



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

INTERIM REPORT 中期報告 2011



CORPORATE INFORMATION

Board of Directors

Executive Directors

HON Kwok Lung (*Chairman*)
SHANG Jianguang (*Chief Executive Officer*)
SHI Tao
LAM Toi Man
BI Bo

Non-executive Director

SIT Lai Hei

Independent Non-executive Directors

FUNG Tze Wa
KWONG Chun Wai, Michael
LI Qiang

Qualified Accountant & Company Secretary

FONG Chi Wah

Auditors

BDO Limited

Principal Bankers

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

公司資料

董事會

執行董事

韓國龍(*主席*)
商建光(*行政總裁*)
石濤
林代文
畢波

非執行董事

薛黎曦

獨立非執行董事

馮子華
鄭俊偉
李強

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

CHINA HAIDIAN HOLDINGS LIMITED

CORPORATE INFORMATION

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

Websites

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

公司資料

香港股份過戶登記處

卓佳秘書商務有限公司
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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
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網站

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

MANAGEMENT DISCUSSION AND ANALYSIS

Operating results

For the six months ended 30 June 2011, the Group recorded an unaudited revenue of approximately HK\$1,080,954,000 (continuing and discontinued operations) (for the six months ended 30 June 2010: HK\$712,061,000), representing an increase of HK\$368,893,000 compared with the corresponding period last year. Net profit attributable to owners of the Company for the period was approximately HK\$155,246,000, representing a decrease of HK\$41,255,000 compared with the corresponding period last year. Having set apart the financial impact of the gain on disposal of an associate of HK\$177,711,000 for the six months ended 30 June 2010 and the net surplus on revaluation of investment properties of HK\$66,716,000 for the six months ended 30 June 2011, the Group should have an increase of profit after income tax from continuing operations of HK\$80,343,000 compared with the corresponding period last year.

Business review

The Group has made remarkable achievements during the period ended 30 June 2011. The acquisition of Eterna AG Uhrenfabrik ("Eterna") is a strategic move that provides the Group with two additional international brands and the mechanical movement manufacturing capability. The establishment of Liaoning Hengjia Horologe Co., Ltd. ("Hengjia") was so important that the Group would benefit from the increasingly strong consumption power of the North East part of Mainland China. Both activities have laid strong foundation for the sustainable growth of the Group in Mainland China and overseas.

管理層討論及分析

經營業績

截至二零一一年六月三十日止六個月，本集團錄得來自持續經營業務及已終止經營業務之未經審核收入約1,080,954,000港元(截至二零一零年六月三十日止六個月：712,061,000港元)，較去年同期增加368,893,000港元。期內本公司擁有人應佔純利約為155,246,000港元，較去年同期減少41,255,000港元。除截至二零一零年六月三十日止六個月出售一間聯營公司177,711,000港元及截至二零一一年六月三十日止六個月投資物業重估盈餘淨額66,716,000港元之財務影響外，本集團來自持續經營業務之除所得稅後溢利較去年同期增加80,343,000港元。

業務回顧

本集團於截至二零一一年六月三十日止期間表現卓越。收購Eterna AG Uhrenfabrik(「綺年華」)乃一策略性行動，為本集團增添兩個國際名牌及製造機械機芯之技術能力。遼寧恒嘉鐘錶有限公司(「恒嘉」)之成立非常重要，藉此，本集團可受惠於中國內地東北部日益強大的消費力。此兩項舉措為本集團於中國內地及海外之持續增長奠定穩固基礎。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

The development of the existing subsidiaries, focusing on both proprietary brands and non-proprietary brands, was impressive. Almost all subsidiaries achieved significant growth in turnover and net profit. The organic growth was faster than the industry average and hence the Group continued to be one of the market leaders of the watch industry in Mainland China.

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.

(1) Watches and timepieces – proprietary brands

Acquisition of Eterna

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 and manufacture the licensed watches. Eterna is also authorized to distribute the Porsche Design 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.

管理層討論及分析

業務回顧(續)

目前，各附屬公司集中發展自有品牌及非自有品牌，成果令人鼓舞。幾乎所有附屬公司之營業額及純利均明顯上揚，自然增長速度更超越行業平均數，本集團因而繼續為中國內地鐘錶業市場翹楚之一。

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」)。

(1) 鐘錶及時計產品一自有品牌

收購綺年華

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以總代價213,920,000港元或瑞士法郎22,911,001收購綺年華之股份及貸款。

綺年華於一八五六年在瑞士成立，其製造兩個品牌之時計產品，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 商標以發展及生產特許手錶。綺年華亦獲授權於指定分銷商分銷 Porsche Design 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。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(1) Watches and timepieces – proprietary brands (Continued)

Acquisition of Eterna (Continued)

The acquisition is strategically important for the sustainable development of the Group. Eterna is an international brand with a long history, having a very unique product line. Porsche Design is also an international brand, targeting very different market segment. The acquisition of Eterna would provide additional Swiss watches for the Group's comprehensive distribution network in Mainland China. It is anticipated that the sale revenue of Eterna and Porsche Design watches would increase rapidly after strengthening brand awareness, improving customer service and developing the target products for the Mainland China market. Besides, the capability to manufacture mechanical movement enables 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 in the near future. Modular mechanical movements 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 developed mechanical movement for its own production in Switzerland in the medium term.

管理層討論及分析

業務回顧(續)

(1) 鐘錶及時計產品—自有品牌(續)

收購綺年華(續)

此項收購對本集團之持續發展在策略上起關鍵作用。綺年華為擁有悠久歷史之國際品牌，其生產線甚為獨特。Porsche Design 同為國際品牌，目標市場迥然不同。收購綺年華將為本集團於中國覆蓋全面之分銷網絡增添額外之瑞士鐘錶。預期加強品牌知名度、改善客戶服務以及於中國內地市場開拓目標產品後，綺年華及 Porsche Design 手錶之銷售收入將會急速上升。此外，製造自家機械機芯之能力令本集團得以日後確保瑞士產品牌機械機芯之供應。預料綺年華能於不久將來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。其後綺年華將能在一定時期內供應全新開發之機械機芯，以供其於瑞士作自行生產。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business review (Continued)

(1) Watches and timepieces – proprietary brands (Continued)

Acquisition of Eterna (Continued)

The brief history and recent development of Eterna is as follow:

Year of Founding: 1856
創始時間： 1856年

Founder: Josef Girard and Urs Schild
始人： 約瑟夫吉拉德和希爾德

Place of Founding: Switzerland
創始地： 瑞士

1876: Produced the first wristwatch rewriting the history of pocket watch
1876年： 創造第一隻腕錶，改寫懷錶的發展史。

1914: Designed the first alarm clock
1914年： 設計第一隻具有鬧鈴裝置的鬧鐘。

1930: Launched the most delicate lady's watch
1930年： 推出最精巧的女用錶。

1958: Launched the first lady's watch with gold core as well as the first waterproof watch with water-resistant up to 200 meters
1958年： 推出第一隻全金機芯女用錶及第一隻防水可深達200米的防水錶。

1980: Awarded the highest honor in product quality of Europe
1980年： 榮獲歐洲優質產品最高榮譽大獎。

業務回顧(續)

(1) 鐘錶及時計產品—自有品牌(續)

收購綺年華(續)

綺年華的歷史及近期發展如下：

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(1) Watches and timepieces – proprietary brands (Continued)

Acquisition of Eterna (Continued)

Eterna has never stopped innovation in watch-making, either in its craftsmanship or technology. Eterna-matic was launched in 1948. Its design of automatic winding was using an automatic turntable set in five ball bearings, completely rewriting the history of traditional automatic winding watch. The new bearing technique was impressive, as a slight movement will make the roter of the watch begin to rotate, in return driving the new system composed of the two so-called clamed wheels. Besides, no matter which direction the roter rotates to, the tension spring can be stretched by this automatic rolling system. Up to date, Eterna's trademark of five points is still in use.

In 2009, Eterna launched the Eterna Spherodrive device, which was a new kind of technique in relation to barrel and stretching and driving with tension springs. The barrel uses mini ball bearings as the axle assembly between tubes and heart-shaped bearings. The arched dial for date display is driven by the frictionless sphere-shaped bearing.

The brand awareness of Eterna is greatly attributable to the invention of ball bearing.

管理層討論及分析

業務回顧(續)

(1) 鐘錶及時計產品—自有品牌(續)

收購綺年華(續)

綺年華不斷創新製錶工藝和技術，於一九四八年綺年華成功發展出將自動轉盤鑲嵌在五個小圓球型軸承上的自動上發條手錶，徹底改寫傳統自動上發條手錶的發展歷史。新軸承技術令人印像深刻，輕微的運動便可使手錶中的擺陀開始旋轉，從而帶動由兩個被稱為夾緊輪所組成的全新系統，不論擺陀向哪個方向旋轉，張力彈簧都能通過這個自動傳動裝置被拉緊。直至今日，綺年華公司仍然沿用由五個點構成的品牌標誌。

在二零零九年，綺年華公司推出了斯菲若驅動發條盒，一項全新的關於發條盒和張力彈簧的拉緊和運行技術，發條盒使用微型滾珠軸承作為條盒筒和心型軸之間的軸承。錶上顯示日期的拱型刻度盤通過無摩擦的純球形軸承支持運行。

綺年華這個品牌的知名度要大大歸功於滾珠軸承技術的發明。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business review (Continued)

(1) Watches and timepieces – proprietary brands (Continued)

Zhuhai Rossini Watch Industry Ltd.

Zhuhai Rossini Watch Industry Ltd. (“Rossini”), a 91% owned subsidiary of the Group, also achieved good results in the first half of 2011. Revenue for the first half of 2011 was HK\$253,113,000, an increase of HK\$93,631,000, or 59%, from HK\$159,482,000 for the same period last year. Net profit after tax for the first half of 2011 was HK\$71,126,000 compared with HK\$41,823,000 for the same period in 2010, an increase of HK\$29,303,000, or 70%.

Given the tremendous efforts waged on expanding its distribution outlets through department stores and interwoven closely with regional sales manager, Rossini has consolidated its distribution outlets in the first-tier cities and increased its numbers in the second and third-tier cities in Mainland China with an overall increase of 124 outlets (78 outlets through department stores and 46 outlets through authorized dealers) to a total of 1,236 in the first half of 2011 (844 outlets through department stores, 389 outlets through authorized dealers and 3 boutiques).

There were 20 new products introduced in the first half of 2011. In the second half of 2011, Rossini introduced another sport watch line. Timely introduction of new products help not only target additional market segment but also generate additional revenue and profit from the targeted market segment, hence maintaining the leading position in Mainland China.

業務回顧(續)

(1) 鐘錶及時計產品—自有品牌(續)

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，於二零一一年上半年亦達成滿意業績。於二零一一年上半年之收入為253,113,000港元，較去年同期159,482,000港元增加93,631,000港元或59%。二零一一年上半年除稅後純利為71,126,000港元，而二零一零年同期則為41,823,000港元，增幅達29,303,000港元或70%。

羅西尼透過百貨公司擴充分銷點，同時與地區銷售經理緊密合作，經過不懈努力，得以整合其於中國內地一線城市之分銷點，更增加於二、三線城市之分銷點數目，以致於二零一一年上半年，分銷點數目整體增加124個(其中78個透過百貨公司增設、46個透過特許經銷商增設)至合共1,236個(844個於百貨公司設置、389個透過特許經銷商設置及3個屬專賣店)。

羅西尼於二零一一年上半年推出二十款新產品。在二零一一年下半年，羅西尼推出另一運動手錶生產線。新產品推出合時，不單有助進軍其他目標市場，亦有助從目標市場獲取更可觀收入及溢利，繼而維持於中國內地之領先地位。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(1) Watches and timepieces – proprietary brands (Continued)

Zhuhai Rossini Watch Industry Ltd. (Continued)

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 watch brands.

Moreover, Rossini has developed its spectacles frame brand and established the first spectacles shop with in-house qualified optician in the headquarters of Rossini and distributed spectacles through a comprehensive network of over 150 outlets in June 2011.

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 results in the first half of 2011. Revenue for the first half of 2011 was HK\$189,062,000, an increase of HK\$25,178,000, or 15%, from HK\$163,884,000 for the same period last year. Net profit after tax for the first half of 2011 was HK\$30,994,000 compared with HK\$28,538,000 for the same period in 2010, an increase of HK\$2,456,000, or 9%.

Revenue increased by 15% to HK\$189,062,000 while the net profit after tax increased by only 9% to HK\$30,994,000 due to the additional expenses for the new product development related to EBOHR Complication series, the new market development for Codex and net loss after tax of HK\$12,483,000 incurred by Swiss Chronometric SA ("Swiss Chronometric"), a wholly owned subsidiary of EBOHR in Switzerland during the period.

管理層討論及分析

業務回顧(續)

(1) 鐘錶及時計產品—自有品牌(續)

珠海羅西尼錶業有限公司(續)

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，更已於二零一一年六月在其總部開設首家聘有合資格駐場視光師之眼鏡店，並透過涵蓋逾150個銷售點之廣泛網絡分銷眼鏡。

依波精品(深圳)有限公司

本集團旗下全資附屬公司依波精品(深圳)有限公司(「依波精品」)及其直接擁有之附屬公司於二零一一年上半年取得理想業績。於二零一一年上半年之收入為189,062,000港元，較去年同期之163,884,000港元增加25,178,000港元或15%。二零一一年上半年之除稅後純利為30,994,000港元，較二零一零年同期之28,538,000港元上升2,456,000港元或9%。

收入躍升15%至189,062,000港元，而除稅後純利只增加9%至30,994,000港元，乃由於就EBOHR Complication系列開發新產品以及就豪度拓展新市場產生額外開支，加上依波精品於瑞士之全資附屬公司Swiss Chronometric SA(「Swiss Chronometric」)期內產生除稅後虧損淨額12,483,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business review (Continued)

(1) Watches and timepieces – proprietary brands (Continued)

EBOHR Luxuries International Company Limited (Continued)

During the period, there was an increase of 99 outlets (70 outlets through department stores and 29 outlets through authorized dealers). The total number of outlet was 1,241 in the first half of 2011 (708 outlets through department stores, 529 outlets through authorized dealers and 4 boutiques).

EBOHR has completed the design of the EBOHR Complication series, a product line composed of tourbillon watches and watches of sophisticated mechanical movement. These products would be distributed through the outlet of Swiss Chronometric in Lucerne. To enhance the brand image, EBOHR has put tremendous efforts on improving its advertising materials and equipments in the distribution outlets. The efforts on outlet development and brand building would reflect in the revenue in the second half of 2011.

EBOHR has been awarded China's 500 most valuable brands of the year 2011 by the World Brand Laboratory.

業務回顧(續)

(1) 鐘錶及時計產品—自有品牌(續)

依波精品(深圳)有限公司(續)

期內增設99個分銷點，其中70個於百貨公司設置及29個透過特許經銷商增設。二零一一年上半年之分銷點總數為1,241個，當中708個於百貨公司設置、529個藉由特許經銷商設立及4個屬專賣店。

依波精品已完成設計EBOHR Complication系列，此產品線包括陀飛輪手錶及精巧之機械機芯手錶。此等產品會透過位於瑞士盧塞恩之Swiss Chronometric旗下銷售網點分銷。為提高品牌形象，依波精品付出莫大努力，務求改善其於分銷點之廣告材料及配置。於銷售網點之發展及品牌建立方面付出之努力，將於二零一一年下半年之收入中顯現。

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。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(1) Watches and timepieces – proprietary brands (Continued)

Swiss Chronometric

With the support of a leading Swiss watch designer and a leading watch OEM in Switzerland, Swiss Chronometric has developed the Codex brand, the brand for high-end mechanical watches, designed and produced in Switzerland. Swiss Chronometric started distributing Codex watches for gentleman in the self-owned Codex image shop in Lucerne in Switzerland from 1 July 2010. Following the release of the Codex watches for lady in the Basel Fair in March 2011, the Codex watches for lady were also distributed in the shop. In addition to the Codex image shop in Shanghai, Codex watches were sold by the distributors in Europe, US and Russia. Such international distribution network will also distribute EBOHR's PAMA and KANA, EBOHR Complication and other premium ranges of EBOHR and Rossini. Swiss Chronometric contributed revenue and net loss after tax of approximately HK\$1,805,000 and HK\$12,483,000 respectively in the first half of 2011.

管理層討論及分析

業務回顧(續)

(1) 鐘錶及時計產品—自有品牌(續)

Swiss Chronometric

在瑞士具領導地位之瑞士手錶設計商及其領導地位之手錶原設備製造商之支持下，Swiss Chronometric已開發高級機械手錶品牌豪度，並於瑞士設計及生產手錶。自二零一零年七月一日起，Swiss Chronometric開始於瑞士盧塞恩自有的豪度概念店銷售豪度男裝手錶。繼二零一一年三月在巴塞爾鐘錶展推出豪度女裝手錶後，豪度女裝手錶亦於該概念店內銷售。除於上海之豪度概念店外，豪度手錶亦由歐洲、美國及俄羅斯之分銷商出售。此國際分銷網絡亦將銷售依波精品旗下帕瑪及卡納、EBOHR Complication以及依波精品與羅西尼其他精選手錶系列。Swiss Chronometric於二零一一年上半年分別貢獻收入及除稅後虧損淨額約1,805,000港元及12,483,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(2) Watches and timepieces – non-proprietary brands

Shenzhen Permanence Commerce Co., Ltd. (“Permanence”), a 100% owned subsidiary of the Group, focusing on distribution of Citizen and Casio watches, contributed revenue and net profit after tax of approximately HK\$22,642,000 and HK\$1,364,000 respectively in the first half of 2011. The change of shareholding and management slightly affected its operation and growth. Gross and net profit margin increased as Permanence became more efficient. Citizen and Casio were two strong revenue drivers for Permanence during the period. Permanence started distributing Ernest Borel and Titoni in the first half of 2011 and other well-known fashion brands in the second half of 2011. As of 30 June 2011, there were 50 distribution outlets and 3 single-brand retail boutiques; Permanence also supplied to 35 retail customers. The efforts on outlet development would reflect in the revenue and profit in the second half of 2011.

管理層討論及分析

業務回顧(續)

(2) 鐘錶及時計產品一非自有品牌

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」)集中分銷西鐵城及卡西歐手錶，於二零一一年上半年貢獻收入及除稅後純利分別約22,642,000港元及1,364,000港元。股權及管理層變動對其營運及增長之影響輕微，而隨著恒譽之營運更具效益，毛利率及純利率均有所增加。期內，西鐵城及卡西歐為恒譽收入之兩大動力。恒譽於二零一一年上半年開始分銷瑞士依波路及梅花手錶，而於二零一一年下半年將分銷其他著名品牌。截至二零一一年六月三十日，共有50個分銷點及3家單一品牌零售專賣店；恒譽亦為35名零售客戶供應產品。有關店舖發展之影響將於二零一一年下半年之收入及溢利中反映。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(2) Watches and timepieces – non-proprietary brands (Continued)

The Group has established Ruihuang (Chongqing) Watch Co., Ltd. (“Ruihuang”) in September 2010. Ruihuang, a 51% owned subsidiary of the Group, developed leading boutiques for well known Swiss watch brands such as Longines and Tissot; distribute 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\$88,593,000 and HK\$3,185,000 respectively in the first half of 2011. Publicity events would help build awareness and revenue of Longines and Tissot single-brand boutiques. Both were two strong revenue drivers for Ruihuang during the period. There was massive renovation of multi-brand retail outlets conducted in the period. As of 30 June 2011, Ruihuang established 30 multi-brand retail shops and supplied to 10 retail customers.

管理層討論及分析

業務回顧(續)

(2) 鐘錶及時計產品一非自有品牌(續)

本集團於二零一零年九月成立瑞皇(重慶)鐘錶有限公司(「瑞皇」)。瑞皇為本集團擁有51%權益之附屬公司，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。瑞皇於二零一一年上半年帶來收入及除稅後純利分別約88,593,000港元及3,185,000港元。公開活動將有助浪琴及天梭單一品牌專賣店建立知名度並提高收益。此兩間專賣店為推動瑞皇期內收入增長之兩大動力。期內，多家集中多個品牌之零售店全面革新。截至二零一一年六月三十日，瑞皇設有30家多品牌零售店，並向10名零售客戶供應商品。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(2) Watches and timepieces – non-proprietary brands (Continued)

Guangdong Juxin Watch Co., Ltd. (“Juxin”) was established in January 2011. Juxin, a 51% owned subsidiary of the Group, distributed leading Swiss and Japanese watch brands such as Tudor, Tissot and Casio through the leading department stores in various cities in Guangdong such as Foshan, Guangzhou, Zhongshan, Shaoguan and Qingyuan. Juxin has also established maintenance centre for various imported watches. Juxin contributed revenue and net profit after tax of approximately HK\$16,646,000 and HK\$524,000 respectively in the first half of 2011. Casio was the strongest revenue driver for Juxin during the period. Juxin was awarded the “Outstanding Distributor” by Casio in April 2011. As of 30 June 2011, there were 7 multi-brand retail shops, 2 single-brand boutiques and 11 distribution outlets.

Liaoning Hengjia Horologe Co., Ltd. (“Hengjia”) was established in May 2011. Hengjia, a 51% owned subsidiary of the Group, distributed leading Swiss and Japanese watch brands. Hengjia operates two single-brand boutiques, one for Rado and one for Tissot. The Tissot boutique is the one of the top performers of Tissot in Mainland China. Hengjia also operates three multi-brand retail shops in the leading department stores in Liaoning. Hengjia is actively developing single-brand boutiques and multi-brand retail shops in Liaoning. Hengjia would be operational in the second half of 2011.

Permanence, Ruihuang, Juxin and Hengjia collectively own over 150 brand image retail shops and distribution outlets, distributing over 25 local and international brands and spanning 35 cities nationwide.

管理層討論及分析

業務回顧(續)

(2) 鐘錶及時計產品—非自有品牌(續)

廣東鉅信鐘錶有限公司(「鉅信」)於二零一一年一月成立。鉅信為本集團擁有51%權益之附屬公司，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，經銷瑞士及日本知名手錶品牌，如帝舵、天梭及卡西歐。鉅信亦已就多款進口手錶設立維修中心。鉅信於二零一一年上半年貢獻收入及除稅後純利分別約16,646,000港元及524,000港元。卡西歐為鉅信於期內最大收入動力。鉅信於二零一一年四月獲卡西歐頒發「傑出分銷商」殊榮。於二零一一年六月三十日，共有7家多品牌零售店、2家單品牌專賣店及11個分銷點。

遼寧恒嘉鐘錶有限公司(「恒嘉」)於二零一一年五月成立。恒嘉為本集團擁有51%權益之附屬公司，分銷著名瑞士及日本手錶品牌。恒嘉分別為雷達及天梭經營兩家單一品牌專賣店，其中天梭專賣店更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三家多品牌零售店。恒嘉現正在積極在遼寧發展單一品牌專賣店及多品牌零售店。恒嘉會於二零一一年下半年營運。

恒譽、瑞皇、鉅信及恒嘉合共擁有超過150家品牌零售店及分銷點，在遍及全國35個城市內分銷超過25個本地及國際品牌。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business review (Continued)

(2) Watches and timepieces – non-proprietary brands (Continued)

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

(3) Enamelled copper wires business

Fuzhou Dartong, a 49% owned jointly controlled entity of the Group contributed revenue and net profit after tax of approximately HK\$505,043,000 and HK\$3,756,000 respectively in the first half of 2011. As all conditions precedent of the disposal of Fuzhou Dartong were satisfied on 30 June 2011, the transaction was therefore considered completed.

Jiangsu Dartong, a 25.58% owned associated company of the Group recorded contributions of approximately HK\$1,670,000 in the first half of 2011. As there was still one condition precedent of the disposal to be satisfied, the Company's investment in Jiangsu Dartong was still retained in the consolidated statement of financial position of the Group. The gain from the disposal would have been HK\$2,398,000 if the disposal had been based on the sale consideration of HK\$40,768,000 and the net asset value of Jiangsu Dartong of approximately HK\$38,370,000 as at 30 June 2010.

業務回顧(續)

(2) 鐘錶及時計產品一非自有品牌(續)

此等分銷公司不僅為本集團手錶提供額外分銷網路，同時亦藉由分銷其他知名本地及外國品牌賺取收入。憑藉與門市供應商及知名外國品牌之良好關係，預期分銷點數目及向本集團帶來之貢獻將快速增長。

(3) 漆包銅線業務

於二零一一年上半年，本集團擁有49%權益之共同控制實體福州大通分別貢獻約505,043,000港元收入及3,756,000港元除稅後純利。由於出售福州大通之所有先決條件已於二零一一年六月三十日達成，交易因而視為完成。

於二零一一年上半年，本集團擁有25.58%權益之聯營公司江蘇大通錄得貢獻約1,670,000港元。由於尚有一項出售先決條件有待達成，本公司於江蘇大通之投資仍保留在本集團綜合財務狀況表。若出售乃按出售代價40,768,000港元及截至二零一零年六月三十日江蘇大通約38,370,000港元之資產淨值為基準，則出售收益應為2,398,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

Business review (Continued)

(4) Investment in Citychamp Dartong Company Limited ("Citychamp Dartong")

During the half year under review, the Group recorded cash dividend of HK\$6,551,000 from Citychamp Dartong.

As at 30 June 2011, the Group owned 108,743,161 shares, accounts for 14.78% of the total capital of Citychamp Dartong. Based on the market price on 30 June 2011, the value of the share was HK\$1,218,447,000.

After the expiry of the lock-up period on 22 May 2010, the Company would consider to gradually sell the shares over a period of time.

(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 period under review.

(6) Motor yacht distribution

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. 1 motor yacht was sold during the six months ended 30 June 2011. The distribution of yachts not only enhances our premium price watch segment but also provides an opportunity for the Group to develop experience working with a well-known international brand.

管理層討論及分析

業務回顧(續)

(4) 於冠城大通股份有限公司(「冠城大通」)之投資

於回顧半年度內，本集團自冠城大通錄得現金股息6,551,000港元。

於二零一一年六月三十日，本集團擁有108,743,161股股份，佔冠城大通總股本14.78%。按於二零一一年六月三十日之市價為基準，股份價值為1,218,447,000港元。

於二零一零年五月二十二日禁售期屆滿後，本公司將考慮在一段時間內逐步出售有關股份。

(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，於回顧期內為本集團帶來穩定租金回報。

(6) 遊艇代理

本集團之全資附屬公司集城勝利有限公司(「集城」)成為Princess Yachts International plc於香港之獨家經銷商。截至二零一一年六月三十日止六個月已售出一艘遊艇。經銷遊艇不單可提高本集團在貴價手錶分類之形象，亦為本集團提供機遇，跟國際馳名之品牌合作，累積經驗。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial position

(1) Liquidity, financial resources and capital structure

As at 30 June 2011, the Group had non-pledged cash and bank balances of approximately HK\$422,647,000. Based on the bank loans of HK\$51,554,000 and shareholders' equity of HK\$3,443,516,000, the Group's gearing ratio (being loans divided by shareholders' equity) was 2%.

The Group's bank loans were denominated in Renminbi and Hong Kong dollars. As at 30 June 2011, the Group's bank loans amounting to HK\$51,554,000 were repayable within one year.

(2) Charge on Assets

Banking facilities of the Company were secured by the Group's investment properties in Tai Hang with carrying amount of approximately HK\$18,800,000 as at 30 June 2011.

(3) Capital commitments

The Group had no capital commitment as at 30 June 2011.

(4) Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2011.

財務狀況

(1) 流動資金、財務資源及資本結構

於二零一一年六月三十日，本集團有無抵押現金及銀行結存約422,647,000港元。按照銀行貸款51,554,000港元及股東權益3,443,516,000港元計算，本集團的資本負債率（即貸款除股東權益）為2%。

本集團的銀行貸款主要以人民幣及港元列值。於二零一一年六月三十日，本集團之銀行貸款51,554,000港元須於一年內償還。

(2) 資產抵押

於二零一一年六月三十日，本公司的銀行信貸以本集團在大坑賬面值約18,800,000港元的投資物業作抵押。

(3) 資本承擔

於二零一一年六月三十日，本集團並無資本承擔。

(4) 或然負債

於二零一一年六月三十日，本集團並無重大或然負債。

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\$348,725,000, an increase of 47% from HK\$237,486,000 for the same period last year. Gross profit margin remained substantially unchanged.

(2) Selling and distribution expenses

Selling and distribution expenses (continuing and discontinued operations) of HK\$138,562,000 were 43% higher than the same period last year. Such increase was in line with the increase in revenue. Rossini contributed selling and distribution expenses of HK\$64,000,000, while EBOHR contributed selling and distribution expenses of HK\$56,000,000.

(3) Administrative expenses

Administrative expenses (continuing and discontinued operations) of HK\$90,782,000 were 29% higher than the same period last year. Such increase was lower than the increase in revenue. Rossini contributed administrative expenses of HK\$12,000,000 while EBOHR contributed administrative expenses of HK\$14,000,000.

(4) Issue of new shares and grant of an option to subscribe for new shares

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.

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348,725,000港元，較去年同期之237,486,000港元上升47%。毛利率大致上維持不變。

(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138,562,000港元較去年同期上升43%。該增幅與收入增長貫徹一致。羅西尼產生64,000,000港元銷售及分銷費用，而依波精品產生56,000,000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90,782,000港元較去年同期增長29%。該增幅低於收入增長。羅西尼及依波精品分別產生行政費用12,000,000港元及14,000,000港元。

(4) 發行新股及授出認購新股之優先認購股份權

於二零一一年八月八日，本公司按每股發行價0.99港元發行10,000,000股股份，並按每份優先認購股份權1.21港元之優先認購股份權價格授出可認購最多210,000,000股股份之優先認購股份權。

MANAGEMENT DISCUSSION AND ANALYSIS

Prospects

Global financial markets are likely to remain volatile in the short term due to the fears regarding the growth outlook of the US and the European sovereign debt crisis.

Amidst widening investor concerns about the risk of Mainland China's hard landing, there have been recent announcements of favorable data of industrial production, fixed asset investment and retail sales. The resilient macroeconomic data suggest Mainland China reflects the continuous strength in the economic performance and remains on track to engineer a soft landing, despite the impact of monetary tightening and a temporary drag from power shortages.

It is the Government's target to increase the total retail sale to RMB30 trillion in 2015 from RMB16 trillion in 2010. As our business is retail and consumption related, we would undoubtedly benefit from relevant government policies.

The effort to increase the share of lower income groups in primary income distribution and rising prices of agricultural products, leading to faster income growth of rural and low-income urban residents. As the rural residents and low-income urban residents have higher marginal propensity to spend, their income growth will be the main driver for consumption for our watches of ordinary price. Urbanization and consumption upgrade will fuel demand of both low/mid-end luxury goods. China's urban population will exceed its rural population in 2015, with urbanization rate up from 49.7% to 55%. This will provide room for the continuous expansion of consumption and retail industry and demand for our watches of premium price such as Eterna, Porsche Design, PAMA, KANA, EBOHR Complication and other premium ranges of EBOHR and Rossini.

管理層討論及分析

前景

環球金融市場於短期內可能因憂慮美國增長前景及歐洲主權債務危機而繼續波動。

在越來越多投資者關注中國內地硬著陸風險之際，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。儘管受到貨幣緊縮之影響，加上短暫性受到電力不足問題之拖累，宏觀經濟數據反彈，顯示中國內地之經濟表現持續強勁，且仍處於籌劃軟著陸之正常軌道。

政府的目標為將總零售銷量由二零一零年人民幣16萬億元增加至二零一五年人民幣30萬億元。由於本集團業務與零售消費掛鉤，故本集團無疑定將受惠於相關政府政策。

政府致力提高初次收入分配結構內低收入群之分佈，加上農產品不斷上漲之價格，均加快農村及低收入城市居民之收入增長。由於農村居民及低收入城市居民具有更高邊際消費傾向，彼等之收入增長將會繼續為本集團普通價格手錶之主要消費動力。城市化及消費力提升，將推動低/中端奢侈品需求攀升。隨著城市化比率由49.7%上升至55%，中國城市人口將於二零一五年超越農村人口。此情況將為消費及零售業之持續擴展及高價手錶之需求帶來發展空間，高價手錶如綺年華、Porsche Design、帕瑪、卡納、EBOHR Complication以及依波精品與羅西尼之其他高端產品系列。

MANAGEMENT DISCUSSION AND ANALYSIS

Prospects (Continued)

The growth outlook in the near future continues to be good given the strong brands of Rossini, EBOHR and Swiss and Japanese brands, well-known all over Mainland China and aggressive outlet expansion in 2-tier, 3-tier and even to 4-tier cities that is estimated to be in the range of 15% to 20% annually. Coupled with the currently low per capita watch consumption, increasing income, rising urbanization and continuous consumption upgrade, the domestic watch market is promising and the Group will benefit from the continuous growth.

Looking ahead, our existing subsidiaries, focusing on both proprietary brands and non-proprietary brands, would continue the impressive organic growth through product, distribution and market development. In addition to Rangei sport line and EBOHR Complication, Rossini and EBOHR would introduce more new products to target additional market segments. They would continue their aggressive expansion of distribution outlets in the 2-tier, 3-tier and even 4-tier cities. At the same time, the distribution companies would also expand their brand image retail outlets aggressively. They would also bring in additional renowned brands so as to diversify the portfolio of brands and target to additional market segments in Mainland China. Given the current growth momentum and potential acquisitions, the proportion of revenue from non-proprietary brands would gradually increase.

管理層討論及分析

前景(續)

鑒於羅西尼、依波精品以及瑞士與日本品牌等強勢品牌在全中國內地知名度甚高，且有關銷售點在二、三線甚至四線城市以估計每年15%至20%之增幅大力擴張，故未來前景於短期內繼續理想。加上現時手錶人均消費量低、收入不斷上升、城市化進程加快及消費力持續提高，令國內手錶市場前途明朗，而本集團定將自不斷增長中獲益。

展望未來，本集團現時專注於自主品牌及非自主品牌之附屬公司將會通過產品、分銷及市場推廣發展，繼續達致令人滿意之自然增長。除Rangei運動系列及EBOHR Complication外，羅西尼及依波精品將會向額外的目標市場分部引入更多新穎產品。該等公司將會繼續在二、三線甚至四線城市積極擴充分銷點網絡。同時，分銷公司亦將大幅擴充其品牌概念零售店。彼等均會引進其他知名品牌，以豐富品牌組合，及對準中國內地其他市場分部。鑒於目前的增長勢頭及潛在收購事項，來自非自主品牌的收入比例將會逐步增加。

MANAGEMENT DISCUSSION AND ANALYSIS

Prospects (Continued)

The Group would put significant resources into Eterna so as to ensure the success of Eterna and Porsche Design watches and of the recently developed mechanical movements. Existing Eterna and Porsche Design watches would be distributed through currently over 150 brand image retail outlets of our distribution companies in Mainland China. At the same time, Eterna would design new watches that are particularly attractive to certain market segments in Mainland China. The plan is to present new product lines of watches and mechanical movements in the near future.

Swiss Chronometric would continue to strengthen and expand the sale network in Europe, US and Russia.

The Group would strive to identify and evaluate opportunities and execute deals in Mainland China and overseas that would further enhance the dominant position in the Mainland China watch industry and work towards to the ultimate goal to build a comprehensive portfolio of companies specializing in manufacturing watches and mechanical movement and distribution of the proprietary brands and non-proprietary brands in Mainland China and overseas.

管理層討論及分析

前景(續)

本集團將於綺年華投放重大資源，以確保綺年華及Porsche Design手錶以及最近開發之機械機芯成功發展。現有綺年華及Porsche Design手錶將會通過目前於中國內地超過150個品牌概念零售店分銷。同時，綺年華將會設計新款手錶，專門吸引中國內地若干市場分部。計劃目的是於短期內展示手錶及機械機芯之新產品線。

Swiss Chronometric將會繼續增強及擴展其於歐洲，美國及俄羅斯的銷售網路。

本集團將會致力識別及評估機會，並在中國內地與海外進行交易，以進一步鞏固本集團在中國內地手錶行業的領導地位，同時不斷努力，實踐最終目標，建立周全集團組合，雲集多家專門製造手錶與機械機芯以及分銷中國內地與海外自主品牌及非自主品牌手錶之公司。

MANAGEMENT DISCUSSION AND ANALYSIS

Employees and Remuneration Policy

As at 30 June 2011, the Group had approximately 2,500 full-time staff in Hong Kong and the PRC. The remuneration packages offered to the employees were determined and reviewed on an arm's length basis with reference to the market condition and individual performance. The Group also provides other benefits to its employees, including year end double pay, medical insurance and retirement benefits, and incentive bonus are offered with reference to the Group's operating results and employees' individual performance. All employees of the Group in Hong Kong have joined the provident fund schemes.

Foreign Exchange Risk

Majority of the Group's sales and purchases are denominated in RMB. Since the Group's bank borrowings are also mainly denominated in RMB and the Group has retained surplus funds in those currencies, such foreign exchange exposure is immaterial and could be effectively monitored.

Dividends and Closure of Register of Members

The Board has recommended the payment of an interim dividend of HK1 cent per share for the six months ended 30 June 2011 (six months ended 30 June 2010: HK1.5 cents).

The Register of members will be closed from 3 October 2011 to 7 October 2011, both days inclusive. In order to be eligible for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 30 September 2011.

管理層討論及分析

僱員及薪酬政策

本集團於二零一一年六月三十日在香港及中國內地僱用約2,500名全職員工。僱員薪酬待遇乃按公平基準，參考市場情況及個別表現制定及檢討。本集團亦為僱員提供其他福利，包括年終雙糧、醫療保險及退休福利，並視乎本集團經營業績及僱員個人工作表現向彼等發放獎金花紅。本集團全體香港僱員均已參加公積金計劃。

外匯風險

本集團買賣交易以人民幣列值。由於本集團之銀行借貸亦主要以人民幣列值，本集團之保留盈餘資金亦為此等貨幣，故有關外匯風險實屬微不足道，並可有效監控。

股息及暫停辦理股份過戶登記

董事會建議就截至二零一一年六月三十日止六個月派付中期股息每股1港仙(截至二零一零年六月三十日止六個月：1.5港仙)。

本公司將於二零一一年十月三日至二零一一年十月七日期間(包括首尾兩日)暫停辦理股份過戶登記。為符合資格獲派中期股息，所有填妥之過戶表格連同相關股票須最遲於二零一一年九月三十日下午四時三十分送達本公司之股份過戶登記處卓佳秘書商務有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

MANAGEMENT DISCUSSION AND ANALYSIS

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

As at 30 June 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"), were as follows:

(a) Ordinary shares of HK\$0.10 each of the Company

As at 30 June 2011, certain Directors of the Company held long positions in the shares of the Company as follows:

Name of director 董事姓名	Capacity and nature of interest 身分及權益性質
Hon Kwok Lung 韓國龍	Through controlled corporations 透過受控制公司 Beneficial owner 實益擁有人
Shang Jianguang 商建光	Beneficial owner 實益擁有人
Shi Tao 石濤	Beneficial owner 實益擁有人
Lam Toi Man 林代文	Beneficial owner 實益擁有人
Fung Tze Wa 馮子華	Beneficial owner 實益擁有人
Kwong Chun Wai, Michael 鄭俊偉	Beneficial owner 實益擁有人

管理層討論及分析

董事及主要行政人員於股份及相關股份之權益及淡倉

於二零一一年六月三十日，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：

(a) 本公司每股面值0.10港元之普通股

於二零一一年六月三十日，若干本公司董事於本公司股份持有好倉如下：

Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
2,545,177,515 (note) (附註)	61.39%
2,275,000	0.05%
<hr/> 2,547,452,515 <hr/>	<hr/> 61.44% <hr/>
5,200,000	0.13%
3,250,000	0.08%
2,275,000	0.05%
2,100,000	0.05%
2,275,000	0.05%

MANAGEMENT DISCUSSION AND ANALYSIS

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares (Continued)

(a) Ordinary shares of HK\$0.10 each of the Company (Continued)

Note:

795,177,515 shares of the Company are held by Sincere View International Limited ("Sincere View"), which is owned as to 80% and 20% by Mr. Hon Kwok Lung and his wife, Ms. Lam Suk Ying, respectively. 1,750,000,000 shares were held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung.

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of shares of 2,545,177,515 held by Sincere View and Full Day.

(b) Share options of the Company

Certain directors of the Company personally hold options to subscribe for ordinary shares of the Company. Details of such options are disclosed under the paragraph "Share Option Scheme" below. These share options were granted pursuant to the terms of the share option scheme adopted by the Company on 30 May 2008.

Save as disclosed above, as at 30 June 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.

管理層討論及分析

董事及主要行政人員於股份及相關股份之權益及淡倉(續)

(a) 本公司每股面值0.10港元之普通股(續)

附註：

795,177,515股本公司股份由信景國際有限公司(「信景」)持有，而韓國龍先生及彼之妻子林淑英女士分別擁有信景80%及20%權益。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。

韓國龍先生及林淑英女士被視作於信景及朝豐所持同一批2,545,177,515股股份中擁有權益。

(b) 本公司優先認購股份權

若干本公司董事以個人身分持有可認購本公司普通股之優先認購股份權。該等優先認購股份權詳情於下文「優先認購股份權計劃」一段披露。此等優先認購股份權乃根據本公司於二零零八年五月三十日採納之優先認購股份權計劃之條款授出。

除上文披露者外，於二零一一年六月三十日，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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Share Option Scheme

The following table discloses movements in the company's share options for the six months ended 30 June 2011:

優先認購股份權計劃

下表披露本公司優先認購股份權於截至二零一一年六月三十日止六個月之變動：

Name of category of participants	Number of share options		
	At 1 January 2011	Movement during the period	At 30 June 2011
參與者姓名及類別	於二零一一年一月一日	期內變動	於二零一一年六月三十日
Executive directors	執行董事		
Hon Kwok Lung	2,450,000	(1,225,000)	1,225,000
Shang Jianguang	5,600,000	(2,800,000)	2,800,000
Shi Tao	3,500,000	(1,750,000)	1,750,000
Lam Toi Man	2,450,000	(1,225,000)	1,225,000
Independent non-executive directors	獨立非執行董事		
Fung Tze Wa	2,450,000	(1,050,000)	1,400,000
Kwong Chun Wai, Michael	2,450,000	(1,225,000)	1,225,000
Li Qiang	3,500,000	-	3,500,000
Sub-total	22,400,000	(9,275,000)	13,125,000
Other eligible employees	其他合資格僱員		
In aggregate	45,430,000	(20,070,000)	25,360,000
Other eligible persons	其他合資格人士		
In aggregate	60,080,000	(26,565,000)	33,515,000
Total	127,910,000	(55,910,000)	72,000,000

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Substantial Shareholders' Interests in Shares and Underlying Shares

As at 30 June 2011, the following persons hold interests of 5% or more of the issued share capital of the Company, as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long Position:

主要股東於股份及相關股份之權益

於二零一一年六月三十日，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：

好倉：

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
股東名稱／姓名	身分及權益性質	所持普通股數目	
Full Day 朝豐	Directly beneficially owned 直接實益擁有	1,750,000,000	42.21%
Sincere View 信景	Directly beneficially owned 直接實益擁有	795,177,515	19.18%
Hon Kwok Lung 韓國龍	Deemed interest 視作擁有權益	2,545,177,515	61.39%
	Beneficial owner 實益擁有人	2,275,000	0.05%
		<u>2,547,452,515</u>	<u>61.44%</u>
Lam Suk Ying 林淑英	Deemed interest 視作擁有權益	2,547,452,515	61.44%
Keywise Capital Management (HK) Limited 凱思博投資管理（香港）有限公司	Investment manager 投資經理	377,716,000	9.11%

MANAGEMENT DISCUSSION AND ANALYSIS

Substantial Shareholders' Interests in Shares and Underlying Shares (Continued)

As Mr. Hon Kwok Lung owns 100% and 80% of Full Day and Sincere View respectively, he is deemed to be interested in the total of 2,545,177,515 shares held by Full Day and Sincere View under Part XV of the SFO. Mr. Hon Kwok Lung is a director of both Full Day and Sincere View. Ms. Lam Suk Ying, being Mr. Hon Kwok Lung's spouse, is also deemed to be interested in the total of 2,547,452,515 shares held by Mr. Hon Kwok Lung (2,545,177,515 shares held by Full Day and Sincere View and 2,275,000 shares held by himself).

Save as disclosed above, as at 30 June 2011, no other 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 the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Code of Corporate Governance Practices

In the opinion of the directors, the Company has complied with all the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2011, except with the details disclosed below:

Code E.1.2

Code E.1.2 stipulates that the Chairman of the board of directors should attend the annual general meeting of the Company. The Chairman of the Board was unable to attend the annual general meeting of the Company held on 27 May 2011 due to his business trip outside Hong Kong.

管理層討論及分析

主要股東於股份及相關股份之權益 (續)

由於韓國龍先生分別擁有朝豐及信景100%及80%權益，根據證券及期貨條例第XV部，彼被視作於朝豐及信景所持合共2,545,177,515股股份中擁有權益。韓國龍先生為朝豐及信景之董事。林淑英女士作為韓國龍先生之配偶亦被視作於韓國龍先生所持合共2,547,452,515股股份(2,545,177,515股由朝豐及信景持有，及2,275,000股由彼本身持有)中擁有權益。

除上文披露者外，於二零一一年六月三十日，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，概無任何其他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。

企業管治常規守則

董事認為，除下文詳盡披露者外，本公司於截至二零一一年六月三十日止六個月期間一直遵守聯交所證券上市規則(「上市規則」)附錄14載列之《企業管治常規守則》所有守則條文：

守則第E.1.2條

守則第E.1.2條訂明董事會主席須出席本公司股東週年大會。由於董事會主席離港公幹，故無法出席本公司於二零一一年五月二十七日舉行之股東週年大會。

MANAGEMENT DISCUSSION AND ANALYSIS

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2011.

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 on Corporate Governance Practices. The Remuneration Committee currently comprises 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.

Audit Committee

The audit committee comprises the three existing independent non-executive directors of the Company. The audit committee reviewed the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the Unaudited Interim Financial Statements for the six months ended 30 June 2011. The audit committee also reviewed and commented internal audit reports of subsidiaries and associates and adequacy of resources, qualifications, experience and training of staff engaged in the accounting and financial report function.

管理層討論及分析

董事進行證券交易的標準守則

本公司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。按向本公司董事作出之特定查詢，董事在截至二零一一年六月三十日止六個月均一直遵守標準守則所載列規定準則。

薪酬委員會

本公司已於二零零五年八月二十三日按照上市規則成立薪酬委員會（「薪酬委員會」），經本公司董事會採納之職權範圍與企業管治常規守則之規定一致。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）、鄭俊偉博士及李強先生以及董事會主席韓國龍先生及行政總裁商建光先生組成。

審核委員會

審核委員會由本公司三名現有獨立非執行董事組成。審核委員會已審閱本集團採納之會計原則及慣例並討論內部監控及財務報告事宜，包括審閱截至二零一一年六月三十日止六個月之未經審核中期財務報表。審核委員會亦已檢討及評價附屬公司及聯營公司之內部審核報告，以及資源充足度、從事會計及財務申報職能之員工資歷、經驗及培訓。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Purchase, Sale or Redemption of Shares

For the six months ended 30 June 2011, the Company repurchased 15,630,000 issued ordinary shares on The Stock Exchange of Hong Kong Limited. These repurchased shares were cancelled on 11 July 2011.

購買、出售或贖回股份

截至二零一一年六月三十日止六個月，本公司於香港聯合交易所有限公司購回15,630,000股已發行普通股。所購回股份於二零一一年七月十一日註銷。

Month of repurchase 購買月份	Number of shares repurchased 所購回股份數目	Highest price per share 每股最高價 HK\$ 港元	Lowest price per share 每股最低價 HK\$ 港元	Aggregate price paid 已付價格總額 HK\$'000 千港元
June 2011 二零一一年六月	15,630,000	1.05	0.99	15,925,320

Apart from the above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period under review.

除上述者外，本公司或其任何附屬公司於回顧期間內概無購買、出售或贖回本公司任何上市股份。

Appreciation

The Group's remarkable achievements and 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.

致意

本集團於過去期間成就及表現均優秀，全賴管理層和全體僱員竭誠工作。本人謹藉此機會對本集團僱員、客戶、各往來銀行、專業顧問及股東之鼎力支持致以衷心感謝。

By order of the Board
Hon Kwok Lung
Chairman

承董事會命
主席
韓國龍

CHINA HAIDIAN HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 30 June 2011

簡明綜合全面收入表

截至二零一一年六月三十日止六個月

		Six months ended 30 June 六月三十日止六個月	
		2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)	2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Continuing operations:	持續經營業務：		
Revenue	收入	6	362,216
Cost of sales	銷售成本		(138,692)
			<hr/>
Gross profit	毛利		223,524
Other income	其他收入		1,465
Selling and distribution expenses	銷售及分銷費用		(94,539)
Administrative expenses	行政費用		(66,740)
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額		-
			<hr/>
Gain/(Loss) on fair value changes in financial assets at fair value through profit or loss, net	按公平價值計入溢利或虧損之金融資產公平價值變動之收益/(虧損)淨額		(1,746)
Gain on disposal of an associate	出售一間聯營公司之收益	10	177,711
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	17	5,172
Finance costs	財務費用	7	(557)
Share of profit of associates	應佔聯營公司溢利		1,798
			<hr/>
Profit before income tax	除所得稅前溢利	8	246,088
Income tax expense	所得稅開支	9	(49,511)
			<hr/>
Profit after income tax from continuing operations	持續經營業務除所得稅後溢利		196,575
Discontinued operations:	已終止經營業務：		
(Loss)/Profit for the period from discontinued operations	已終止經營業務之本期間(虧損)/溢利	11.3	4,245
			<hr/>
Profit for the period	本期間溢利		200,822
			<hr/>

**CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME (Continued)**

For the Six Months Ended 30 June 2011

簡明綜合全面收入表(續)

截至二零一一年六月三十日止六個月

		Six months ended 30 June	
		六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
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	24,490	4,854
- Changes in fair value of available-for-sale financial assets	- 可供出售金融資產公平價值變動	105,429	(458,203)
		129,919	(453,349)
Other comprehensive income for the period	本期間其他全面收入	129,919	(453,349)
Total comprehensive income for the period	本期間全面收入總額	294,384	(252,527)
Profit for the period attributable to:	以下人士應佔本期間溢利：		
Owners of the Company	本公司擁有人	155,246	196,501
Non-controlling interests	非控股權益	9,219	4,321
		164,465	200,822
Total comprehensive income for the period attributable to:	以下人士應佔本期間全面收入總額：		
Owners of the Company	本公司擁有人	284,119	(257,027)
Non-controlling interests	非控股權益	10,265	4,500
		294,384	(252,527)

CHINA HAIDIAN HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the Six Months Ended 30 June 2011

簡明綜合全面收入表(續)

截至二零一一年六月三十日止六個月

		Six months ended 30 June	
		六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Notes		
	附註		
Earnings/(loss) per share attributable to owners of the Company during the period	本公司擁有人應佔本期間每股盈利/(虧損)		
	13		
From continuing and discontinued operations	由持續經營業務及已終止經營業務		
- Basic	- 基本	HK cents 3.76港仙	HK cents 5.46港仙
- Diluted	- 攤薄	HK cents 3.68港仙	HK cents 5.35港仙
From continuing operations	由持續經營業務		
- Basic	- 基本	HK cents 3.80港仙	HK cents 5.34港仙
- Diluted	- 攤薄	HK cents 3.71港仙	HK cents 5.24港仙
From discontinued operations	由已終止經營業務		
- Basic	- 基本	HK cent (0.04)港仙	HK cent 0.12港仙
- Diluted	- 攤薄	N/A不適用	HK cent 0.11港仙

**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

As at 30 June 2011

簡明綜合財務狀況表

於二零一一年六月三十日

			30 June 2011 二零一一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2010 二零一零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	209,296	87,777
Investment properties	投資物業	15	157,471	87,712
Prepaid land lease payments	預付土地租賃款項	14	28,298	27,980
Goodwill	商譽	16	629,805	621,382
Interests in associates	所佔聯營公司權益		162	158
Available-for-sale financial assets	可供出售金融資產	17	1,218,524	1,113,095
Intangible assets	無形資產		11,020	10,397
Prepayments and deposits	預付款項及訂金		28,491	2,397
Deferred tax assets	遞延稅項資產		1,280	1,250
			2,284,347	1,952,148
Current assets	流動資產			
Inventories	存貨	18	746,945	428,831
Trade and bill receivables	應收賬款及票據	19	174,858	113,762
Prepaid land lease payments	預付土地租賃款項	14	678	667
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		179,929	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		99,976	91,764
Due from related companies	應收關連公司款項		861	-
Cash and cash equivalents	現金及現金等價物		422,647	837,872
			1,625,894	1,633,865
Non-current assets held for sale	持作出售之非流動資產	11.1	45,399	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	11.2	-	257,344
			1,671,293	1,934,938

CHINA HAIDIAN HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2011

簡明綜合財務狀況表(續)

於二零一一年六月三十日

			30 June 2011 二零一一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2010 二零一零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current liabilities	流動負債			
Trade and bill payables	應付賬款及票據	20	191,418	123,696
Other payables and accruals	其他應付款及應計費用		185,838	135,846
Dividend payables	應付股息		559	644
Tax payables	應付稅項		28,826	86,726
Borrowings	借貸	21	51,554	35,353
Due to related companies	應付有關連公司欠款		155	26,230
			458,350	408,495
Liabilities of a disposal group classified as held for sale	分類為持作出售之 出售組別負債	11.2	-	164,704
			458,350	573,199
Net current assets	流動資產淨值		1,212,943	1,361,739
Net assets	資產淨值		3,497,290	3,313,887
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本		414,598	409,007
Proposed dividends	擬派股息		41,460	143,153
Reserves	儲備		2,987,458	2,732,622
			3,443,516	3,284,782
Non-controlling interests	非控股權益		53,774	29,105
Total equity	權益總額		3,497,290	3,313,887

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the Six Months Ended 30 June 2011

截至二零一一年六月三十日止六個月

Equity attributable to Owners of the Company 本公司擁有人應佔權益		Goodwill		Statutory reserves* 法定儲備	Exchange reserve* 外匯撥備	Investment revaluation reserves* 投資重估撥備		Retained profits* 保留溢利	Proposed dividends 擬派股息	Total	Non-controlling interests 非控股權益	Total equity 權益總額	
		Other reserve* 其他儲備	arising on consolidation* 於合併時產生			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		Share capital 股本	Share premium account* 溢利撥備	Share option reserve* 股份購權儲備	Other reserve* 其他儲備	arising on consolidation* 於合併時產生	Statutory reserves* 法定儲備	Exchange reserve* 外匯撥備	Investment revaluation reserves* 投資重估撥備	Retained profits* 保留溢利	Proposed dividends 擬派股息	Total 總計	Total equity 權益總額
		354,268	447,848	16,440	-	(13,300)	23,970	23,855	756,929	1,188,524	145,250	2,941,784	2,958,266
Transactions with owners													
Proceeds from placement of shares 發行股份所得款項		10,682	56,416	-	15,160	-	-	-	-	-	-	82,248	82,248
Proceeds from shares issued under share option scheme 根據股份購權計劃發行股份所得款項		4,595	10,318	(6,954)	-	-	-	-	-	-	-	14,903	14,903
Excess of share options 行使股份購權溢利		-	6,954	-	-	-	-	-	-	-	-	-	-
Recognition of equity-settled share based compensation 確認以股本為基礎之股份酬金		-	-	3,815	-	-	-	-	-	-	-	3,815	3,815
Dividends paid to non-controlling interests 向非控股權益支付股息		-	-	-	-	-	-	-	-	-	(2,851)	(2,851)	(2,851)
Approval of final 2009 dividend (note 12.2) 批准二零零九年末期股息		-	-	-	-	-	-	(145,250)	-	-	-	(145,250)	(145,250)
Additional final 2009 dividend (note 12.2) 額外二零零九年末期股息		-	-	-	-	-	-	-	-	-	-	(6,239)	(6,239)
Total transactions with owners		15,267	67,419	(3,139)	15,160	-	-	(145,250)	-	-	-	(50,543)	(53,394)
Comprehensive income													
Profit for the period 本期間溢利		-	-	-	-	-	-	-	-	196,501	-	196,501	200,822
Other comprehensive income													
Exchange gain on translation of financial statements of foreign operators 換算外幣財務報表產生之匯兌收益		-	-	-	4,675	-	-	4,675	-	-	-	4,675	4,854
Changes in fair value of available-for-sale financial assets 可供出售金融資產之公平價值變動		-	-	-	-	(458,203)	-	(458,203)	-	-	-	(458,203)	(458,203)
Total comprehensive income		-	-	-	4,675	-	-	4,675	-	196,501	-	(257,027)	(252,377)
Proposed interim 2010 dividend (note 12.1) 擬派二零一零年中期股息		-	(55,600)	-	-	-	-	-	-	-	-	-	-
At 30 June 2010		369,535	459,827	13,301	15,160	(13,300)	23,970	28,530	298,726	1,385,025	55,430	2,634,214	2,632,945

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the Six Months Ended 30 June 2011

簡明綜合權益變動表(續)

截至二零一一年六月三十日止六個月

Equity attributable to Owners of the Company 本公司擁有人應佔權益		Share capital 股本	Share premium account* 股份溢價賬*	Share option reserve* 購股權儲備*	Other reserve* 其他儲備*	Goodwill arising on consolidation* 綜合商標*	Statutory reserves* 法定儲備*	Exchange reserve* 外匯儲備*	Investment revaluation reserves* 重估儲備*	Retained profits* 保留溢利*	Proposed dividends 建議股息	Total	Non-controlling interests 非控股權益	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
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
At 1 January 2011 於二零一一年一月一日		403,007	844,561	16,421	15,160	(15,300)	27,714	52,240	428,306	1,363,020	143,153	3,284,782	29,105	3,313,887
Transactions with owners 與擁有人之交易														
Proceeds from shares issued 發行股本所得款項		5,591												
Exercise of share options 行使購股權			8,479	(8,479)										
Recognition of equity-settled share based compensation 以權益為基礎之股份酬金														
Capital contribution from non-controlling interests 非控股權益注資				1,488								1,488		1,488
Acquisition of additional interests in a subsidiary 收購一間附屬公司額外權益													16,849	16,849
Approval of final 2010 dividend (附註 12.2)													2,445	(2,445)
Additional final 2010 dividend (附註 12.2)			(1,891)								(143,153)	(143,153)		(143,153)
														(1,891)
Total transactions with owners 與擁有人之交易總額		5,591	19,168	(6,991)							(143,153)	(125,385)	14,404	(110,981)
Comprehensive income 全面收入														
Profit for the period 本期溢利										155,246		155,246	9,219	164,465
Other comprehensive income 其他全面收入														
Exchange gain on translation of financial statements of foreign operations 外幣兌換收益								23,444						23,444
Changes in fair value of available-for-sale financial assets 可供出售金融資產公平值變動									108,429			108,429		108,429
Total comprehensive income 全面收入總額										155,246		155,246	10,265	165,511
Proposed interim 2011 dividend (附註 12.1)											41,460	41,460		41,460
At 30 June 2011 於二零一一年六月三十日		414,598	822,899	9,430	15,160	(15,300)	27,714	75,684	534,735	1,518,266	41,460	3,443,516	53,774	3,497,290

* These reserve accounts comprise the consolidated reserves of HK\$2,987,458,000 (31 December 2010: HK\$2,732,622,000) in the condensed consolidated statement of financial position.
該等儲備賬目組成簡明綜合財務狀況表內之綜合儲備2,987,458,000港元(二零一零年十二月三十一日: 2,732,622,000港元)。

**CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS**

For the Six Months Ended 30 June 2011

簡明綜合現金流量表

截至二零一一年六月三十日止六個月

		Six months ended 30 June	
		六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Net cash outflow from operating activities of continuing and discontinued operations	持續經營及已終止經營業務之經營活動產生之現金流出淨額	(214,097)	(171,071)
Net cash outflow from investing activities of continuing and discontinued operations	持續經營業務及已終止經營業務之投資活動產生之現金流出淨額	(193,249)	(8,144)
Net cash (outflow)/inflow from financing activities of continuing and discontinued operations	持續經營業務及已終止經營業務之融資活動產生之現金(流出)/流入淨額	(63,856)	116,145
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(471,202)	(63,070)
Cash and cash equivalents at beginning of period	期初之現金及現金等價物	872,642	253,617
Effect of foreign exchange rate changes, net	匯率變動影響淨額	21,207	1,127
Cash and cash equivalents at end of period	期末之現金及現金等價物	422,647	191,674
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結存	422,647	198,657
Bank overdrafts	銀行透支	-	(6,983)
		422,647	191,674

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註

截至二零一一年六月三十日止六個月

1. GENERAL INFORMATION

As disclosed in notes 1 and 12 to the financial statements of the Group for the year ended 31 December 2010 (the "2010 Annual Financial Statements"), in December 2010, the Group's management committed to sell its 49% equity interests in a jointly controlled entity, 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"). Fuzhou Dartong and Jiangsu Dartong were principally engaged in the manufacture and distribution of enamelled copper wires.

As at 30 June 2011, the Group completed the disposal of its 49% equity interest in Fuzhou Dartong for a consideration of HK\$93,342,000, while the disposal of the 25.58% equity interests in Jiangsu Dartong was still in progress.

As the enamelled copper wires business carried out by Fuzhou Dartong (the "Discontinued Enamelled Copper Wires Business") represented components of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represented the separate major lines of businesses, the Group presented, in its unaudited condensed consolidated interim financial statements for the six months ended 30 June 2011 (the "Unaudited Interim Financial Statements"), the operations of the Enamelled Copper Wires Business as discontinued operations in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 5 – Discontinued Operations.

1. 一般資料

誠如本集團截至二零一零年十二月三十一日止年度財務報表(「二零一零年年度財務報表」)附註1及12所披露，於二零一零年十二月，本集團管理層落實出售其於一間共同控制實體福州大通機電有限公司(「福州大通」)之49%股權及其於一間聯營公司江蘇大通機電有限公司(「江蘇大通」)之25.58%股權。福州大通及江蘇大通主要從事漆包銅線製造及分銷業務。

於二零一一年六月三十日，本集團已完成出售福州大通之49%股權，代價為93,342,000港元，出售江蘇大通25.58%股權則仍在進行。

由於福州大通進行之漆包銅線業務(「已終止漆包銅線業務」)曾為本集團業務一部分，其營運及現金流可與本集團餘下業務清晰區分並為一條獨立業務主線，本集團根據香港財務申報準則(「香港財務申報準則」)第5號—已終止經營業務，於其截至二零一一年六月三十日止六個月之未經審核簡明綜合中期財務報表(「未經審核中期財務報表」)呈列漆包銅線業務為已終止經營業務。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

1. GENERAL INFORMATION (Continued)

The interests in Jiangsu Dartong as at 30 June 2011 was continued to be presented under non-current asset held for sale in the condensed consolidated statement of financial position of the Group in accordance with HKFRS 5.

2. BASIS OF PREPARATION

The Unaudited Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure provisions in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Unaudited Interim 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.

The Unaudited Interim Financial Statements for the six months ended 30 June 2011 was approved for issue by the board of directors on 23 August 2011.

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

1. 一般資料(續)

江蘇大通於二零一一年六月三十日之權益繼續按香港財務申報準則第5號於本集團簡明綜合財務狀況表呈列為持作出售之非流動資產。

2. 編製基準

未經審核中期財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露條文編製。

未經審核中期財務報表乃以本公司功能貨幣港元(「港元」)呈列，除另有註明外，所有價值均調整至最接近千位(「千港元」)。

截至二零一一年六月三十日止六個月之未經審核中期財務報表已獲董事會於二零一一年八月二十三日批准刊發。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Unaudited Interim Financial Statements have been prepared in accordance with the accounting policies and method of comparatives used in the 2010 Annual Financial Statements, except for the adoption of the new or amended HKFRSs, which include individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (“Int”). The adoption of these new and revised HKFRSs has had no material impact on the Group’s financial statements. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective. The Unaudited Interim Financial Statements should be read in conjunction with the 2010 Annual Financial Statements.

4. CRITICAL ACCOUNTING JUDGEMENTS

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.

3. 主要會計政策概要

除採納新訂或經修訂香港財務申報準則，包括個別香港財務申報準則、香港會計準則(「香港會計準則」)及詮釋(「詮釋」)外，未經審核中期財務報表乃根據本公司二零一零年年度財務報表所用之會計政策及比較方法編製。採納新訂及經修訂香港財務申報準則並無對本集團之財務報表構成重大影響。本集團並無提早採納任何已頒佈但尚未生效之新訂香港財務申報準則。未經審核中期財務報表應與二零一零年年度財務報表一併閱讀。

4. 關鍵會計判斷

在應用本集團之會計政策時，董事須就其他資料並無明確透露之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設按過往經驗及其他視為相關之因素作出。實際結果可能與該等估計不同。本集團持續審閱估計數字及相關假設。倘修訂會計估計僅影響某一期間，則於修訂有關估計之期間確認修訂，倘修訂影響目前及未來期間，則於作出修訂及未來期間均須確認有關修訂。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

4. CRITICAL ACCOUNTING JUDGEMENTS (Continued)

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

Estimated impairment of goodwill

The Group tests on an annual basis whether goodwill has suffered any impairment. The recoverable amounts of the cash generating units 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 cash generating units, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value.

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.

4. 關鍵會計判斷(續)

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。下文闡述具導致下個財政期間之資產及負債賬面值須作重大調整之主要風險之估計及假設：

商譽估計減值

本集團每年測試商譽有否減值。現金產生單位之可收回金額按所計算之使用價值釐定。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。

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，亦會影響撥備於估計有變期間之扣除／撥回。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

4. CRITICAL ACCOUNTING JUDGEMENTS (Continued)

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.

5. 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 are as follows:

- (a) manufacture and distribution of watches and timepieces;
- (b) property investment; and
- (c) distribution of yacht.

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

4. 關鍵會計判斷(續)

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)。

5. 分類資料

主要營運決策者已認定為執行董事。執行董事已將本集團產品及服務劃分為以下經營分類：

- (a) 鐘錶及時計產品製造及分銷；
- (b) 物業投資；及
- (c) 遊艇經銷。

此等經營分類按經調整分類經營業績監控及作出策略決定。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

Inter-segment sales are charged at prevailing market prices.

5. 分類資料(續)

分類間銷售按現行市場價格收費。

		Six months ended 30 June 2011 二零一一年六月三十日止六個月			
		Watches and timepieces 鐘錶及時計產品 HK\$'000 千港元 (Unaudited) (未經審核)	Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核)	Yacht 遊艇 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue and income:	分類收入及收益：				
Sales to external customers	向外界客戶銷售	566,874	4,890	4,147	575,911
Other income	其他收入	1,669	4,677	-	6,346
Total	總計	568,543	9,567	4,147	582,257
Segment results	分類業績	145,726	68,740	(1,752)	212,714
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				(14,226)
Share of profit of associates	應佔聯營公司溢利				198,488
Finance costs	財務費用				1,670
Equity-settled share-based compensation	以股本結算之股份補償				(1,747)
Profit before income tax	除所得稅前溢利				196,923
Income tax expense	所得稅開支				(30,998)
Profit for the period from continuing operations	持續經營業務之本期間溢利				165,925
Loss for the period from discontinued operations (note 11.3)	已終止經營業務之本期間虧損(附註11.3)				(1,460)
Profit for the period	本期間溢利				164,465

CHINA HAIDIAN HOLDINGS LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

		Six months ended 30 June 2010 二零一零年六月三十日止六個月			
		Watches and timepieces 鐘錶及 時計產品 HK\$'000 千港元 (Unaudited) (未經審核)	Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核)	Yacht 遊艇 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue and income:	分類收入及收益：				
Sales to external customers	向外界客戶銷售	346,818	5,707	9,691	362,216
Other income	其他收入	381	961	112	1,454
Total	總計	347,199	6,668	9,803	363,670
Segment results	分類業績	94,611	584	(40)	95,155
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				(24,204)
Share of profit of associates	應佔聯營公司溢利				70,951
Gain on disposal of an associate	出售一間聯營公司之收益				1,798
Finance costs	財務費用				177,711
Equity-settled share-based compensation	以股本結算之股份補償				(557)
Profit before income tax	除所得稅前溢利				(3,815)
Income tax expense	所得稅開支				246,088
Profit for the period from continuing operations	持續經營業務之本期間溢利				(49,511)
Profit for the period from discontinued operations (note 11.3)	已終止經營業務之本期間溢利(附註11.3)				196,577
Profit for the period	本期間溢利				4,245
					200,822

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

Management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office. Over 90% of the Group's revenues from external customers and non-current assets (other than financial instruments and deferred tax assets) are attributable to a single geographical region, which is the People's Republic of China ("PRC").

5. 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。本集團超過90%來自外界客戶之收入及非流動資產(金融工具及遞延稅項資產除外)屬於單一地區，即中華人民共和國(「中國」)。

6. 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 period is as follows:

6. 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。期內確認之收入如下：

Continuing operations

Sale of goods

Gross rental income

持續經營業務

貨品銷售

租金收入總額

Six months ended 30 June

六月三十日止六個月

	2011	2010
	二零一一年	二零一零年
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
	571,021	356,509
	4,890	5,707
	575,911	362,216

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

7. FINANCE COSTS

7. 財務費用

Six months ended 30 June

六月三十日止六個月

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

Continuing operations

Interests on bank and other loans wholly repayable within five years

持續經營業務

須於五年內悉數償付之銀行及其他貸款之利息

1,747

557

8. PROFIT BEFORE INCOME TAX

The Group's profit before income tax was arrived at after charging:

8. 除所得稅前溢利

本集團之除所得稅前溢利已扣除下列各項：

Six months ended 30 June

六月三十日止六個月

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

Continuing operations

Depreciation
Amortisation of prepaid land lease payments

持續經營業務

折舊
預付土地租賃款項攤銷

8,555

7,683

356

119

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (Six months ended 30 June 2010: Nil).

The subsidiaries established in the PRC are subject to income taxes ranging between 13% and 25% (Six months ended 30 June 2010: between 20% and 25%). Income tax on overseas profit has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

10. GAIN ON DISPOSAL OF AN ASSOCIATE

During the six months ended 30 June 2010, the Group had disposed of its 30% equity interests in an associate, Guanyang Real Estate Co., Limited to an independent third party for a cash consideration of RMB 186,000,000 (equivalent to HK\$211,353,000). A gain on disposal of HK\$177,711,000 had been recognised in the profit or loss for the six months ended 30 June 2010 accordingly.

9. 所得稅開支

由於本集團於期內並無在香港產生任何應課稅溢利，故並無就香港利得稅作出撥備(二零一零年六月三十日止六個月：無)。

於中國成立之附屬公司須按介乎13%至25%(二零一零年六月三十日止六個月：介乎20%至25%)之稅率繳納所得稅。海外溢利之所得稅乃就期內估計應課稅溢利按本集團經營業務所在國家之現行稅率計算。

10. 出售一間聯營公司之收益

於截至二零一零年六月三十日止六個月，本集團向一名獨立第三方出售其於聯營公司冠洋房地產有限公司之30%股權，現金代價為人民幣186,000,000元(相當於211,353,000港元)。出售收益177,711,000港元已相應於截至二零一零年六月三十日止六個月之損益確認。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

11. NON-CURRENT ASSETS HELD FOR SALE/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/ DISCONTINUED OPERATIONS

11.1 Non-Current Assets Held for Sale

As mentioned in note 1, in December 2010, the Group's management committed to dispose of its 25.58% equity interests in Jiangsu Dartong. In accordance with HKFRS 5, the interests in Jiangsu Dartong had been included in non-current assets held for sale in the statement of financial position of the Group and the Company since December 2010.

As at 30 June 2011, the disposal of Jiangsu Dartong was not completed and still subject to approval from relevant PRC government authorities. Subsequent to the reporting date, on 14 July 2011, the Group has obtained approval from relevant government authorities and the disposal of Jiangsu Dartong was completed on the same day.

11. 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

11.1 持作出售之非流動資產

誠如附註1所述，於二零一零年十二月，本集團管理層落實出售其於江蘇大通之25.58%股權。根據香港財務申報準則第5號，江蘇大通之權益已自二零一零年十二月起列入本集團及本公司之財務狀況表之持作出售之非流動資產內。

於二零一一年六月三十日，江蘇大通之出售尚未完成，且仍待相關中國政府機關批准。於報告日後，在二零一一年七月十四日，本集團取得有關政府機關批准，並於同日完成出售江蘇大通。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

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

11.2 Assets of a Disposal Group Classified As Held for Sale

As mentioned in note 1, the Group's management committed to dispose of its 49% equity interest in Fuzhou Dartong. The assets and liabilities of Fuzhou Dartong were presented under assets or liabilities of a disposal group classified as held for sale as at 31 December 2010.

As at 30 June 2011, the disposal of Fuzhou Dartong was completed. Details of the unaudited results of the Discontinued Enamelled Business was set out in note 11.3.

11. 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)

11.2 分類為持作出售之出售組別資產

誠如附註1所述，本集團管理層落實出售其於福州大通之49%股權。福州大通之資產與負債於二零一零年十二月三十一日在分類為持作出售之出售組別資產或負債項下呈列。

於二零一一年六月三十日，福州大通出售已完成。已終止漆包銅線業務之未經審核業績之詳情載於附註11.3。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

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

11.3 Discontinued Operations

An analysis of the unaudited results of the Discontinued Enamelled Business for the periods was as follows:

11. 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)

11.3 已終止經營業務

期內，已終止漆包銅線業務之未經審核業績分析如下：

		Six months ended 30 June 六月三十日止六個月	
		2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)	2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收入	505,043	349,845
Cost of sales	銷售成本	(489,238)	(335,883)
Gross profit	毛利	15,805	13,962
Other income	其他收入	568	78
Selling and distribution expenses	銷售及分銷費用	(1,905)	(2,085)
Administrative expenses	行政費用	(4,394)	(3,690)
Finance costs	財務費用		
– interest on bank loans wholly repayable within five years	– 須於五年內悉數償還之銀行貸款利息	(5,439)	(3,655)
Profit before income tax	除所得稅前溢利	4,635	4,610
Loss on disposal of Fuzhou Dartong	出售福州大通之虧損	(5,216)	–
Income tax expense	所得稅開支	(879)	(365)
(Loss)/Profit for the period	本期間(虧損)/溢利	(1,460)	4,245

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

12. DIVIDENDS

12.1 Dividends attributable to the six months ended 30 June 2011 were as follows:

12. 股息

12.1 截至二零一一年六月三十日止六個月之應佔股息如下：

Interim dividend of HK1 cent per share (Six months ended 30 June 2010: HK1.5 cents) 中期股息每股1港仙 (二零一零年六月三十日止六個月：1.5港仙)

Six months ended 30 June	
六月三十日止六個月	
2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
41,460	55,430

The interim dividend declared after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of share premium.

於報告日後宣派之中期股息並無於報告日確認為負債，惟已反映為股份溢價之分派。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

12. DIVIDENDS (Continued)

12.2 Dividends attributable to the previous financial year and approved during the period were as follows:

12. 股息(續)

12.2 期內批准過往財政年度應佔股息如下：

Six months ended 30 June

六月三十日止六個月

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Audited)
(未經審核)	(經審核)

Final 2010 dividend in respect of the previous financial year, of HK3.5 cents per share (Six months ended 30 June 2010: Final 2009 dividend of HK4.1 cents per share)	上一財政年度二零一零年末期股息每股3.5港仙 (二零一零年六月三十日止六個月：二零零九年末期股息每股4.1港仙)
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145,044*

151,509

* The actual final dividend paid for the six months ended 30 June 2011 was HK\$145,044,000 as a result of the increase in ordinary shares. During the six months ended 30 June 2011, 54,055,000 ordinary shares were issued due to exercise of share options before the closure of members' register on 23 May 2011 and these ordinary shares were entitled to the final 2010 dividend.

* 由於普通股增加，截至二零一一年六月三十日止六個月之實際末期股息為145,044,000港元。截至二零一一年六月三十日止六個月，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股普通股因行使優先認購股份權而發行，該等普通股均有權收取二零一零年末期股息。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

13. EARNINGS/(LOSS) PER SHARE

The calculations of the basic and diluted earnings/(loss) per share attributable to owners of the Company are based on the following data:

13. 每股盈利/(虧損)

本公司擁有人應佔每股基本及攤薄盈利/(虧損)乃根據以下數據計算：

		Six months ended 30 June	
		六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit/(loss) 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/(虧損)：		
- Continuing operations	- 持續經營業務	156,706	192,256
- Discontinued operations	- 已終止經營業務	(1,460)	4,245
Total profit from continuing and discontinued operations	持續經營及已終止經營業務溢利總額	155,246	196,501

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

13. EARNINGS/(LOSS) PER SHARE (Continued)

13. 每股盈利/(虧損)(續)

		Number of shares	
		Six months ended 30 June	
		股份數目	
		六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		'000	'000
		千股	千股
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	計算每股基本盈利所依據之普通股加權平均數	4,126,852	3,597,494
Effect of dilutive potential ordinary shares:	潛在普通股之攤薄影響：		
– share options issued by the Company	– 本公司發行之優先認購股份權	95,878	73,757
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	計算每股攤薄盈利所依據之普通股加權平均數	4,222,730	3,671,251

Diluted loss per share from discontinued operations for the six months ended 30 June 2011 was not presented because the impact of the exercise of the share options was anti-dilutive.

由於行使優先認購股份權具有反攤薄效果，因此截至二零一一年六月三十日止六個月期間之已終止經營業務概無呈列每股攤薄虧損數額。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

14. PROPERTY, PLANT AND EQUIPMENT AND PREPAID LAND LEASE PAYMENTS

During the six months ended 30 June 2011, the Group acquired property, plant and equipment of HK\$38,400,000 (Six months ended 30 June 2010: HK\$13,316,000). No property, plant and equipment were disposed of during the six months ended 30 June 2011 (Six months ended 30 June 2010: HK\$244,000).

As at 30 June 2011, certain of the Group's buildings with carrying amount of HK\$910,000 have been pledged to secure certain banking facilities granted to the Group (31 December 2010: HK\$833,000) (note 21).

As at 30 June 2011, the Group has not yet obtained the title certificates for certain leasehold buildings in the PRC with an aggregate carrying amount of approximately HK\$2,346,000 (31 December 2010: HK\$2,067,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these leasehold buildings. The Group is now in process of obtaining the title certificates from the relevant government authorities.

14. 物業、廠房及設備以及預付土地租賃款項

於截至二零一一年六月三十日止六個月內，本集團購入物業、廠房及設備38,400,000港元(截至二零一零年六月三十日止六個月：13,316,000港元)。截至二零一一年六月三十日止六個月並無售出任何物業、廠房及設備(截至二零一零年六月三十日止六個月：244,000港元)。

於二零一一年六月三十日，本集團賬面值為910,000港元之若干樓宇已抵押，以為本集團取得若干銀行融資(二零一零年十二月三十一日：833,000港元)(附註21)。

於二零一一年六月三十日，本集團尚未就其於中國賬面總值約2,346,000港元(二零一零年十二月三十一日：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，本集團為有關租賃樓宇之公平及合法擁有人。本集團正在向有關政府機關申請業權證明。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

15. INVESTMENT PROPERTIES

As at 30 June 2011, certain of the Group's investment properties with carrying amount of HK\$18,800,000 (31 December 2010: HK\$18,800,000) have been pledged to secure banking facilities granted to the Group (note 21).

15. 投資物業

於二零一一年六月三十日，本集團賬面值為18,800,000港元(二零一零年十二月三十一日：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21)。

16. GOODWILL

16. 商譽

	30 June 2011	31 December 2010
	二零一一年 六月三十日	二零一零年 十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
At 1 January	621,382	621,382
Acquisition of subsidiaries (note a)	8,423	-
At 30 June/31 December	629,805	621,382

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

16. GOODWILL (Continued)

Note

- a. On 29 June 2011, the Company acquired the entire equity interests of Eterna AG Uhrenfabrik and its subsidiary, which is principally engaged in the manufacturing and distribution of watches and timepieces in Switzerland for a cash consideration of HK\$213,920,000. Details of the goodwill arising from the acquisition are as follows:

Purchase consideration
Fair value of net assets acquired

收購代價
購入資產淨值公平值

Goodwill

商譽

HK\$'000
千港元

213,920
(205,497)

8,423

16. 商譽(續)

附註

- a. 於二零一一年六月二十九日，本公司收購Eterna AG Uhrenfabrik及其附屬公司(其主要於瑞士從事鐘錶及時計產品之製造及分銷業務)全部股本權益，現金代價為213,920,000港元。收購產生之商譽詳情如下：

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

17. 可供出售金融資產

Listed equity investment
in the PRC, at fair value

中國上市股本投資，
公平值

Unlisted equity investments,
at cost
Less: Provision for impairment

非上市股本投資，
成本值
減：減值撥備

	30 June 2011	31 December 2010
	二零一一年 六月三十日	二零一零年 十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
	1,218,447	1,113,018
	3,554	3,554
	(3,477)	(3,477)
	77	77
	1,218,524	1,113,095

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

As at 30 June 2011, the listed equity investment in the PRC represented 14.78% (31 December 2010: 14.78%) equity interest in Citychamp Dartong Company Limited (referred to "Citychamp" and its shares referred to as the "Citychamp Shares").

On 25 May 2011, Citychamp declared a cash dividend of RMB0.5 for every 10 Citychamp Shares. Cash dividend of HK\$6,551,000 was received by the Group and recognised in the profit or loss for the six months ended 30 June 2011 (Six months ended 30 June 2010: HK\$5,172,000).

During the period, the increase in fair value of Citychamp Shares of HK\$105,429,000 (six months ended 30 June 2010: decrease of HK\$458,203,000) has been dealt with in other comprehensive income and the investment revaluation reserve.

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

17. 可供出售金融資產(續)

於二零一一年六月三十日，於中國上市之股本投資指於冠城大通股份有限公司(稱為「冠城」，其股份稱為「冠城股份」)之14.78%(二零一零年十二月三十一日：14.78%)股本權益。

於二零一一年五月二十五日，冠城就每10股冠城股份宣派現金股息人民幣0.5元。本集團截至二零一一年六月三十日止六個月已收取及於損益確認6,551,000港元(截至二零一零年六月三十日止六個月：5,172,000港元)之現金股息。

期內，冠城股份公平值增加105,429,000港元(截至二零一零年六月三十日止六個月：減少458,203,000港元)已於其他全面收入及投資重估儲備內處理。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

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未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

18. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

18. 存貨

30 June 2011	31 December 2010
二零一一年 六月三十日	二零一零年 十二月三十一日
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Audited)
(未經審核)	(經審核)
169,181	136,360
20,690	22,362
557,074	270,109
746,945	428,831

19. TRADE AND BILL RECEIVABLES

Ageing analysis of trade and bill receivables as at the reporting dates, based on invoice date, and net of provisions, is as follows:

1 to 3 months	1至3個月
4 to 6 months	4至6個月
Over 6 months	超過6個月

19. 應收賬款及票據

應收賬款及票據於報告日按照發票日期及扣減撥備後之賬齡分析如下：

30 June 2011	31 December 2010
二零一一年 六月三十日	二零一零年 十二月三十一日
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Audited)
(未經審核)	(經審核)
149,244	103,499
15,250	6,595
10,364	3,668
174,858	113,762

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

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未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

20. TRADE AND BILL PAYABLES

Ageing analysis of trade and bill payables as at the reporting dates, based on invoice dates, is as follows:

1 to 3 months	1至3個月
4 to 6 months	4至6個月
Over 6 months	超過6個月

20. 應付賬款及票據

應付賬款及票據於報告日按照發票日期之賬齡分析如下：

30 June 2011 二零一一年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2010 二零一零年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
149,277	121,557
31,441	1,314
10,700	825
191,418	123,696

21. BORROWINGS

As at reporting date, all borrowings were repayable within one year. (31 December 2010: repayable within one year):

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

- (i) a legal charge over certain of the Group's buildings situated in the PRC with a carrying amount of HK\$910,000 (31 December 2010: HK\$833,000) (note 14);
- (ii) a legal charge over certain of the Group's investment properties with carrying amounts of HK\$18,800,000 (31 December 2010: HK\$18,800,000) (note 15).

21. 借貸

於報告日，所有借貸須於一年內償還(二零一零年十二月三十一日：須於一年內償還)：

於報告日，本集團借貸以下列各項作抵押：

- (i) 本集團若干賬面值為910,000港元(二零一零年十二月三十一日：833,000港元)之中國樓宇之法定押記(附註14)；
- (ii) 本集團若干賬面值為18,800,000港元(二零一零年十二月三十一日：18,800,000港元)投資物業之法定押記(附註15)。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

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未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

22. CONTINGENT LIABILITIES

As at 30 June 2011, the Group had no material contingent liabilities (31 December 2010: Nil).

22. 或然負債

本集團於二零一一年六月三十日並無重大或然負債(二零一零年十二月三十一日：無)。

23. CAPITAL COMMITMENTS

23. 資本承擔

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

已訂約但未撥備：購買物業、廠房及設備

30 June 2011	31 December 2010
二零一一年六月三十日	二零一零年十二月三十一日
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Audited)
(未經審核)	(經審核)
—	36,843

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表附註(續)

截至二零一一年六月三十日止六個月

24. RELATED PARTY TRANSACTIONS

24.1 Other than those disclosed elsewhere in the Unaudited Interim Financial Statements, the following transactions were carried out with related parties:

24. 有關連人士交易

24.1 除未經審核中期財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：

Sales of goods to the joint venturer 向合營方銷售貨物
Rental income received from the joint venturer 已收合營方租金收入

Notes:

- (i) Certain directors of the Company are also directors of the joint venturer of the Group's jointly controlled entity. The amounts of sales for both periods were presented under discontinued operations in note 11.3.

Six months ended 30 June

六月三十日止六個月

Notes 附註	2011	2010
	二零一一年	二零一零年
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
(i)	420,000	264,000
(i)	<u>954</u>	<u>933</u>

附註：

- (i) 本公司若干董事亦為本集團共同控制實體之合營方董事。兩段期間之銷售額均呈列於附註11.3之已終止經營業務。

**NOTES TO THE UNAUDITED CONDENSED
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (Continued)**

For the Six Months Ended 30 June 2011

**未經審核簡明綜合中期財務報表
附註(續)**

截至二零一一年六月三十日止六個月

**24. RELATED PARTY TRANSACTIONS
(Continued)**

**24.1 Other than those disclosed elsewhere
in the Unaudited Interim Financial
Statements, the following transactions
were carried out with related parties:
(Continued)**

Notes: (Continued)

(ii) Outstanding balances with related parties:

- (a) As at 30 June 2011, there was no amount due from the joint venturer arising from the sales of goods. As at 31 December 2010, the balance due from the joint venturer arising from the sales of goods was amounted to HK\$55,268,000, which was included in trade and bills receivables under assets of a disposal group classified as held for sale.
- (b) As at 30 June 2011, there was no other receivable due from the joint venturer. As at 31 December 2010, other receivable due from the joint venturer arising of HK\$686,000 was included in prepayments, deposits and other receivables under assets of a disposal group classified as held for sale.

24. 有關連人士交易(續)

**24.1 除未經審核中期財務報表其他
部分所披露者外，本集團曾與
有關連人士進行以下交易：
(續)**

附註：(續)

(ii) 與有關連人士間之尚未償還結餘：

- (a) 於二零一一年六月三十日並無因出售貨物而產生應收合營方款項。於二零一零年十二月三十一日，因出售貨物而產生之應收合營方結餘為55,268,000港元，計入分類為持作出售之出售組別資產項下之應收賬款及票據。
- (b) 於二零一一年六月三十日並無應收合營方之其他款項。於二零一零年十二月三十一日，應收合營方之其他款項686,000港元計入分類為持作出售之出售組別資產項下之預付款項、按金及其他應收款。

NOTES TO THE UNAUDITED CONDENSED
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (Continued)

For the Six Months Ended 30 June 2011

未經審核簡明綜合中期財務報表
附註(續)

截至二零一一年六月三十日止六個月

24. RELATED PARTY TRANSACTIONS

(Continued)

24.2 Compensation of key management
personnel of the Group:

24. 有關連人士交易(續)

24.2 本集團主要管理人員酬金：

		Six months ended 30 June	
		六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Short-term employee benefits	短期僱員福利	6,397	5,034
Post-employment benefits	離職後福利	92	44
Equity-settled share-based compensation	以股本結算之股份補償	254	426
		6,743	5,504

