港元(二零一零年：347,879,000港元)作出遞延稅項撥備，原因為本集團能夠控制撥回暫時差額之時間，加上暫時差額很可能不會於可見將來撥回。

### 38. SHARE CAPITAL

### 38. 股本

		2011		2010	
		二零一一年		二零一零年	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
		'000 千股		'000 千股	
Authorised:	法定：				
Ordinary shares of HK\$0.10 each at 1 January and 31 December	於一月一日及 十二月三十一日 每股面值0.10港元 之普通股	6,000,000	600,000	6,000,000	600,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	4,090,074	409,007	3,542,676	354,268
Placement of shares during the year (note a)	於年內配售股份 (附註a)	10,000	1,000	496,953	49,695
Share option scheme – proceeds from shares issued (note b)	認購股份權計劃 — 發行股份 所得款項(附註b)	57,035	5,704	50,445	5,044
Repurchase of ordinary shares during the year (note c)	於年內購回普通股 (附註c)	(17,362)	(1,736)	—	—
At 31 December	於十二月三十一日	4,139,747	413,975	4,090,074	409,007

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 38. SHARE CAPITAL (Continued)

Notes:

(a) Details in respect of placement of shares are as follows:

2011

In August 2011, the Company entered into a share subscription agreement with an independent third party, in relation to placement of 10,000,000 new ordinary shares at HK\$0.99 per share, under which the Group also agreed to grant 210,000,000 options ("2011 Option") for the subscription of the Company's ordinary shares at the exercise price of HK\$1.21 per share. Total cash proceeds for this placement are HK\$9,900,000. The fair value of the 2011 Option is approximately HK\$7,532,000 and is included in other reserve. The amount of HK\$1,368,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$1,000,000 and the fair value of the 2011 Option of HK\$7,532,000, has been included in share premium. Details of this share placement have been set out in the Company's announcement dated 8 August 2011.

2010

In May 2010, the Company entered into a share subscription agreement with an independent third party in relation to placement of 106,815,620 new ordinary shares at HK\$0.77 per share, under which the Group also agreed to grant 242,115,405 options ("2010 Option") for the subscription of the Company's ordinary shares at the exercise price of HK\$0.88 per share. Total cash proceeds for this placement were HK\$82,248,000. The fair value of the 2010 Option was approximately HK\$15,160,000 and was included in other reserve. The amount of HK\$56,406,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$10,682,000 and the fair value of the 2010 Option of HK\$15,160,000, has been included in share premium. Details of this share placement had been set out in the Company's announcement dated 3 May 2010.

In December 2010, the Company entered into another placing agreement in relation to placement of 390,138,000 new ordinary shares at HK\$1.21. Total proceeds for this placement were HK\$472,068,000. The amount of HK\$433,053,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$39,014,000, was included in share premium. Details of this share placement had been set out in the Company's announcement dated 15 December 2010.

All shares issued in relation to the placements in both years have the same rights as the Company's other issued ordinary shares.

### 38. 股本(續)

附註：

(a) 有關配售股份詳情如下：

二零一一年

於二零一一年八月，本公司與獨立第三方訂立股份認購協議，內容關於以每股0.99港元配售10,000,000股新普通股，據此，本集團亦同意授出210,000,000份認購股份權（「二零一一年認購股份權」），以按每股1.21港元之行使價認購本公司普通股。該配售之現金所得款項總額為9,900,000港元。二零一一年認購股份權之公平值約為7,532,000港元，並已計入其他儲備。為數1,368,000港元乃為所收取款項與1,000,000港元普通股面值與二零一一年認購股份權之公平值7,532,000港元已之差額，此款項被計入股份溢價。有關此股份配售之詳情載於本公司日期為二零一一年八月八日之公佈。

二零一零年

於二零一零年五月，本公司與獨立第三方訂立股份認購協議，內容關於以每股0.77港元配售106,815,620股新普通股，據此本集團亦同意授出242,115,405份認購股份權（「二零一零年認購股份權」），以按每股0.88港元之行使價認購本公司普通股。該配售之現金所得款項總額為82,248,000港元。二零一零年認購股份權之公平值約為15,160,000港元，並已計入其他儲備。為數56,406,000港元乃為所收取款項與10,682,000港元普通股面值與二零一零年認購股份權之公平值15,160,000港元之差額，此款項已被計入股份溢價。有關此股份配售之詳情載於本公司日期為二零一零年五月三日之公佈。

於二零一零年十二月，本公司訂立另一份配售協議，內容關於以每股1.21港元配售390,138,000股新普通股。該次配售之所得款項總額為472,068,000港元。有關款項433,053,000港元，乃為已收取所得款項與普通股之面值39,014,000港元的差額，該筆款項已被計入股份溢價。有關股份配售之詳情載於本公司日期為二零一零年十二月十五日之公佈。

所有於兩年內發行之股份（與配售股份計劃有關），與本公司其他已發行普通股享有同等權利。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 38. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) Details of shares issued upon the exercise of share options are as follows:

2011

In 2011, 57,035,000 new ordinary shares of the Company were issued upon the exercise of share options. The total proceeds received for the issues of shares under the share option scheme are HK\$18,530,000. The amount of HK\$12,826,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$5,704,000, has been included in share premium.

2010

In 2010, 50,445,000 new ordinary shares of the Company were issued upon the exercise of share options. The total proceeds received for the issues of shares under share option scheme were HK\$16,394,000. The amount of HK\$11,350,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of HK\$5,044,000, had been included in share premium.

Details of the share options exercised during the years ended 31 December 2011 and 2010 are summarised in note 39. All shares issued in both years in relation to the share option scheme have the same rights as the Company's other issued ordinary shares.

- (c) During the year, the Company has repurchased its own ordinary shares listed in the Stock Exchange as follows.

Period 期間		Number of ordinary shares repurchased 已購回普通股 數目 '000 千股	Highest price paid per share 已付每股 最高價 HK\$ 港元	Lowest price paid per share 已付每股 最低價 HK\$ 港元	Aggregate price paid 已付總價格 HK\$'000 千港元
June 2011	二零一一年六月	15,630	1.05	0.99	15,970
September 2011	二零一一年九月	1,682	0.76	0.72	1,251
October 2011	二零一一年十月	50	0.64	0.64	32
		<u>17,362</u>			<u>17,253</u>

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares of HK\$1,736,000. The premium paid on the repurchases of the ordinary shares of HK\$15,517,000 was charged to share premium. The Company did not repurchase any of its ordinary shares in 2010.

## 38. 股本(續)

附註：(續)

- (b) 於行使認購股份權時而發行之股份詳情如下：

二零一一年

於二零一一年，本公司於行使認購股份權時，發行57,035,000股新普通股。根據認購股份權計劃發行股份之已收取所得款項總額為18,530,000港元。有關款項12,826,000港元，乃為已收取所得款項與普通股之面值5,704,000港元的差額，該筆款項已被計入股份溢價。

二零一零年

於二零一零年，本公司於行使認購股份權時，發行50,445,000股新普通股。根據認購股份權計劃發行股份之已收取所得款項總額為16,394,000港元。有關款項11,350,000港元，乃為已收取所得款項與普通股之面值5,044,000港元的差額，該筆款項已被計入股份溢價。

有關截至二零一一年及二零一零年十二月三十一日止年度之認購股份權獲行使之詳情載列於附註39。所有於兩年內發行之股份(與認購股份計劃有關)，與本公司其他已發行普通股享有同等權利。

- (c) 於年內，本公司已購回其於聯交所上市之普通股如下。

購回股份已被註銷，因此，本公司已發行股本已減去該等股份面值1,736,000港元。購回股份所支付的溢價及交易成本從股份溢價賬中扣減15,517,000港元。本公司於二零一零年並無購回任何其普通股股份。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 39. SHARE-BASED COMPENSATION

At the general meeting held on 30 May 2008, the shareholders of the Company terminated the option scheme adopted on 25 May 2001 and adopted a new share option scheme (the "New Scheme") for a period of 10 years commencing on the adoption date.

The directors may, at their discretion, invite the eligible participants to take up options to subscribe for shares. The eligible participants include (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any directors (including executive directors, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

Under the New Scheme, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme shall not exceed 30% of the share capital of the Company in issue from time to time. No options may be granted under the New Scheme if the grant of such option will result in the limit being exceeded. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme shall not exceed 30% of the Company's shares in issue from time to time.

The total number of shares issued and which may fall to be issued upon exercise of the options and the options granted under the New Scheme (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company. Where any further grant of options to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the New Scheme in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant requires approval of the shareholders of the Company in general meeting with such grantee and his associates abstaining from voting.

### 39. 股份補償

於二零零八年五月三十日舉行之股東大會上，本公司股東終止於二零零一年五月二十五日採納之認購股份權計劃，並採納新認購股份權計劃（「新計劃」），自採納日期起計為期十年。

董事可酌情邀請合資格參與者承購認購股份權，以認購股份。合資格參與者包括(i)本公司或其任何附屬公司之任何全職或兼職僱員、行政人員或高級人員；(ii)本公司或其任何附屬公司之任何董事（包括執行董事、非執行董事及獨立非執行董事）；及(iii)本公司或其任何附屬公司之任何顧問、諮詢人士、供應商、客戶及代理。

根據新計劃，根據新計劃授出及有待行使之所有尚未行使認購股份權在行使時可予發行之最高股份數目，於任何時間均不得超過本公司不時已發行股本之30%。倘授出之認購股份權導致超出有關上限，則不得根據新計劃授出認購股份權。除經本公司股東批准外，根據新計劃授出及有待行使之所有尚未行使認購股份權在行使時可予發行之本公司股份總數，於任何時間均不得超過本公司不時已發行股份之30%。

在任何十二個月期間根據新計劃向每名承授人授出之認購股份權（包括已行使或尚未行使之認購股份權）行使時已發行及將予發行之股份總數不得超過本公司已發行股本之1%。倘向一名承授人進一步授出認購股份權，導致該名人士根據新計劃於十二個月期間直至進一步授出日期（包括當日）行使獲授及建議獲授之所有認購股份權（包括已行使、註銷及尚未行使認購股份權）後，已發行及將發行股份之數目合共超過已發行股份1%，有關進一步授出認購股份權必須於股東大會獲本公司股東批准，而有關承授人及彼之聯繫人士須放棄表決。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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

The maximum number of shares issued and to be issued upon exercise of the options granted under the New Scheme to each of any eligible persons (including those cancelled, exercised and outstanding options), in any 12 months period up to the date of the latest grant shall not exceed 1% of the Company's shares in issue provided that the number of shares issued and to be issued upon exercise of all options granted and to be granted to each of the independent non-executive directors or substantial shareholders of the Company or any of their respective associates in the 12 months period up to the date of such grant in excess of 0.1% of the Company's shares in issue and with a value in excess of HK\$5 million must be approved in advance by the Company's independent shareholders. Any further grant of options in excess of such limit requires the approval of the shareholders in general meeting in accordance with the requirements of the Listing Rules.

The exercise period of the share options granted is determinable by the directors, and should not be later than 10 years from the date of the acceptance of the share options (the "Option Period").

The subscription price is equal to the higher of (i) the nominal value of the share of the Company; (ii) the closing price per share of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant.

The fair value of share options granted is recognised in profit or loss taking into account the probability that the options will vest over the vesting period. Upon the exercise of the options the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account. At the time when the share options are exercised, the amount previously recognised in share option reserve is transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve is transferred to retained profits. Lapsed options are deleted from the outstanding options prior to their exercise date. All equity-settled share-based compensation expense is settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

**39. 股份補償(續)**

在任何十二個月期間直至最後授出日期根據新計劃向每名合資格人士授出之認購股份權(包括已註銷、行使及尚未行使之認購股份權)行使時已發行及將予發行之股份最高數目,不得超過本公司已發行股本之1%,惟於截至有關授出日期止十二個月期間向本公司各獨立非執行董事或主要股東或彼等各自之任何聯繫人士授出及將予授出之所有認購股份權(包括已行使、已註銷及尚未行使認購股份權)獲行使時發行及將發行之股份數目合共超過本公司已發行股份0.1%及價值超過5,000,000港元,有關授予必須事先獲本公司獨立股東批准。任何進一步授出超過有關限額之認購股份權必須根據上市規則之規定獲股東於股東大會上批准。

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

認購價相當於下列各項之最高者:(i)本公司股份面值;(ii)本公司股份於授出日期於聯交所每日報價表所示之每股收市價;及(iii)緊接授出日期前五個營業日股份於聯交所每日報價表所示之平均收市價。

認購股份權之公平值於計及認購股份權於歸屬期歸屬之可能性後在損益表確認。於本公司認購股份權獲行使時,所引伸之已發行股份按股份面值記入額外股本,而每股行使價超出股份面值之差額則記入股份溢價賬。認購股份權行使時,先前於認購股份權儲備中確認之款額會轉撥至股份溢價。當認購股份權被沒收或於屆滿日期仍未行使,先前於認購股份權儲備中確認之款額會轉撥至保留溢利。於行使日期前已失效認購股份權會自尚未行使認購股份權中剔除。所有以股本結算之股份付款開支將以權益結算。本集團並無法定或推定責任以現金購回或結算認購股份權。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 39. SHARE-BASED COMPENSATION (Continued)

The grantees may exercise the options in whole or in part by giving exercise notice to the grantor at any time during the Option Period provided that the grantees shall exercise the options to acquire the option shares in accordance with the following vesting schedule:

Vesting schedule	歸屬時間表	Maximum percentage of option shares comprised in an option which may be exercised 可行使認購股份權所包含認購股份權股份最高百分比
One year after the grant date	授出日期後一年	30%
Two years after the grant date	授出日期後兩年	35%
Three years after the grant date	授出日期後三年	35%

Details of the share options granted up to the reporting date are as follows:

Date of grant:	9 December 2008
Exercisable period:	9 December 2009 to 7 January 2019
Exercise price:	HK\$0.325

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

		2011 二零一一年		2010 二零一零年	
		Number 數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number 數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at 1 January	於一月一日尚未行使	127,910	0.325	178,355	0.325
Exercised	已行使	(57,035)	0.325	(50,445)	0.325
Outstanding at 31 December	於十二月三十一日 尚未行使	70,875	0.325	127,910	0.325
Exercisable at the end of the year	於年終可行使	70,875	0.325	65,260	0.325

The options outstanding at 31 December 2011 had a weighted average remaining contractual life of 7 years (2010: 8 years). The weighted average share price for share options exercised during the year at the date of exercise was HK\$0.96 (2010: HK\$0.91) per share.

### 39. 股份補償(續)

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

		Maximum percentage of option shares comprised in an option which may be exercised 可行使認購股份權所包含認購股份權股份最高百分比
One year after the grant date	授出日期後一年	30%
Two years after the grant date	授出日期後兩年	35%
Three years after the grant date	授出日期後三年	35%

直至報告日為止已授出認購股份權詳情如下：

授出日期：	二零零八年十二月九日
行使期：	二零零九年十二月九日至 二零一零年一月七日
行使價：	0.325港元

報告期間內之認購股份權及加權平均行使價呈列如下：

		2011 二零一一年		2010 二零一零年	
		Number 數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number 數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at 1 January	於一月一日尚未行使	127,910	0.325	178,355	0.325
Exercised	已行使	(57,035)	0.325	(50,445)	0.325
Outstanding at 31 December	於十二月三十一日 尚未行使	70,875	0.325	127,910	0.325
Exercisable at the end of the year	於年終可行使	70,875	0.325	65,260	0.325

於二零一一年十二月三十一日到期之認購股份權之加權平均餘下合約年期為7年(二零一零年：8年)。年內已行使認購股份權於行使日期之加權平均股價為每股0.96港元(二零一零年：0.91港元)。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

### 39. SHARE-BASED COMPENSATION (Continued)

Equity-settled share-based compensation of HK\$2,983,000 (2010: HK\$7,631,000), comprising HK\$506,000 (2010: HK\$1,300,000) to directors and HK\$2,477,000 (2010: HK\$6,331,000) to employees and other eligible persons, has been included in profit or loss during the year. The corresponding amount has been credited to share option reserve (note 40). No liabilities were recognised on the equity-settled share-based compensation transactions.

Movements of the New Scheme for the years ended 31 December 2010 and 2011 are as follows:

2011

Name or category of participants	參與者姓名或 所屬類別	Number of share options 認購股份權數目		
		At 1 January 2011 於二零一一年 一月一日	Exercised during the year 於年內行使	At 31 December 2011 於二零一一年 十二月三十一日
<b>Executive directors</b>	<b>執行董事</b>			
Mr. Hon Kwok Lung	韓國龍先生	2,450,000	(1,225,000)	1,225,000
Mr. Shang Jianguang	商建光先生	5,600,000	(2,800,000)	2,800,000
Mr. Shi Tao	石濤先生	3,500,000	(1,750,000)	1,750,000
Mr. Lam Toi Man	林代文先生	2,450,000	(1,225,000)	1,225,000
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>			
Mr. Fung Tze Wa	馮子華先生	2,450,000	(1,050,000)	1,400,000
Dr. Kwong Chun Wai, Michael	鄭俊偉博士	2,450,000	(1,225,000)	1,225,000
Mr. Li Qiang	李強先生	3,500,000	–	3,500,000
Sub-total	小計	22,400,000	(9,275,000)	13,125,000
<b>Other eligible employees</b>	<b>其他合資格僱員</b>			
In aggregate	合計	45,430,000	(21,195,000)	24,235,000
<b>Other eligible persons</b>	<b>其他合資格人士</b>			
In aggregate	合計	60,080,000	(26,565,000)	33,515,000
Total	總計	127,910,000	(57,035,000)	70,875,000

### 39. 股份補償(續)

以股本結算之股份補償為2,983,000港元(二零一零年:7,631,000港元),包括董事開支506,000港元(二零一零年:1,300,000港元)、僱員及其他合資格人士開支2,477,000港元(二零一零年:6,331,000港元),有關開支已計入年內損益。相應款額已計入認購股份權儲備(附註40)。概無就以股本結算之股份賠償交易確認負債。

於截至二零一零年及二零一一年十二月三十一日止年度,新計劃之變動詳情如下:

二零一一年

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

39. SHARE-BASED COMPENSATION (Continued)  
2010

39. 股份補償(續)  
二零一零年

Name or category of participants	參與者姓名或所屬類別	Number of share options 認購股份權數目			
		At 1 January 2010 於二零一零年一月一日	Reclassification during the year 於年內重新分類	Exercised during the year 於年內行使	At 31 December 2010 於二零一零年十二月三十一日
<b>Executive directors</b>	<b>執行董事</b>				
Mr. Hon Kwok Lung	韓國龍先生	3,500,000	–	(1,050,000)	2,450,000
Mr. Shang Jianguang	商建光先生	8,000,000	–	(2,400,000)	5,600,000
Mr. Shi Tao	石濤先生	5,000,000	–	(1,500,000)	3,500,000
Mr. Lam Toi Man	林代文先生	3,500,000	–	(1,050,000)	2,450,000
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>				
Mr. Fung Tze Wa	馮子華先生	3,500,000	–	(1,050,000)	2,450,000
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	3,500,000	–	(1,050,000)	2,450,000
Mr. Li Qiang	李強先生	3,500,000	–	–	3,500,000
Sub-total	小計	30,500,000	–	(8,100,000)	22,400,000
<b>Other eligible employees</b> In aggregate	<b>其他合資格僱員</b> 合計	97,355,000	(33,400,000)	(18,525,000)	45,430,000
<b>Other eligible persons</b> In aggregate	<b>其他合資格人士</b> 合計	50,500,000	33,400,000	(23,820,000)	60,080,000
Total	總計	178,355,000	–	(50,445,000)	127,910,000

40. RESERVES  
GROUP

The amounts of the Group's reserves and movements therein during the year are presented in the consolidated statement of changes in equity.

In accordance with the PRC regulations, certain of the Group's subsidiaries established in the PRC are required to transfer part of their profits after tax to the statutory reserve before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of the directors of these subsidiaries, in accordance with their joint venture agreements and/or articles of association. The statutory reserve is non-distributable and has restricted use.

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

40. 儲備  
本集團

本集團於本年度之儲備數額及有關變動已載於綜合權益變動表中。

按照中國法規，若干於中國成立之本集團附屬公司作出溢利分派前，須將其部分除稅後溢利轉撥至法定儲備基金。轉撥款額須由該等附屬公司之董事會按各自之合營協議及／或公司章程細則批准。法定儲備基金不可分派，且其用途有所限制。

誠如財務報表附註21所闡釋，於過往年度收購附屬公司所產生商譽之若干數額仍於綜合儲備對銷。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

40. RESERVES (Continued)  
COMPANY41. 儲備(續)  
本公司

		Share premium account 股份溢價賬 HK\$'000 千港元	Share option reserve 認購股份權儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日	447,848	16,440	-	-	464,288
Placement of shares during the year	年內配售股份	489,460	-	15,160	-	504,620
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份之所得款項	11,350	-	-	-	11,350
Exercise of share options	行使認購股份權	7,650	(7,650)	-	-	-
Recognition of equity-settled share-based compensation (note 39)	以股本結算之股份補償(附註39)	-	7,631	-	-	7,631
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	-	-	93,826	93,826
Payments of final 2009 final dividend	擬派二零零九年末期股息	(6,259)	-	-	-	(6,259)
Payments of interim 2010 dividend (note 14.1)	擬派二零一零年中期股息(附註14.1)	(56,161)	-	-	-	(56,161)
Proposed final 2010 dividend (note 14.1)	擬派二零一零年末期股息(附註14.1)	(49,327)	-	-	(93,826)	(143,153)
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	844,561	16,421	15,160	-	876,142
Placement of shares during the year	年內配售股份	1,368	-	7,532	-	8,900
Repurchase of ordinary shares	購回普通股	(15,517)	-	-	-	(15,517)
Proceeds from shares issued under share option scheme	根據認購股份權計劃發行股份所得款項	12,826	-	-	-	12,826
Exercise of share options	行使認購股份權	8,656	(8,656)	-	-	-
Recognition of equity-settled share-based compensation (note 39)	以股本結算之股份補償(附註39)	-	2,983	-	-	2,983
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	-	-	170,095	170,095
Payments of final 2010 final dividend	派付二零一零年末期股息	(1,891)	-	-	-	(1,891)
Payments of interim 2011 dividend (note 14.1)	派付二零一一年中期股息(附註14.1)	(41,404)	-	-	-	(41,404)
Proposed final 2011 dividend (note 14.1)	擬派二零一一年末期股息(附註14.1)	(16,194)	-	-	(170,095)	(186,289)
At 31 December 2011	於二零一一年十二月三十一日	792,405	10,748	22,692	-	825,845

Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

根據開曼群島公司法第22章(一九六一年第3條法例，經綜合及修訂)，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

41. OPERATING LEASE ARRANGEMENTS/ COMMITMENTS 41. 經營租賃安排／承擔

41.1 At 31 December 2011, total future minimum lease receivables by the Group under non-cancellable leases are as follows:

41.1 於二零一一年十二月三十一日，根據不可註銷之租約，本集團應收未來最低租賃款項總額如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	一年內	9,690	9,947
In the second to fifth years	第二年至第五年	31,577	28,872
After five years	五年後	40,426	39,147
Total	總計	<u>81,693</u>	<u>77,966</u>

The Group leases certain of its properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. None of the leases include contingent rentals.

本集團根據經營租約安排出租其若干物業，該等租約之議定期期介乎一年至二十年不等。有關租約不包括或然租金。

41.2 At 31 December 2011, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

41.2 於二零一一年十二月三十一日，根據不可註銷之經營租約應付未來最低租賃款項總額如下：

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	一年內	11,317	13,526	5,444	5,444
In the second to fifth years	第二年至第五年	10,788	23,506	227	5,670
After five years	五年後	7,496	9,994	-	-
Total	總計	<u>29,601</u>	<u>47,026</u>	<u>5,671</u>	<u>11,114</u>

The Group and the Company lease certain offices and factory premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years. None of the leases include contingent rentals.

本集團及本公司根據經營租約安排租用若干辦公室及工廠物業，該等租約之議定期期介乎一年至十年不等。有關租約不包括或然租金。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 41. OPERATING LEASE ARRANGEMENTS / COMMITMENTS (Continued)

41.3 The Group is required to pay an annual fee in respect of the leasehold land in the PRC from 1992 up to 2042 with a 20% increment for every five years. During the year, an annual fee of HK\$473,000 (2010: HK\$473,000) was charged as an expense in profit or loss of the Group.

#### 42. CAPITAL COMMITMENTS GROUP

#### 41. 經營租賃安排／承擔(續)

41.3 本集團自一九九二年至二零四二年止，須就其在中國之一幅租賃土地支付年費，年費每五年增加20%。年內，本集團支付年費473,000港元(二零一零年：473,000港元)已於本集團溢利或虧損按開支扣除。

#### 42. 資本承擔 本集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Contracted, but not provided for	已訂約但未撥備		
Purchases of property, plant and equipment	購買物業、廠房及設備	991	36,843
Purchases of intangible assets (note a)	購買無形資產(附註a)	62,730	-
Acquisition of an associate (note b)	收購一家聯營公司(附註b)	56,000	-
		<u>119,721</u>	<u>36,843</u>

Notes:

(a) On 29 December 2011, the Group entered into a framework agreement (the "Framework Agreement") with independent parties (the "Joint Venture Partners") to establish a joint venture company in the PRC, namely Beijing Haina Tianshi Watch Company Limited ("Haina Tianshi"), which will principally engage in the wholesale and retail of watches and accessories in the PRC. Pursuant to the Framework Agreement, the Group also agreed to pay RMB51,000,000 (equivalent to approximately HK\$62,730,000) to the Joint Venture Partners as a consideration for the transfers of certain intangible assets, including the trademarks and suppliers and distributions networks to Haina Tianshi. The consideration will be settled as to RMB6,500,000 (equivalent to approximately HK\$7,995,000) by cash and as to RMB44,500,000 (equivalent to approximately HK\$54,528,000) by issue and allotment of approximately 54,528,000 ordinary shares of the Company. As at 31 December 2011, the Framework Agreement is not completed and subject to approval by relevant government authority in the PRC. Details of the establishment of Haina Tianshi and acquisition of intangible assets are set out in the Company's announcement dated 29 December 2011.

附註：

(a) 於二零一一年十二月二十九日，本集團與獨立第三方(「合營公司伙伴」)訂立框架協議(「框架協議」)，於中國成立一家股份合營公司，即北京海納天時鐘錶有限公司(「海納天時」)，該公司主要於中國從事鐘錶及配件批發及零售。根據框架協議，本集團亦同意向合營公司伙伴支付人民幣51,000,000元(相當於約62,730,000港元)作為轉讓若干無形資產(包括商標、供應商及分銷網絡)予海納天時之代價。代價將以現金支付人民幣6,500,000元(相當於約7,995,000港元)，人民幣44,500,000元(相當於約54,528,000港元)則以發行及配發約54,528,000股本公司普通股股份償付。於二零一一年十二月三十一日，框架協議尚未完成，待中國相關政府機關批准，方可作實。成立海納天時及收購無形資產的詳情載於本公司日期為二零一一年十二月二十九日的公佈內。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**42. CAPITAL COMMITMENTS (Continued)**  
GROUP (Continued)

Notes: (Continued)

- (b) On 15 December 2011, the Group entered into an acquisition agreement (the "Acquisition Agreement") with an independent party (the "Vendor") to acquire 25% of equity interest in Fair Future Industrial Limited ("Fair Future"), a company incorporated in Hong Kong. Fair Future and its subsidiary are principally engaged in the manufacture of watches and related accessories. Pursuant to the Acquisition Agreement, the considerations for acquisition of the 25% of equity interest in Fair Future of HK\$56,000,000 will be settled by the issue and allotment of approximately 56,000,000 ordinary shares of the Company on various dates from January 2012 to January 2014. As at 31 December 2011, the Acquisition Agreement is not completed and subject to certain conditions precedent. Details of the acquisition of the 25% of equity interest in Fair Future were set out in the Company's announcements dated 15 and 16 December 2011.

COMPANY

At 31 December 2011, the Company did not have any capital commitments (2010: Nil).

**43. RELATED PARTY TRANSACTIONS**

- 43.1 Other than those disclosed elsewhere in the financial statements, the following transactions connected transaction were carried out with related parties:

- (i) Sales of goods

Sales of goods to joint venturer 向合營方銷售貨物

Sales to joint venturer of the Group's jointly-controlled entity, of which certain directors of the Company are also directors. The amounts for both years were presented under discontinued operations as set out in note 12.3. This transaction constitutes connected transaction under the Listing Rules.

**42. 資本承擔(續)**  
本集團(續)

附註：(續)

- (b) 於二零一一年十二月十五日，本集團與一獨立第三方(「賣方」)訂立收購協議，以收購俊光實業有限公司(「俊光」，為於香港註冊成立之公司)25%股本權益。俊光及其附屬公司主要從事鐘錶及相關配件製造。根據收購協議，收購俊光25%股本權益之代價，將透過於二零一二年一月至二零一四年一月期間於不同日期發行及配發約56,000,000股本公司普通股股份償付。於二零一一年十二月三十一日，收購協議尚未完成，待達成若干先決條件後，方可作實。收購俊光25%股本權益之詳情載於本公司日期為二零一一年十二月十五及十六日的公佈內。

本公司

於二零一一年十二月三十一日，本公司並無任何資本承擔(二零一零年：無)。

**43. 有關連人士交易**

- 43.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下關連交易：

- (i) 銷售貨物

	2011	2010
	二零一一年	二零一零年
	HK\$'000	HK\$'000
	千港元	千港元

Sales of goods to joint venturer	425,102	568,108
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向本公司若干董事亦為其董事之本集團共同控制實體之合營方作出銷售。兩個年度之金額均呈列於已終止經營業務(見附註12.3)。該交易構成上市規則規定之關連交易。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 43. RELATED PARTY TRANSACTIONS (Continued)

## 43.1 (Continued)

## (ii) Rental income

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Rental income received	已收租金收入	120	120
Sub-lease income received	已收分租收入	864	991

This was received from a director and this was charged at HK\$10,000 per month on average (2010: HK\$10,000). Sub-lease income was received from a company of which certain directors of the Company are also directors of the related company, and this was charged at HK\$72,000 (2010: HK\$83,000) per month on average. These transactions constitute connected transactions under the Listing Rules.

上述租金乃向本公司一名董事收取，租金平均每月10,000港元(二零一零年：10,000港元)。分租收入乃向一間公司收取，而本公司若干董事亦為該有關公司之董事，租金平均每月72,000港元(二零一零年：83,000港元)。該等交易構成上市規則規定之關連交易。

## (iii) Outstanding balances arising from sales of goods included in trade receivables

## (iii) 銷售貨物之未償付結餘已計入應收賬款及票據

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Due from joint venturer	應收合營方欠款	-	55,268

The Group did not have any balances with the joint venturer as at 31 December 2011. The balance as at 31 December 2010 was presented under assets of a disposal group classified as held for sale as set out in note 12.5.

於二零一一年十二月三十一日，本集團與合營方並無任何結餘。於二零一零年十二月三十一日之結餘乃呈列於分類為持作出售之出售組別資產項下，有關情況載於附註12.5。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**43. RELATED PARTY TRANSACTIONS (Continued)**

43.1 (Continued)

- (iv) Outstanding balances included in other receivables

**43. 有關連人士交易(續)**

43.1 (續)

- (iv) 已計入其他應收款之未償付結餘

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Due from related companies	應收關連公司方欠款	1,545	5
Due from joint venturer	應收合營方欠款	-	686

The balance of amounts due from related companies as at 31 December 2011 includes an amount previously classified as due from a joint venturer. Upon completion of disposal of the jointly controlled entity, such joint venturer is regarded as a related company as certain directors of the Company are also the directors of this joint venturer. The balance as at 31 December 2010 was presented under assets of a disposal group classified as held for sale as set out in note 12.5.

於二零一一年十二月三十一日之應收關連公司欠款，包括之前已分類為應收一家合營方欠款之金額。完成出售共同控制實體後，由於本集團若干董事亦為關連公司之董事，該合營方被視為關連公司。於二零一零年十二月三十一日之結餘乃呈列於分類為持作出售之出售組別資產(載於附註12.5)。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 43. RELATED PARTY TRANSACTIONS (Continued)

##### 43.2 KEY MANAGEMENT PERSONNEL COMPENSATION

Included in staff costs are key management personnel compensation and comprises the following categories:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity-settled share-based compensation	以股本結算之股份補償

The key management represents all directors of the Group. Further details of directors' emoluments are included in note 17.1 to the financial statements.

#### 44. ACQUISITION OF SUBSIDIARIES

On 29 June 2011, the Group acquired the entire equity interests of Eterna Group, which is principally engaged in manufacture and distribution of watches and timepieces in Switzerland and Germany, for a cash consideration of HK\$213,920,000. Following the acquisition, the Group owned the entire equity interest in Eterna Group and obtained the control over Eterna Group through the Group's right to nominate all the members of Eterna Group's board of directors, and Eterna Group become wholly owned subsidiaries of the Group. The acquisition of Eterna Group was made with the aim to expand the Group's manufacture and distribution of watches and timepieces business.

Details of the net assets acquired as at the date of acquisition are as follows:

		HK\$'000 千港元
Cash consideration paid	所付現金代價	213,920
Less: Fair value of net assets acquired	減：購入淨資產之公平值	<u>(260,824)</u>
Excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries	可識別淨資產之公平值超過收購附屬公司成本之差額	<u>46,904</u>

#### 43. 有關連人士交易(續)

##### 43.2 主要管理人員之補償

主要管理人員之補償計入員工成本內，包括以下類別：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Short-term employee benefits	12,110	10,099
Post-employment benefits	108	92
Equity-settled share-based compensation	<u>506</u>	<u>1,300</u>
	<u>12,724</u>	<u>11,491</u>

主要管理人員為本集團全體董事。有關董事酬金之進一步詳情載於財務報表附註17.1。

#### 44. 收購附屬公司

於二零一一年六月二十九日，本集團收購於瑞士及德國主要從事製造及分銷手錶及時計之綺年華集團全部股本權益，總現金代價為213,920,000港元。收購後，本集團擁有綺年華集團全部股本權益及透過提名綺年華集團董事會所有成員而取得綺年華集團之控制權，而綺年華集團則成為本集團之全資附屬公司。收購綺年華集團旨在令本集團鐘錶及時計業務之製造及分銷得以擴闊。

於收購日期，購入資產淨值之詳情如下：

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

#### 44. ACQUISITION OF SUBSIDIARIES (Continued)

The fair values of the identifiable assets and liabilities arising from the acquisition of Eterna Group as at the date of acquisition and the corresponding carrying amounts immediately prior to the acquisition were as follows:

#### 44. 收購附屬公司(續)

收購綺年華集團所產生可識別資產及負債於收購日期之公平值以及緊接收購前相應賬面值如下：

		Fair value 公平值 HK\$'000 千港元	Acquirees' carrying amount 收購對象 賬面值 HK\$'000 千港元
Property, plant and equipment (note 18)	物業、廠房及設備(附註18)	94,418	93,418
Intangible assets (note 26)	無形資產(附註26)	36,700	-
Deferred tax assets (note 37)	遞延稅項資產(附註37)	8,671	-
Inventories	存貨	174,808	150,908
Trade and bill receivables	應收賬款及票據	11,579	11,579
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	5,671	5,671
Cash and cash equivalents	現金及現金等價物	4,445	4,445
Trade payables	應付賬款	(34,799)	(34,799)
Other payables and accruals	其他應付款及應計費用	(31,998)	(31,998)
Deferred tax liabilities (note 37)	遞延稅項負債(附註37)	(8,671)	-
Shareholder's loan	股東貸款	(533,511)	(533,511)
Net liabilities	負債淨額	(272,687)	(334,287)
Less: Shareholder's loan assigned to the Group	減：分配予本集團之股東貸款	533,511	
Fair value of net assets acquired	所收購淨資產之公平值	260,824	
			HK\$'000 千港元
Cash and cash equivalents in subsidiaries acquired	所收購附屬公司現金及現金等價物		4,445
Purchase consideration settled in cash	現金結算收購代價		(213,920)
Net cash outflow	現金流出淨額		(209,475)

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**44. ACQUISITION OF SUBSIDIARIES (Continued)**

The gain recognised in respect of the excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries of HK\$46,904,000 (2010: Nil) was recognised in profit or loss for the year ended 31 December 2011. The excess of fair value of the net identifiable assets over the cost of acquisition of subsidiaries represents the increase in fair value of intangible assets, inventories and land and buildings. This represents the intrinsic value of Eterna Group identified by the Group's management, which have not been recognised in the books of Eterna Group before the acquisition.

Eterna Group contributed revenue of approximately HK\$42,886,000 and net profit of approximately HK\$16,573,000 to the Group for the year ended 31 December 2011. The net profit after tax included HK\$46,904,000, being excess of fair value of the net identifiable assets over the cost of acquisition of Eterna Group.

Had the business combination taken place on 1 January 2011, revenue from continuing operations and profit of the Group for the year ended 31 December 2011 would have been approximately HK\$1,527,726,000 and HK\$215,442,000 respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had the acquisition of Eterna Group been completed on 1 January nor are they intended to be a projection of future results.

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group has various financial assets and liabilities such as available-for-sale financial assets, trade and bill receivables, other receivables, financial assets at fair value through profit or loss, cash and cash equivalents, trade and bill payables, other payables and amounts due to related companies, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board has reviewed and agreed policies for managing each of these risks and they are summarised below.

**44. 收購附屬公司(續)**

綺年華集團於截至二零一一年十二月三十一日止年度就可識別淨資產之公平值超過收購附屬公司成本之差額於溢利或虧損確認收益46,904,000港元(二零一零年:無)。可識別淨資產之公平值超過收購附屬公司成本之差額指無形資產、存貨以及土地及樓宇之公平值增加。這表明本集團管理層所識別的綺年華集團之內在價值,於收購前並未在綺年華集團之賬目內確認。

綺年華集團於截至二零一一年十二月三十一日止年度向本集團貢獻收入約42,886,000港元及純利約16,573,000港元。除稅後純利包括可識別淨資產之公平值超過收購綺年華集團成本之差額46,904,000港元。

倘業務合併已於二零一一年一月一日進行,本集團於截至二零一一年十二月三十一日止年度之持續經營業務收入及溢利應分別約為1,527,726,000港元及215,442,000港元。備考資料僅供闡釋之用,並非假設收購綺年華集團於一月一日完成後本集團實際應取得之收入及經營業績之指標,亦不擬作未來業績之預測。

**45. 財務風險管理目標及政策**

本集團之主要金融工具包括借貸及現金及現金等價物。此等金融工具之主要用途乃為本集團業務籌集資金。本集團有其他直接源自業務之金融資產及負債,例如應收賬款及票據、其他應收款、應付賬款及票據、其他應付款、應付有關連公司欠款、按公平值計入溢利或虧損之金融資產、可供出售金融資產及衍生金融工具。

本集團金融工具所產生主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及協定管理上述各項風險之政策,有關政策概述如下。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

45.1 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. Its treasury department works under the policies approved by the board of directors and identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the board of directors.

Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities.

45. 財務風險管理目標及政策(續)

45.1 金融資產及負債分類概要

本集團之政策並非就投機目的積極買賣金融工具。其庫務部門根據經董事會批准之政策行事，並確定涉足金融市場之方法及監察本集團所面對財務風險，並定期向董事會提供報告。

金融資產及負債分類

於財務狀況表呈列之賬面值與下列金融資產及金融負債有關。

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Available-for-sale financial assets	可供出售金融資產	807,696	1,113,095
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	107,803	91,764
Loans and receivables:	貸款及應收款：		
– Trade and bill receivables	– 應收賬款及票據	244,284	113,762
– Other receivables	– 其他應收款	120,411	88,008
– Cash and cash equivalents	– 現金及現金等價物	351,276	837,872
		<u>715,971</u>	<u>1,039,642</u>
		<u>1,631,470</u>	<u>2,244,501</u>
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– Trade and bill payables	– 應付賬款及票據	194,448	123,696
– Other payables	– 其他應付款	194,154	103,551
– Dividend payables	– 應付股息	252	644
– Borrowings	– 借貸	86,171	35,353
– Due to related companies	– 應付關連公司	157	26,230
		<u>475,182</u>	<u>289,474</u>

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****45.2 INTEREST RATE RISK**

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from borrowings. Borrowings bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The exposure to interest rates for the Group's short-term bank deposits is considered immaterial.

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

At 31 December 2011, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profit after income tax and retained profits by approximately HK\$431,000 (2010: HK\$177,000).

The sensitivity analysis above was determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date.

The 50 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis was performed on the same basis for 2010.

**45. 財務風險管理目標及政策(續)****45.2 利率風險**

利率風險與金融工具之公平值及現金流量因市場利率變動而波動有關。本集團之利率風險主要源自借貸。本集團分別因按浮息及定息計息之借貸面對現金流量利率風險及公平值利率風險。本集團之短期銀行存款利率風險極微。

本集團所承擔市場利率變動風險主要與本集團浮息債務責任有關。本集團現時並無實行任何程序對沖其利率風險。

於二零一一年十二月三十一日，假設所有其他因素維持不變，估計假如利率整體上調／下調50基點，將導致本集團之除所得稅後溢利及保留溢利減少／增加約431,000港元(二零一零年：177,000港元)。

上述敏感度分析乃假設利率於報告日出現變動，已應用於該日存在之衍生及非衍生金融工具利率風險。

50基點上調或下調幅度反映管理層合理估計直至下個年度報告日止期間利率可能出現之變動。二零一零年之分析已採納相同基準進行。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

45.3 FOREIGN CURRENCY RISK

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong and the PRC with most of the transactions denominated and settled in HK\$ and RMB. No foreign currency risk has been identified for those PRC subsidiaries' financial assets and liabilities denominated in RMB, which is the functional currency of the PRC subsidiaries to which these transactions relate. The Group's exposure to foreign currency risk primarily arise from certain financial instruments which are denominated in RMB, which are currencies other than the functional currency of the entities to which it relate. The Group currently does not have a foreign currency hedging policy.

The following table summarises the Group's major financial assets/(liabilities) denominated in currencies other than the functional currencies of the respective group companies as at 31 December 2011 and 2010.

45. 財務風險管理目標及政策(續)

45.3 外匯風險

外匯風險指金融工具之公平值及現金流量因匯率變動而波動之風險。本集團主要於香港及中國經營，大部分交易以港元及人民幣計值及結算。中國附屬公司以人民幣列值之金融資產及負債並無外匯風險，人民幣為該等交易有關中國附屬公司之功能貨幣。本集團主要就若干以人民幣列值之金融資產面對外匯風險，人民幣並非有關實體之功能貨幣。本集團目前並無外匯對沖風險政策。

下表概述於二零一一年及二零一零年十二月三十一日本集團以有關集團公司各自功能貨幣以外貨幣列值之主要金融資產/(負債)。

		Expressed in HK\$'000 以千港元列示	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Available-for-sale financial assets	可供出售金融資產	807,617	1,113,018
Other receivables	其他應收款	82	8
Other payables	其他應付款	(14,299)	(14,180)

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) 45. 財務風險管理目標及政策(續)

## 45.3 FOREIGN CURRENCY RISK (Continued)

The following table demonstrates the sensitivity at the reporting date to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's profit for the year and of the Group's investment revaluation reserve (due to changes in the fair value of monetary assets and liabilities).

## 45.3 外匯風險(續)

下表顯示假設所有其他因素維持不變，本集團年內溢利及本集團投資重估儲備(由於貨幣資產及負債公平值變動所致)對人民幣匯率於報告日可能出現之合理變動之敏感度分析。

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Effect to the profit for the year:	對本年度溢利之影響：		
5% strengthening in HK\$	港元匯率升值5%	711	709
5% weakening in HK\$	港元匯率貶值5%	(711)	(709)
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Effect on other comprehensive income and to the investment revaluation reserve (due to the change in fair value of the available-for-sale financial assets):	對其他全面收入及投資重估儲備之影響(由於可供出售金融資產公平值變動)：		
5% strengthening in HK\$	港元匯率升值5%	(40,381)	(55,651)
5% weakening in HK\$	港元匯率貶值5%	40,381	55,651

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 45.4 CREDIT RISK

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

As at 31 December 2011, the Group's trade and bill receivables relate to a large number of diversified customers and there is no significant concentration of credit risk. As at 31 December 2010, the Group has trade and bill receivables due from Citychamp of HK\$55,268,000 (note 43.1 (iii)). With respect to the credit risk arising from the trade and bill receivables due from Citychamp, management actively monitored Citychamp's creditworthiness to avoid excessive concentrations of credit risk. Save as receivables due from Citychamp, as at 31 December 2010, the Group's trade and bill receivables related to a large number of diversified customers and there was no significant concentration of credit risk.

Since the Group trades only with recognised and creditworthy parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents, financial assets at fair value through profit or loss and available-for-sale financial assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Credit risk on cash and cash equivalents is mitigated as cash is deposited in banks of high credit rating.

### 45.5 LIQUIDITY RISK

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored on a day-to-day basis. Long-term liquidity needs for a 360-day lookout period are identified monthly.

The Group maintains mainly cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

## 45. 財務風險管理目標及政策(續)

### 45.4 信貸風險

本集團僅與信譽良好之第三方進行買賣。本集團之政策為全部獲授信貸期之客戶均須通過信貸評核程序。此外，本集團不斷監控應收款結餘，且其所面對壞賬風險並不重大。

於二零一一年十二月三十一日，本集團應收賬款及票據與大量客戶有關，並無信貸風險過度集中情況。於二零一零年十二月三十一日，本集團應收冠城大通之應收賬款及票據為55,268,000港元(附註43.1 (iii))。就冠城大通之應收賬款及票據產生之信貸風險而言，管理層積極監察冠城大通之信譽，從而避免信貸風險過度集中。除就冠城大通之應收賬款外，於二零一零年十二月三十一日，本集團應收賬款及票據與大量客戶有關，並無信貸風險過度集中情況。

由於本集團僅與信譽良好之認可第三方進行買賣，故毋須抵押品。

本集團其他金融資產主要包括現金及現金等價物、按公平值計入溢利或虧損之金融資產及可作出售金融資產，有關信貸風險源自訂約方失責，最高款額相等於該等工具賬面值。現金乃存入具備高信貸評級的銀行，有關現金及現金等價物的信貸風險因此而得以減低。

### 45.5 流動資金風險

本集團透過謹慎監控長期金融負債之還款期及日常業務現金流出，以管理其流動資金需要。本集團按日監察其流動資金需求。擁有360日固定期限之長期流動資金需求乃按月計算。

本集團主要利用現金維持其最多30日期間之流動資金需求。長期流動資金需求透過保持充足承諾信貸融資提供。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

45. FINANCIAL RISK MANAGEMENT OBJECTIVES  
AND POLICIES (Continued)

45.5 LIQUIDITY RISK (Continued)

As at 31 December 2011 and 31 December 2010, the Group's financial liabilities have contractual maturities which are summarised below:

As at 31 December 2011

		Carrying amount 賬面值 HK\$'000 千港元	Total contractual undiscounted cash flow 合約未貼現 現金流量總額 HK\$'000 千港元	Within 1 year or on demand 1年內或 按要求 HK\$'000 千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>			
Trade and bill payables	應付賬款及票據	194,448	194,448	194,448
Other payables	其他應付款	194,154	194,154	194,154
Dividend payable	應付股息	252	252	252
Borrowings	借貸	86,171	88,761	88,761
Due to related companies	應付有關連公司	157	157	157
		<u>475,182</u>	<u>477,772</u>	<u>477,772</u>

45. 財務風險管理目標及政策(續)

45.5 流動資金風險(續)

於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團之金融負債按合約到期日概述如下：

於二零一一年十二月三十一日

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

45.5 LIQUIDITY RISK (Continued)  
As at 31 December 2010

		Carrying amount 賬面值 HK\$'000 千港元	Total contractual undiscounted cash flow 合約未貼現現金流量總額 HK\$'000 千港元	Within 1 year or on demand 1年內或按要求 HK\$'000 千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>			
Trade and bill payables	應付賬款及票據	123,696	123,696	123,696
Other payables	其他應付款	103,551	103,551	103,551
Dividend payable	應付股息	644	644	644
Borrowings	借貸	35,353	35,353	35,353
Due to related companies	應付有關連公司欠款	26,230	26,230	26,230
		<u>289,474</u>	<u>289,474</u>	<u>289,474</u>

45.6 FAIR VALUE RISK

The fair value of the Group's financial assets and liabilities are not materially different from their carrying amounts of the immediate or short-term maturity.

45.7 EQUITY PRICE RISK

The Group is exposed to equity price changes arising from equity investments classified as financial assets at fair value through profit or loss and available-for-sale financial assets. Other than unlisted equity investments held for strategic purposes, all of these investments are listed.

Decisions to buy or sell financial assets at fair value through profit or loss are based on daily monitoring of the performance of individual securities and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale financial assets are based on their longer term growth potential and are monitored regularly for performance against expectations.

45. 財務風險管理目標及政策(續)

45.5 流動資金風險(續)  
於二零一零年十二月三十一日

		Carrying amount 賬面值 HK\$'000 千港元	Total contractual undiscounted cash flow 合約未貼現現金流量總額 HK\$'000 千港元	Within 1 year or on demand 1年內或按要求 HK\$'000 千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>			
Trade and bill payables	應付賬款及票據	123,696	123,696	123,696
Other payables	其他應付款	103,551	103,551	103,551
Dividend payable	應付股息	644	644	644
Borrowings	借貸	35,353	35,353	35,353
Due to related companies	應付有關連公司欠款	26,230	26,230	26,230
		<u>289,474</u>	<u>289,474</u>	<u>289,474</u>

45.6 公平值風險

本集團金融資產及負債於即時或於短期內到期，故其公平值與賬面值並無重大差異。

45.7 股價風險

本集團須面對來自分類為按公平值計入溢利或虧損之金融資產及可供出售金融資產之股本投資之股價變動。除持作策略目的之非上市股本投資外，此等投資均已上市。

買賣按公平值計入溢利或虧損之金融資產之決定乃按每日監察個別證券之表現及其他業內指標以及本集團之流動資金需要作出。本集團按投資於較長期間之增長潛力決定，以可供出售金融資產持有上市投資，並定期監察投資之表現是否符合預期。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 45.7 EQUITY PRICE RISK (Continued)

The following table indicates the approximate change in the Group's profit after tax and consolidated equity in response to reasonably possible changes in the share prices of the listed investments classified as financial assets at fair value through profit or loss and available-for-sale financial assets to which the Group has significant exposure at the reporting date.

## 45. 財務風險管理目標及政策(續)

## 45.7 股價風險(續)

下表顯示分類為按公平值計入溢利或虧損之金融資產之上市投資之股價及本集團於報告日所持大量分類為可供出售金融資產之上市投資之股價之合理可能變動，對本集團之除稅後溢利及綜合權益之概約變動。

	2011 二零一一年		2010 二零一零年	
	Effect on profit after tax and retained profits 對除稅後溢利及保留溢利之影響 HK\$'000 千港元	Effect on other comprehensive income and to the investment revaluation reserve 對其他全面收入及投資重估儲備之影響 HK\$'000 千港元	Effect on profit after tax and retained profits 對除稅後溢利及保留溢利之影響 HK\$'000 千港元	Effect on other comprehensive income and to the investment revaluation reserve 對其他全面收入及投資重估儲備之影響 HK\$'000 千港元
Financial assets at fair value through profit or loss:				
Increase in share prices of the listed investments by 30% (2010: 30%)	32,341	-	27,529	-
Decrease in share prices of the listed investments by 30% (2010: 30%)	(32,341)	-	(27,529)	-
Available-for-sale financial assets at fair value:				
Increase in share price of the listed investment by 30% (2010: 30%)	-	242,285	-	333,905
Decrease in share price of the listed investment by 30% (2010: 30%)	-	(242,285)	-	(333,905)

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**45.8 FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

The fair values of the Group's financial assets and financial liabilities are determined as follows:

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

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

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

**45. 財務風險管理目標及政策(續)**

**45.8 於財務狀況表確認之公平值計量**

金融資產及金融負債之公允價值乃按以下情況釐定：

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

下表呈列根據公平值級別計量之金融資產及負債公平值。

- 第一級： 相同資產及負債之活躍市場報價(未經調整)；
- 第二級： 第一層所包括報價以外就資產及負債直接(如價格)及間接(如源自價格)觀察所得輸入數值；及
- 第三級： 並非以觀察所得市場數據(非觀察所得輸入數值)為準之資產及負債輸入數值。

Notes to the Financial Statements  
財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 45.8 FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION (Continued)

## 45. 財務風險管理目標及政策(續)

## 45.8 於財務狀況表確認之公平值計量(續)

		2011 二零一一年			Total
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>				
Available-for-sale financial assets – Listed	可供出售金融資產 – 上市	807,617	–	–	807,617
Listed securities designated at fair value through profit or loss	按公平值計入溢利或 虧損之上市證券	107,803	–	–	107,803
Total fair value	公平值總額	915,420	–	–	915,420
		2010 二零一零年			Total
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale financial assets – Listed	可供出售金融資產 – 上市	1,113,018	–	–	1,113,018
Listed securities designated at fair value through profit or loss	按公平值計入溢利或 虧損之上市證券	91,764	–	–	91,764
Total and net fair values	公平值總額及淨額	1,204,782	–	–	1,204,782

There have been no significant transfers between Levels 1 and 2 in the reporting period.

報告期內，第一級及第二級之間並無重大轉撥。

## Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****45.8 FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION (Continued)**

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

- Listed securities  
The listed debt and equity securities are denominated in HK\$ and RMB. Fair values have been determined by reference to their quoted bid prices at the reporting dates and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.

**46 CAPITAL MANAGEMENT**

The Group's capital management objectives are:

- (i) to ensure the Group's ability to continue as a going concern;
- (ii) to provide an adequate return to shareholders;
- (iii) to support the Group's sustainable growth; and
- (iv) to provide capital for the purpose of potential mergers and acquisitions.

The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the amount dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

The capital-to-overall financing ratio at reporting date was as follows:

**45. 財務風險管理目標及政策(續)****45.8 於財務狀況表確認之公平值計量—本集團(續)**

計量公平值所用方法及評估方式與上一報告期間相同。

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

**46. 資金管理**

本集團之資金管理目標為：

- (i) 確保本集團能夠持續經營；
- (ii) 為股東提供充足回報；
- (iii) 支持本集團持續增長；及
- (iv) 為潛在合併及收購提供資金。

本集團根據其整體財務結構釐定股本金額。本集團管理資金結構，並因應經濟狀況轉變及相關資產之風險特徵作出調整。為維持或調整資本結構，本集團或會調整向股東支付之股息、向股東退回資金、發行新股或出售資產以減低債務。

於報告日，資本佔整體融資比率如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Capital	資本		
Total equity	權益總額	3,134,939	3,313,887
Overall financing	整體融資		
Borrowings	借貸	86,171	35,353
Due to related companies	應付有關連公司	157	26,230
		<u>86,328</u>	<u>61,583</u>
Capital-to-overall financing ratio	資本佔整體融資比率	<u>36.31</u>	<u>53.81</u>

## Five Year Financial Summary

### 五年財務資料摘要

## RESULTS

## 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>					
Revenue	收入	1,465,276	800,604	574,565	865,304	576,058
Cost of sales	銷售成本	(637,042)	(307,030)	(204,410)	(696,597)	(468,903)
<b>Gross profit</b>	<b>毛利</b>	<b>828,234</b>	<b>493,574</b>	<b>370,155</b>	<b>168,707</b>	<b>107,155</b>
Other income and financial income	其他收入及財務收入	21,027	10,492	5,464	26,798	21,285
Selling and distribution expenses	銷售及分銷費用	(343,908)	(205,511)	(153,310)	(78,518)	(54,708)
Administrative expenses	行政費用	(234,144)	(150,211)	(112,576)	(99,009)	(66,021)
Gain/(Loss) on fair value changes in financial assets at fair value through profit or loss, net	按公平值計入溢利或虧損之金融資產公平值變動之收益/(虧損)淨額	10,947	6,669	42,234	(36,968)	24,629
Excess of fair value of the net identified assets over the cost of acquisition of subsidiaries	可識別淨資產之公平值超過收購附屬公司成本之差額	46,904	-	-	-	-
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	5,675	13,004	5,102	9,348	10,178
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	6,551	5,172	8,238	73,624	48,383
Share of profit of associates	應佔聯營公司溢利	1,991	6,979	1,877	241	2,212
Gain on disposal of an investment property	出售一項投資物業收益	-	-	-	-	22,853
(Loss)/Gain on disposal of an associate	出售一家聯營公司之(虧損)/收益	(4,952)	177,711	-	-	-
Finance costs	財務費用	(4,331)	(1,811)	(2,669)	(8,637)	(7,157)
Profit before income tax	除所得稅前溢利	333,994	356,068	164,515	55,586	108,809
Income tax expense	所得稅開支	(68,240)	(82,349)	(31,380)	(16,082)	(7,168)
Profit after income tax from continuing operations	持續經營業務除所得稅後溢利	265,754	273,719	133,135	39,504	101,641
<b>Discontinued operations</b>	<b>已終止經營業務</b>					
Profit from discontinued operations	已終止經營業務溢利	16,036	7,063	236,481	251,812	325,566
<b>Profit for the year</b>	<b>本年度溢利</b>	<b>281,790</b>	<b>280,782</b>	<b>369,616</b>	<b>291,316</b>	<b>427,207</b>
<b>Other comprehensive income</b>	<b>其他全面收入</b>					
- Exchange gain on translation of financial statements of foreign operations	- 換算海外業務財務報表產生之匯兌收益	14,570	28,948	11	2,855	6,318
- Transfer of exchange fluctuation reserve to profit or loss on disposal of a jointly controlled entity	- 於出售一家共同控制實體時撥回外匯波動儲備至溢利或虧損	(17,496)	-	-	-	-
- Changes in fair value of available-for-sale financial assets	- 可供出售金融資產之公平值變動	(305,401)	(327,623)	1,027,705	(512,573)	241,797

Five Year Financial Summary  
五年財務資料摘要

## RESULTS (Continued)

## 業績(續)

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Other comprehensive income for the year	本年度其他全面收入	(308,327)	(298,675)	1,027,716	(509,718)	248,115
Total comprehensive income for the year	本年度全面收入總額	(26,537)	(17,893)	1,397,332	(218,402)	675,322
Profit for the year attributable to:	以下人士應佔本年度溢利：					
Owners of the Company	本公司擁有人	255,874	271,566	362,561	290,213	427,467
Non-controlling interests	非控股權益	25,916	9,216	7,055	1,103	(260)
		<u>281,790</u>	<u>280,782</u>	<u>369,616</u>	<u>291,316</u>	<u>427,207</u>
Total comprehensive income for the year attributable to:	以下人士應佔本年度全面收入總額：					
Owners of the Company	本公司擁有人	(54,105)	(27,672)	1,390,275	(219,642)	675,439
Non-controlling interests	非控股權益	27,568	9,779	7,057	1,240	(117)
		<u>(26,537)</u>	<u>(17,893)</u>	<u>1,397,332</u>	<u>(218,402)</u>	<u>675,322</u>

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

		As at 31 December 於十二月三十一日				
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Total assets	總資產	3,678,225	3,887,086	3,481,082	2,403,695	1,685,361
Total liabilities	總負債	(543,286)	(573,199)	(522,816)	(736,048)	(469,595)
Non-controlling interests	非控股權益	(76,550)	(29,105)	(16,482)	(7,947)	(2,392)
		<u>3,058,389</u>	<u>3,284,782</u>	<u>2,941,784</u>	<u>1,659,700</u>	<u>1,213,374</u>

## Schedule of Principal Investment Properties

### 主要投資物業附表

31 December 2011 二零一一年十二月三十一日

Description 詳情	Group interest 集團權益	Use 用途	Tenure 年期
Flat B, 21st Floor, Jolly Villa, No. 8 Tai Hang Road, Hong Kong and Car parking space No. 32 on 3rd Floor of the same building 香港大坑道8號竹麗苑21樓B室 及同一幢樓宇內3樓之32號車位	100%	Residential 住宅	Medium term lease 中期租約
Industrial Complex, including Dormitories in the Sixth Industrial Zone Houjie Town, Dongguan County Guangdong Province The People's Republic of China (the "PRC") 中華人民共和國(「中國」)廣東省東莞市厚街鎮 第六工業區工廠綜合大樓(包括宿舍)	100%	Industrial/ Residential 工業/住宅	Medium term lease 中期租約
2nd Lower Ground Level Jin Hua Building Yan He South Road Luohu District, Shenzhen Guangdong Province The PRC 中國廣東省深圳市羅湖區 沿河南路錦花大廈底下層二層	100%	Commercial 商業	Medium term lease 中期租約
Shops at Street Nos. 13, 14 and 15 New City Centre Plaza Garden Nos. 459, 461 and 463 Xiang Hua Road Zhuhai City Guangdong Province The PRC 中國廣東省珠海市 香華路459、461及463號 新城市中心花園·商舖13、14及15號	100%	Commercial 商業	Medium term lease 中期租約

